

Quarterly Activities and Cash Flow Report for the period ending 30 June 2020

Quarter Highlights

- Mining and processing activities continue at Red River's Thalanga Operation in Northern QLD and restart activities are progressing at its Hillgrove Gold Project in NSW.
- Thalanga Operations record quarterly copper concentrate production of 2,697 DMT
- A parcel of historic gold tailings from the Liontown Project was treated through the Thalanga Mill to produce 475 DMT of gold concentrate grading 62.3 g/t Au, 197 g/t Ag and 12.8% Cu
- Thalanga Operations passed the milestone of milling 1.0Mt of ore since Red River restarted operations at the site in September 2017

Thalanga Operations

- Record quarterly copper concentrate production of 2,697 DMT
- Zinc concentrate production of 4,544 DMT
- Lead concentrate production of 1,133 DMT
- Gold concentrate production of 475 DMT
- Total Far West UG capital development of 1038.9m

Development Activities

- \$3.3 million invested in capital development, primarily at Far West
- \$0.2 million invested in exploration activities at Thalanga Operations
- Delivery of gravity gold concentrate circuit for Hillgrove Gold Mine Restart completed

Corporate

- \$15.6 million revenue generated from concentrate sales
- C1 cost of US\$ 0.30 per pound of payable zinc metal
- C2 cost of US\$ 0.64 per pound of payable zinc metal
- C3 cost of US\$ 0.86 per pound of payable zinc metal
- Thalanga Operations EBITDA of \$3.5 million
- Cash balance of \$8.1 million plus financial assets of \$12.9 million (cash backed security bonds and deposits) as at 30 June 2020
- Red River repaid US\$1 million during the quarter on the working capital facility, with the balance at quarter end reducing to US\$5 million.

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1. SAFETY AND ENVIRONMENTAL PERFORMANCE

1.1. Thalanga Base Metal Operations Safety and Environmental Performance

The site headcount during the period was 151 people. There were 74 full-time Red River Resources employees and an additional 77 contractors working in exploration and mining, with a total 95,533 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is 5.22 for year to date. There was one medical treated injury during the quarter, and zero Lost Time Injuries (LTIs).

1.2. Hillgrove Gold Mine Safety and Environmental Performance

The Hillgrove Gold Mines site headcount during the period was five people with 1,920 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is zero for the full year. There were zero medical treated injuries during the quarter, and zero Lost Time Injuries (LTIs).

1.3. Coronavirus (COVID-19) Update

Red River 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. THALANGA BASE METAL OPERATION, QUEENSLAND

Red River's Thalanga Operation is located approximately 65km southwest of Charters Towers in Northern Queensland and 200km from Townsville. Thalanga consists of a 650ktpa capacity processing plant which produces separate copper, lead and zinc concentrates with material precious metal (gold and silver) credits.

The Thalanga Operation is located in the highly prospective Cambro-Ordovician Mt Windsor Volcanic Belt which contains a number of known polymetallic (copper-lead-zinc +/- gold-silver) volcanic hosted massive sulphide (VHMS) deposits and gold deposits.

Red River acquired the Thalanga Operation in 2014 and commenced production from the West 45 deposit in 2017. Production from West 45 ceased in 2020 and ore for the Thalanga Operation is currently being sourced from the Far West underground mine, with plans to develop the Lione town deposit to extend the operational life of Thalanga.

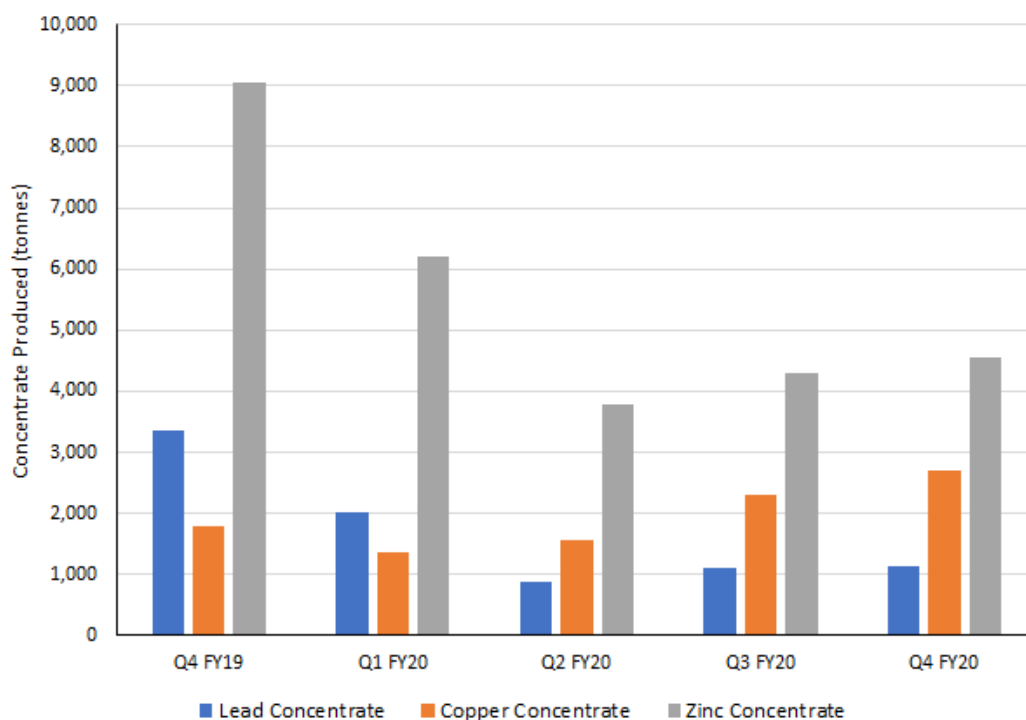
2.1. Operations Update

Thalanga Operations quarterly mine ore production was 83kt @ 1.1% Cu, 1.3% Pb, 3.7% Zn, 0.2 g/t Au & 42 g/t Ag (9.6% Zn Eq.). Thalanga Operations processed 82kt of ore grading 1.0% Cu, 1.3% Pb, 3.4% Zn, 0.2 g/t Au & 44 g/t Ag (9.2% Zn Eq.).

Metal production has continued to improve as production transitioned from West 45 to Far West, with record quarterly copper concentrate production of 2,697 tonnes in Q4 FY20 reflecting higher Far West copper grades.

Total Far West UG capital development of 1038.9m for the quarter (580.8m lateral capital development, 408.7m of decline development and 49.4m of vertical capital development).

Figure 1 Base metal concentrate production by quarter



Zinc concentrate production increased from Q3 FY20, with 4,544 DMT zinc concentrate produced. Lead concentrate production rose from Q3 FY20, with 1,133 DMT lead concentrate produced. Zinc recovery to zinc concentrate averaged 86.4% for the period and a high-quality zinc concentrate grading 54.0% zinc was produced.

Lead recovery to lead concentrate increased to 69.7%, with an average concentrate grade of 67.5% Pb, 4.6 g/t Au & 1,747 g/t Ag produced during the period. Copper recovery to copper concentrate increased to 84.7%, with an average copper concentrate grade of 26.5% Cu, 2.5 g/t Au and 367 g/t Ag.

During the quarter, approximately 13,000 tonnes of historic gold tailings were reclaimed from the Liontown Project site, trucked to Thalanga Operations and processed through the mill to produce 475 DMT tonnes of gold concentrate grading 62.3 g/t Au, 197 g/t Ag and 12.8% Cu.

Figure 2 Reclamation of historical gold tailings at the Liontown Project



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2.2. Concentrate Sales & Marketing

Red River sold 4,151 DMT zinc concentrate, 1,003 DMT lead concentrate and 2,326 DMT copper concentrate during the quarter. All concentrates were delivered under long-term offtake agreements to Trafigura (zinc and lead concentrate) and Glencore (copper concentrate).

The Company continued to execute a short-term hedging program over the quotation period (QP) for sales of zinc and lead metal already produced. Typically, between 80 and 90% of the payable zinc and lead metal for each shipment of zinc and lead concentrates was hedged for the period from the issue of the first provisional sales invoice to the final settlement of the sale, which may occur one to three months later. The QP hedges currently in place on the quarter's zinc concentrate sales are US\$0.91 and US\$0.99 per pound of payable zinc metal and US\$0.81 per pound of payable lead metal.

Table 1 Thalanga Operations Summary for the June 2020 Quarter (Q4 FY20)

	Units	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20 YTD
Total Tonnes Mined	kt	90	100	60	91	83	334
Copper grade	%	0.5	0.4	1.0	1.1	1.1	0.9
Lead grade	%	2.3	1.9	1.2	1.3	1.3	1.5
Zinc grade	%	5.0	3.9	3.5	3.5	3.7	3.7
Gold grade	g/t	0.2	0.3	0.2	0.3	0.2	0.3
Silver grade	g/t	43	36	38	44	42	40.0
Zinc equivalent grade	%	9.8	8.1	9.0	9.4	9.6	9.0
Ore Processed	kt	104	99	66	84	82	331
Copper grade	%	0.6	0.5	0.8	0.8	1.0	0.8
Lead grade	%	2.6	1.8	1.3	1.2	1.3	1.4
Zinc grade	%	5.4	3.6	3.5	3.3	3.4	3.5
Gold grade	g/t	0.3	0.2	0.2	0.2	0.2	0.2
Silver grade	g/t	56	38	40	48	44	42.4
Zinc equivalent grade	%	11.2	7.9	8.4	8.5	9.2	8.5
Zinc Concentrate Produced	DMT	9,057	6,199	3,781	4,310	4,544	18,834
Zinc grade	%	55.4	52.4	52.5	54.8	54.0	53.4
Zinc recovery	%	88.7	90.3	85.8	85.2	86.4	87.3
Lead Concentrate Produced	DMT	3,369	2,016	876	1,117	1,133	5,142
Lead grade	%	64.5	67.1	56.5	63.9	67.5	64.7
Copper grade	%	1.6	1.8	6.1	2.6	2.1	2.8
Gold grade	g/t	2.7	3.9	4.9	5.4	4.6	4.6
Silver grade	g/t	822	892	1,413	1,826	1,747	1,372
Lead recovery	%	79.7	76.0	58.8	68.1	69.7	70.0
Copper recovery	%	9.0	7.9	9.8	4.1	2.8	6.3
Copper Concentrate Produced	DMT	1,806	1,372	1,560	2,310	2,697	7,939
Copper grade	%	23.8	24.5	24.8	25.3	26.5	25.5
Gold grade	g/t	6.8	4.5	2.2	2.9	2.5	2.9
Silver grade	g/t	1,116	818	423	505	367	496
Copper recovery	%	71.1	71.2	70.8	83.9	84.7	79.4
Zinc Concentrate Sold	DMT	9,902	6,191	4,149	4,452	4,151	18,943
Lead Concentrate Sold	DMT	3,422	2,381	945	1,232	1,003	5,562
Copper Concentrate Sold	DMT	1,927	1,425	1,455	2,623	2,326	7,829

*Approximately 13,000 tonnes of historic gold tailings were treated in Q4FY20 to produced 475 DMT of gold concentrate
Table may include rounding errors*

2.3. Project Development Activities

Red River commenced mine design and scheduling activities for the Liontown Project, with the focus being on a combined open pit and underground development with a conceptual mine life of 10+ years.

The Liontown Project has a current Mineral Resource of 4.1Mt @ 0.6% Cu, 1.9% Pb, 5.9% Zn, 1.1 g/t Au & 29 g/t Ag and is located approximately 32km in a direct line from Red River's Thalanga operations and 107km by road. The trucking route by existing road would consist of 21km by unsealed road from Liontown to the junction with the sealed Gregory Development Road, then 86km by sealed road (Gregory Development Road, Flinders Highway, Thalanga Operations Access Road) to Thalanga.

As part of the ongoing development activities, the opportunity was taken during the quarter to reclaim historical Liontown Tailings which were located on the Liontown Project site and process this material at Thalanga to produce a saleable gold concentrate.

Figure 3 Liontown Project Location

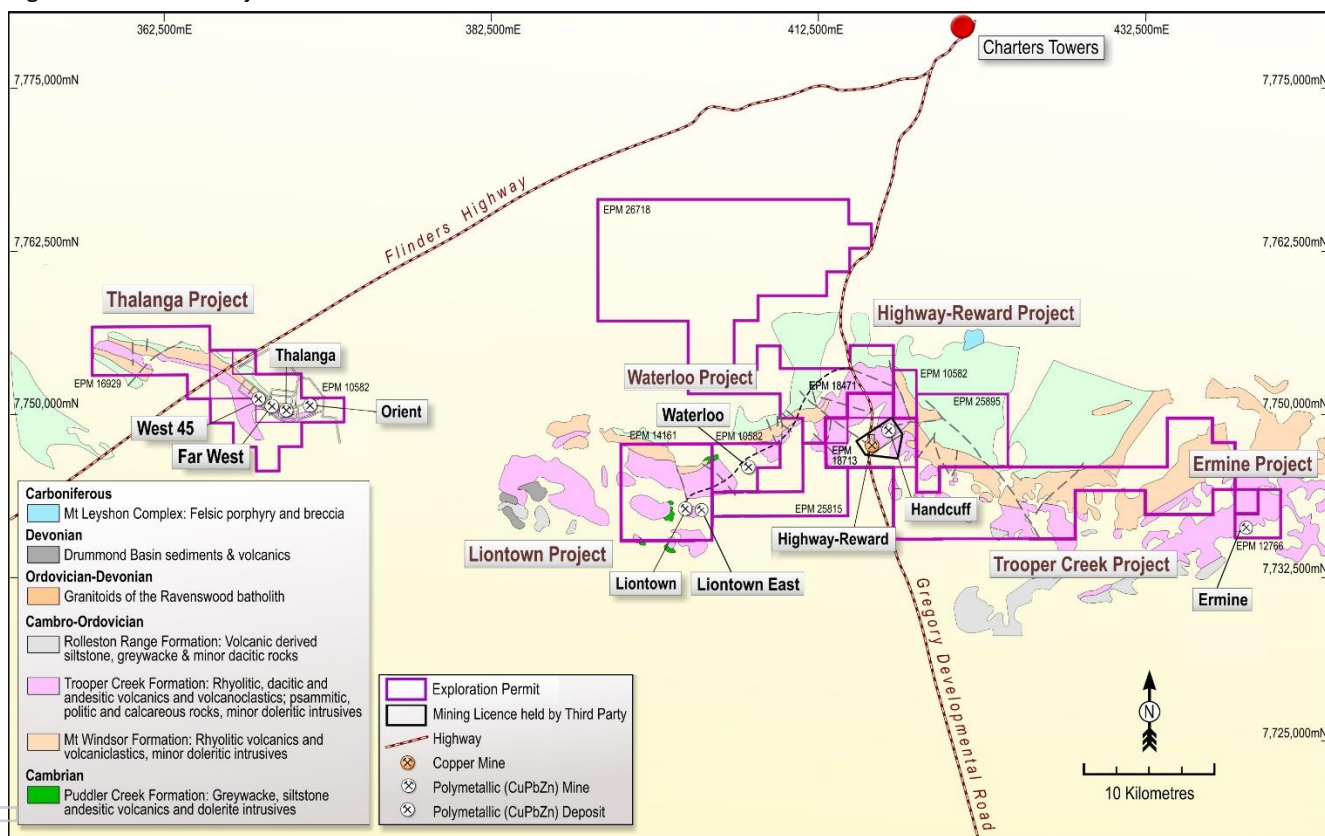


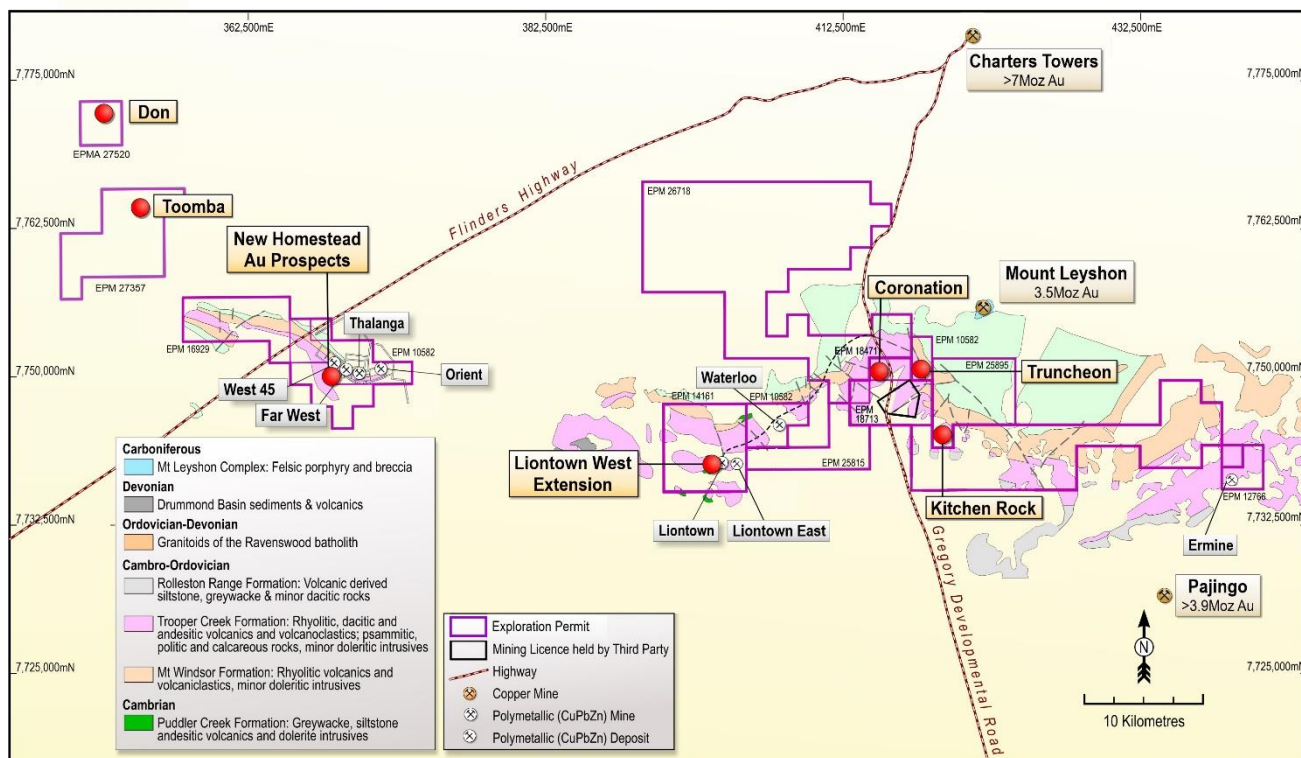
Table 2 Liontown Project Mineral Resource (Fresh Sulphide) (5% Zn Eq. cut-off grade)

Liontown Project Mineral Resource							
Resource Class	Tonnage (kt)	Copper (%)	Lead (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	Zinc Eq. (%)
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
		Copper (kt)	Lead (kt)	Zinc (kt)	Gold (koz)	Silver (koz)	Zinc Eq. (kt)
Contained Metal		26	79	245	152	3,916	526

2.4. Exploration Activities

Red River holds approximately 640km² of exploration tenements in the highly prospective Mt Windsor Volcanic Belt in the Charters Towers Region on Northern Queensland. The tenement package is highly prospective for both volcanic hosted massive sulphide (VHMS) deposits and gold deposits. As part of the Thalanga Gold Strategy, Red River identified multiple high priority gold exploration targets (Figure 4).

Figure 4 RVR Gold Exploration Targets



Red River was granted the Toomba Project (EPM 27357) during the quarter and the Don Project (EPM 27520) subsequent to the end of the quarter. Red River applied for these tenements to target known gold mineralisation within trucking distance of the Thalanga Operations. Both projects have historically produced gold, with small-scale production occurring from mesothermal vein systems hosting high-grade gold mineralisation. Earlier drilling (in 2008/2009) at Toomba intersected high-grade gold mineralisation (2m @ 26.5 g/t Au & 43 g/t Ag) from 43m down-hole.

Refer to the ASX release “Red River builds gold portfolio at Thalanga” dated 1 July 2020 for further information.

3. HILLGROVE GOLD MINE, NEW SOUTH WALES

The Hillgrove Gold Project is located 23km east of Armidale in New South Wales. High-grade gold-antimony-tungsten mineralisation was discovered at Hillgrove in 1857, and modern mining operations commenced at Hillgrove 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).

Red River acquired the Hillgrove Gold Project in August 2019 from a private vendor. The vendor placed the Hillgrove Project in care & maintenance at end 2014 due to low commodity prices.

Figure 5 Hillgrove Gold Project Location

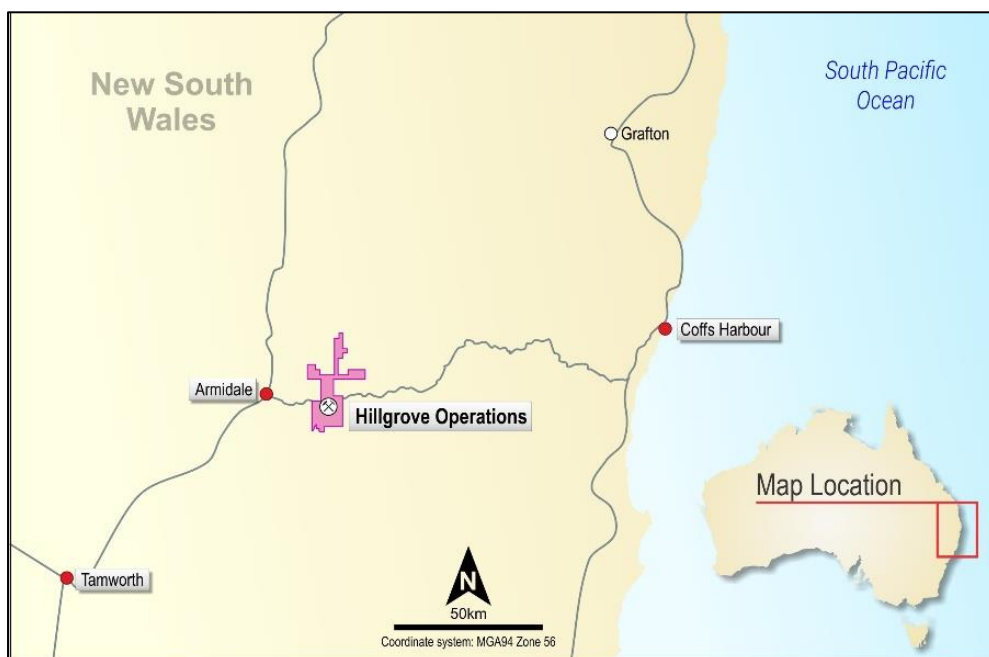


Figure 6 Hillgrove Gold Project



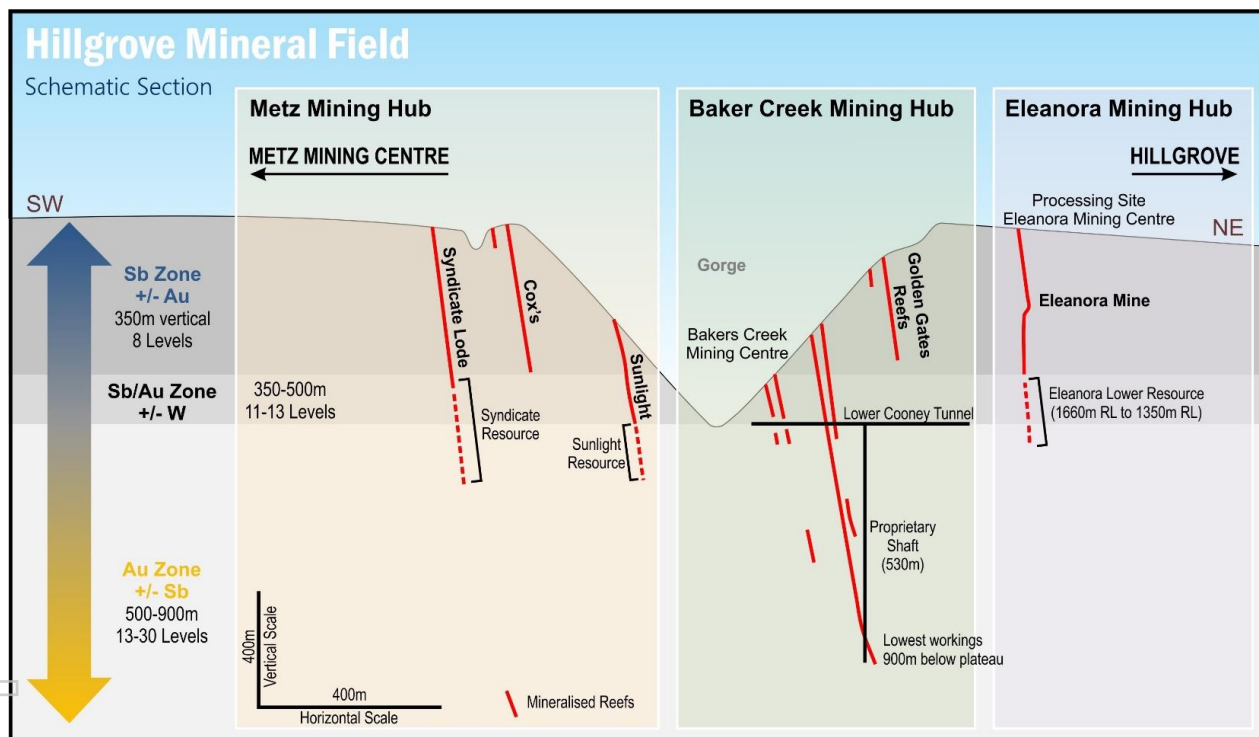
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Red River estimates more than \$200 million has been invested in the Hillgrove Gold Project since 2004 in the following key areas:

- 250ktpa capacity processing plant (constructed in 2008/2009), capable of producing saleable gold and gold-antimony concentrates. Additional antimony alkali leach and electrowinning circuit, pressure oxidation circuit, gold cyanide leach circuit and gold room;
- Offices, warehouses, assay lab and maintenance facilities;
- Underground mining fleet and surface vehicle fleet;
- Lined tailing storage facility with approximately 2 years capacity; and
- Extensive underground development (>10km).

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 vein systems transitioning from shallow antimony dominant mineralisation to gold dominant mineralisation at depth. All known vein systems are open at depth, with potential transition to high grade gold dominant mineralisation at depth

Figure 7 Hillgrove Mineral Field Schematic Section



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).

Hillgrove currently has a JORC 2012 Compliant Mineral Resource of 3.0Mt @ 4.9 g/t Au & 1.6% Sb (477koz Au and 48kt Sb) and an additional material JORC 2004 Compliant Mineral Resource. For further information regarding the JORC 2004 Compliant Mineral Resource, refer to ASX release “Red River acquires Hillgrove Gold-Antimony project in NSW” dated 3 July 2019.

Table 3 Hillgrove Gold Project JORC 2012 Compliant Mineral Resource

Deposit	Classification	Tonnes (kt)	Gold (g/t)	Antimony (%)	Gold Equivalent (Au Eq. g/t)	Contained Gold (koz Au)	Contained Antimony (kt Sb)
Syndicate	Measured	170	4.4	5.5	13.4	24	9
	Indicated	56	4.7	1.7	7.2	8	1
	Inferred	4	9.3	0.3	9.0	1	0
	Total	230	4.5	4.5	11.8	33	10
Sunlight	Measured	270	9.4	0.2	9.0	82	1
	Indicated	260	7.6	0.2	7.3	64	1
	Inferred	150	6.1	0.5	6.3	29	1
	Total	680	8.0	0.3	7.7	175	2
Brackin's Spur	Measured	73	5.1	0.9	6.2	12	1
	Indicated	640	4.2	1.8	6.9	86	12
	Inferred	870	4.8	1.3	6.5	134	11
	Total	1,600	4.5	1.5	6.6	231	24
Clark's Gully	Measured	170	1.9	4.2	9.0	10	7
	Indicated	96	2.1	3.1	7.3	6	3
	Inferred	0.4	0.8	3.0	5.8	0	0
	Total	270	2.0	3.8	8.4	17	10
Bakers Creek Stockpile	Measured	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-
	Inferred	225	2.5	-	2.5	18	-
	Total	225	2.5	-	2.5	18	-
Total	Measured	690	5.8	2.6	9.8	129	18
	Indicated	1,100	4.9	1.5	7.0	173	17
	Inferred	1,225	4.5	0.9	5.8	179	11
	Total	3,015	4.9	1.6	7.1	477	48

3.1. Hillgrove Gold Mine Restart Strategy

Red River has undertaken a detailed review in preparation for the restart of the Hillgrove Gold Project. The outcome of the review was a lean capital efficient staged restart process, with Stage One (processing of Bakers Creek Stockpile) scheduled to commence at the end of CY2020, and Stage Two (full restart of UG mining operations) scheduled to commence at the end of CY2021.

Red River has announced a Mineral Resource of 225kt @ 2.5 g/t Au (18koz Au contained) for the Bakers Creek Stockpile. Metallurgical test work completed indicated a total gold recovery (gold recovered to a gravity gold concentrate and a flotation gold concentrate which will both then be leached on site to produce gold dore) of ~80% to gold dore.

Red River will utilise the extensive existing site infrastructure and equipment to deliver a low capital cost restart, with an estimated Stage One capital cost of approximately \$5m.

As part of the Stage One restart, Red River recently acquired a reconditioned Knelson gravity gold concentrator in the US. This has now been delivered to site and the installation process will commence shortly.

Figure 8 Knelson Gravity Gold Concentrator onsite at Hillgrove



3.2. Exploration Activities

Red River holds approximately 425km² of tenements surrounding the Hillgrove Gold Mine, containing the entirety of the Hillgrove Mineral Field (which has a known extent of approximately 9km x 6km) and contains more than 200 known gold-antimony +/- tungsten occurrences

Of these known occurrences, 18 have had significant historical mining activity, and six contain either JORC 2012 and/or JORC 2004 compliant Mineral Resources. Hillgrove has a current JORC 2012 compliant Mineral Resource of 3.0Mt @ 4.9 g/t Au and 1.6% Sb (477koz Au & 48kt Sb) (refer to Table 4) plus a material JORC 2004 compliant Mineral Resource.

Mineralisation at Hillgrove is hosted by a series of fracture-controlled vein systems and breccias, with a known vertical extent in excess of 1,200m (open at depth) and strike extent in excess of 4km. The upper part of the vein systems are dominated by antimony mineralisation (stibnite) as massive stibnite veins within a broad halo of refractory gold in arsenopyrite transitioning to gold dominated mineralisation (visible free gold in arsenopyrite rich halo surrounding quartz breccia and stibnite veins with visible free gold) at depth.

During the quarter, Red River was awarded a grant from the NSW Government (New Frontiers Cooperative Drilling Program – Round 3) to fund an exploration drilling program at the Curry's Block target.

Subsequent to quarter end, Red River commenced drilling activities at Hillgrove. An initial 14-hole (1,310m) drilling program is planned, comprising an eight-hole (690m) drilling program designed to target shallow high-grade gold mineralisation in the upper levels of the Eleanora Lode; followed by a six-hole (620m) drilling program (partially NSW grant funded) to target the high-grade gold-antimony mineralisation at the Curry's Block target.

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4. CORPORATE

4.1. Financial Performance

Financial performance of the Thalanga Operation is summarised in the table below.

Table 4 Thalanga Operations Financial Summary and Indicative Cash Costs for the June 2020 Quarter (Q4 FY20) and FY20 YTD (unaudited)

	Units	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20 YTD
Revenue	\$m	30.5	20.9	12.2	14.5	15.6	63.2
Thalanga Operations EBITDA	\$m	7.6	3.0	(2.4)	(2.6)	3.5	1.5
Indicative Cash Costs							
Payable zinc metal produced	Mlb	9.4	6.1	3.7	4.4	4.6	18.8
Indicative C1 Cash Cost	US\$/lb payable Zn	0.44	0.76	1.13	0.73	0.30	0.71
Indicative C2 Cost	US\$/lb payable Zn	0.68	1.14	1.51	0.99	0.64	1.05
Indicative C3 Cost	US\$/lb payable Zn	0.87	1.35	1.74	1.21	0.86	1.27
<p>All numbers and data are rounded. Discrepancies in totals may exist due to rounding. Payable metal is derived from concentrate offtake agreements C1 cash cost includes actual cash costs plus notional costs (concentrate logistics and realisation costs) C1 cash cost includes credits for copper, lead, gold and silver notionally priced at for the period (Q4 FY20: copper US\$2.38/lb, lead US\$0.75/lb, gold US\$1,707/oz and silver US\$16.02/oz) C1, C2 and C3 costs, excluding gold concentrate produced during the quarter were, for the June quarter/ YTD respectively, C1: 0.48/0.75; C2: 0.83/1.09; C3: 1.05/1.31</p>							

Revenue during the quarter was \$15.6 million, with \$5.7 million from sale of zinc concentrate, \$1.7 million from the sale of lead concentrate, \$5.2 million from sale of copper concentrate and \$3.0 million from sale of payable precious metals (gold and silver) contained in copper and lead concentrates.

Due to timing of sales and the gold concentrate campaign, unsold concentrate stock levels at the end of the quarter (zinc concentrate 586 DMT, lead concentrate 232 DMT and copper concentrate 506 DMT) were higher than usual. Additionally, closing stocks of 475 DMT of gold concentrates realised net revenue of US\$1.6 million in early July.

Thalanga Operations quarterly EBITDA (unaudited) was \$3.5 million, an increase of \$6.1 million over the prior quarter. Compared to the previous quarter:

- Revenue was \$1.1 million higher due to higher metal prices (\$2.4 million), being partially offset by lower sales volumes (\$1.3 million).
- Sales realisation expenses were \$2.5 million lower due to lower sales volumes and a significant reduction in concentrate treatment charges, as compared to the prior quarter.
- Operating costs were \$2.5 million lower. The costs of recovering and handling the Lione town tails was more than offset by the transfer of operating costs associated with the higher closing concentrate inventories to the balance sheet.

C1 Cash costs for the period decreased compared to the prior quarter primarily due to lower concentrate treatment charges and higher by-product credits derived from record copper concentrate production and the production of gold concentrate. Payable zinc produced increased by 4% quarter on quarter in addition to the production of gold concentrate.

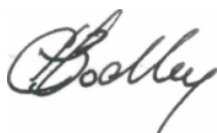
Working Capital Facility

The Company repaid US\$1.0 million on the working capital facility during the quarter. US\$5.0 million or AU\$7.3 million remained drawn at the end of the quarter.

Cash at bank at the end of the quarter was \$8.1 million, a decrease of \$4.6 million as compared to the prior quarter. This was after investing \$3.3 million in mine development, (primarily the Far West underground mine), \$0.2 million in exploration and repaying \$1.5 million on the working capital facility.

4.2. Royalty Update

Red River and its wholly-owned subsidiary, Cromarty Resources Pty Ltd, have filed their defence and cross claim in the proceedings commenced by Thalanga Copper Mines Pty Ltd on 24 February 2019 and continue to defend the proceedings vigorously. Red River will continue to update the market on these proceedings.



CAMERON BODLEY

Company Secretary

Red River Resources Limited

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

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COMPETENT PERSON STATEMENT

Liontown Mineral Resource

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

Exploration Results (Thalanga)

The information in this report that relates to Exploration Results is based on information compiled by Mr Steven Harper who is a member of The Australasian Institute of Mining and Metallurgy, and a full time employee of Red River Resources Ltd., and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (JORC Code).

Mr Harper consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Bakers Creek Stockpile Mineral Resource

The information in this report that relates to the estimation and reporting of the Bakers Creek Stockpile Resource is based on and fairly represents, information and supporting documentation compiled by Mr Mitchell Tarrant who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Red River Resources Ltd.

Mr Tarrant 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 Tarrant 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 Bakers Creek Stockpile estimation is based on and fairly represents, information and supporting documentation compiled under the overall supervision and direction of Mr Carolan who is a Member of The Australasian Institute of Mining and Metallurgy and a full-time employee of Red River Resources Ltd.

Hillgrove Mineral Resource

The information in this report that relates to the reporting of the Hillgrove 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

Hillgrove Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Mr Mitchell Tarrant who is a member of The Australasian Institute of Mining and Metallurgy, and a full time employee of Red River Resources Ltd., and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (JORC Code).

Mr Tarrant 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 – Tenement Interests

1. QUEENSLAND

As at 30 June 2020, Red River had an interest in the following exploration permit minerals (EPM) and mining leases (ML) in Queensland.

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

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

Table 6 RVR Mining Leases (ML) (Queensland)

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

2. NEW SOUTH WALES

As at 30 June 2020, Red River had an interest in the following exploration licences (EL), gold leases (GL) mining leases (ML), mining purpose leases (MPL) and private land leases (PLL) in New South Wales (NSW).

Table 7 RVR Exploration Licences (EL) (NSW)

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

Table 8 RVR Mining Leases (ML) (NSW)

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

Table 9 RVR Gold Leases (GL) (NSW)

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

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

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

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

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

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

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

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

Zinc Equivalent Calculation

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

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

Where:

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

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

Table 1 Metallurgical Recoveries and Metal Prices

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

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

Table 2 Payable Metal Factors

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

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

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

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

Table 3 Metal Equivalent Factors

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

Gold Equivalent Calculation

It is Hillgrove Mines Pty Ltd opinion that all the elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold, based on previous mill production and sales. The gold equivalent (Au Eq.) and the cut-off are based on the following:

- Metallurgical testwork (carried out in 2016 and 2017) and mill production data demonstrates that total gravity/float recoveries of 91% gold (Au) and 86% antimony (Sb) are achievable.
- Net smelter return calculations for the deposits indicate that Au Eq. grades above 4.8 g/t are economic, based on site costs, mill recoveries, off-site transportation and royalty costs.
- The Sunlight deposit has a particle gold component that is amenable to gravity separation that represents 20% of total gold recovery.

Au Eq. was calculated based on commodity prices as at 18 July 2017. The individual grades, the assumed commodity prices and metal recoveries, and the Au Eq. formula are as follows:

- $\text{Au Eq. (g/t)} = (\text{Au g/t} \times 91\%) + (2.0 \times \text{Sb \%} \times 86\%)$
 - Where $2.0 = (\text{US}\$7,950/100) / (\text{US}\$1,234/31.1035)$
 - Gold price = US\$1,234/oz and gold recovery = 91%

Antimony price = US\$7,950/tonne and antimony recovery = 86%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Red River Resources Limited

ABN

35 100 796 754

Quarter ended ("current quarter")

June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers*	17,176	64,475
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development*	(3,329)	(13,130)
	(c) production*	(9,002)	(37,997)
	(d) staff costs	(2,817)	(10,207)
	(e) administration and corporate costs*	(600)	(3,220)
	(f) sales realisation expenses	(2,859)	(20,817)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	67	320
1.5	Interest and other costs of finance paid	(130)	(379)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST/BAS)	159	(805)
1.9	Net cash from / (used in) operating activities	(1,335)	(21,759)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(49)	(405)
	(d) exploration & evaluation (capitalised)*	(216)	(2,451)
	(e) investments	-	-
	(f) other non-current assets	(11)	(35)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (primarily increase in rehabilitation bonds)	-	(89)
2.6	Net cash from / (used in) investing activities	(276)	(2,980)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(18)
3.5	Proceeds from borrowings	-	10,585
3.6	Repayment of borrowings	(1,686)	(2,280)
3.7	Transaction costs related to loans and borrowings	(245)	(245)
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liability)*	(1,089)	(1,140)
3.10	Net cash from / (used in) financing activities	(3,020)	6,902

* Quarter / YTD includes repayment of lease liability (18)/(69); impact of movement in AUD:USD exchange rate on borrowings (1,071)/(1,071).

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,711	25,918
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,335)	(21,759)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(276)	(2,980)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3,020)	6,902

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,080	8,080

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,007	12,711
5.2	Call deposits	73	
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,080	12,711

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	197
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

**Current quarter
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments are director fees paid to NED and Executive Directors: \$157k

Provision of accounting, taxation and corporate secretarial services – Hanson Porter Curzon Pty Ltd: \$40k

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities (USD working capital facility converted at \$0.685777 AUD:USD EOM rate)	14,582	7,291
7.2 Credit standby arrangements	30	0
7.3 Other (please specify)	-	-
7.4 Total financing facilities	14,612	7,291

7.5 **Unused financing facilities available at quarter end** 7,321

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 USD10 million working capital facility. Lender: Trafigura Pte Ltd. Interest rate: 5.45%. Secured. Repayment is currently scheduled by 30th September 2020. Movement in the AUD:USD exchange rate during the past quarter has resulted in an A\$1.07 million decrease to the \$A debt originally drawn on 31st March 2020 (\$A9.818 million reduced to \$A8.747 million). This foreign exchange gain is show at item 3.9 under 'cashflows from financing activities'.

7.2: This is the company credit card facility with the NAB. Credit cards are automatically direct debited every month thus ensuring no interest is charged.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,335)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(216)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,551)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	8,080
8.5 Unused finance facilities available at quarter end (Item 7.5)	7,321
8.6 Total available funding (Item 8.4 + Item 8.5)	15,401
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	9.9

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

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Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

28/07/2020

Date:

Cameron Bodley

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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