



Thalanga Zinc Project – Restart Update

Red River Resources Limited (ASX: RVR) (“Red River” or the “Company”) is pleased to confirm that restart of its Thalanga Zinc Project in Queensland is imminent. Red River will commence commissioning in Q3 2017 and restart commercial production early in Q4 2017.

Plant & Infrastructure Refurbishment

Thalanga plant, site rehabilitation and restart activities continued during July with the following undertaken:

- Roof and structural repairs completed on the fine ore bin;
- Conveyor belts to the fine ore bin and underneath the fine ore bin have been replaced;
- Cyclone feed nest removed and currently being refurbished; and
- Crushing circuit commissioned and fully operational.

At the end of July, approximately 85% of the outstanding tasks to finish the refurbishment of the plant and infrastructure had been completed. The plant is on schedule to commence commissioning activities in Q3 CY2017 and is forecast to restart commercial production early in Q4 CY2017.

Operational Readiness

- All operational appointments have been made and positions filled;
- All pumps have been replaced and/or refurbished and commissioning commenced;
- Bulk of reagents have been delivered to site; and
- Mill motors commissioning has commenced.

West 45

- 289.4m of development completed with the decline development (98.4m) and ore development (92.8m) taking priority;
- 6,200 tonnes of development ore were delivered to ROM pad, from Level 956, 936 and 916 Eastern and Western ore drives;
- Stopping blocks have been designed and slot development to commence shortly;
- Raise bore completed the return air raises between Levels 956, 936 and 916 respectively (32.7m); and
- Extension of 956 and 936 Level ore drives continued due to positive extensional drilling results received early on during the month.

1. Thalanga Plant and Site

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.

The Thalanga Plant is fully permitted. The plant is forecast to restart commercial production early in Q4 CY2017.

Figure 1 Thalanga Plant and Processing Infrastructure



1.1. Plant & Infrastructure Refurbishment

Significant progress was made during the period, as the rehabilitation and restart activities at the Thalanga Plant and site continued. Major items completed during the period included:

- Roof and structural repairs completed on the fine ore bin;
- Conveyor belts to the fine ore bin and underneath the fine ore bin has been replaced;
- Cyclone feed nest removed and currently being refurbished; and
- Crushing circuit commissioned and fully operational.

At the end of July, approximately 85% of the outstanding tasks to finish the refurbishment of the plant and infrastructure had been completed. The plant is on schedule to commence commissioning activities in Q3 CY2017.

Figure 2 Crushing Circuit Commissioned and Operational



Figure 3 Crushing Circuit Commissioned and Operational



Figure 4 Fine ore bin roof installation completed



1.2. Operational Readiness

The Thalanga site team continued to focus on increasing the operational readiness of Thalanga during the period.

Key work completed included:

- All operational appointments have been made and positions filled;
- All pumps have been replaced and/or refurbished and commissioning commenced;
- Bulk of reagents have been delivered to site – commissioning of reagent lines to flotation cells and dosing pumps started; and
- Mill motors commissioning has commenced.

Figure 5 Flotation reagents being delivered to site



Figure 6 Tailings pump installed and commissioned



2. West 45

The West 45 deposit is located 1.7km west of the Thalanga Plant and is ~1.4km by unsealed road from the portal to the run of mine (ROM) ore pad. Development and mining activities at West 45 continued during the period.

Activities during the period included:

- 289.4m of development completed with the decline development (98.4m) and ore development (92.8m) taking priority;
- 6,200 tonnes of development ore were delivered to ROM pad, from Level 956, 936 and 916 Eastern and Western ore drives;
- Stopping blocks have been designed and slot development to commence shortly;
- Raise bore completed the return air raises between levels 956, 936 and 916 respectively (32.7m);
- Extension of 956 and 936 ore drives continued due to extensional drilling results completed early on during the month;
- Grade control drilling (207m) commenced and results are being incorporated into the mine design;
- Diamond drilling to support mine extension continues; and
- Remote loader arrived on site and commissioning commenced in preparation for commencement of stoping.

Figure 7 Thalanga ROM pad



Thalanga Zinc Project Background

Red River released a Restart Study (the internal study prepared by Red River to assess the potential restart of the Thalanga Zinc Project) in November 2015, which demonstrated the highly attractive nature of the Project. The Project has a low operating cost, low pre-production capital cost (\$17.2 million), and a short timeline to production (six months).

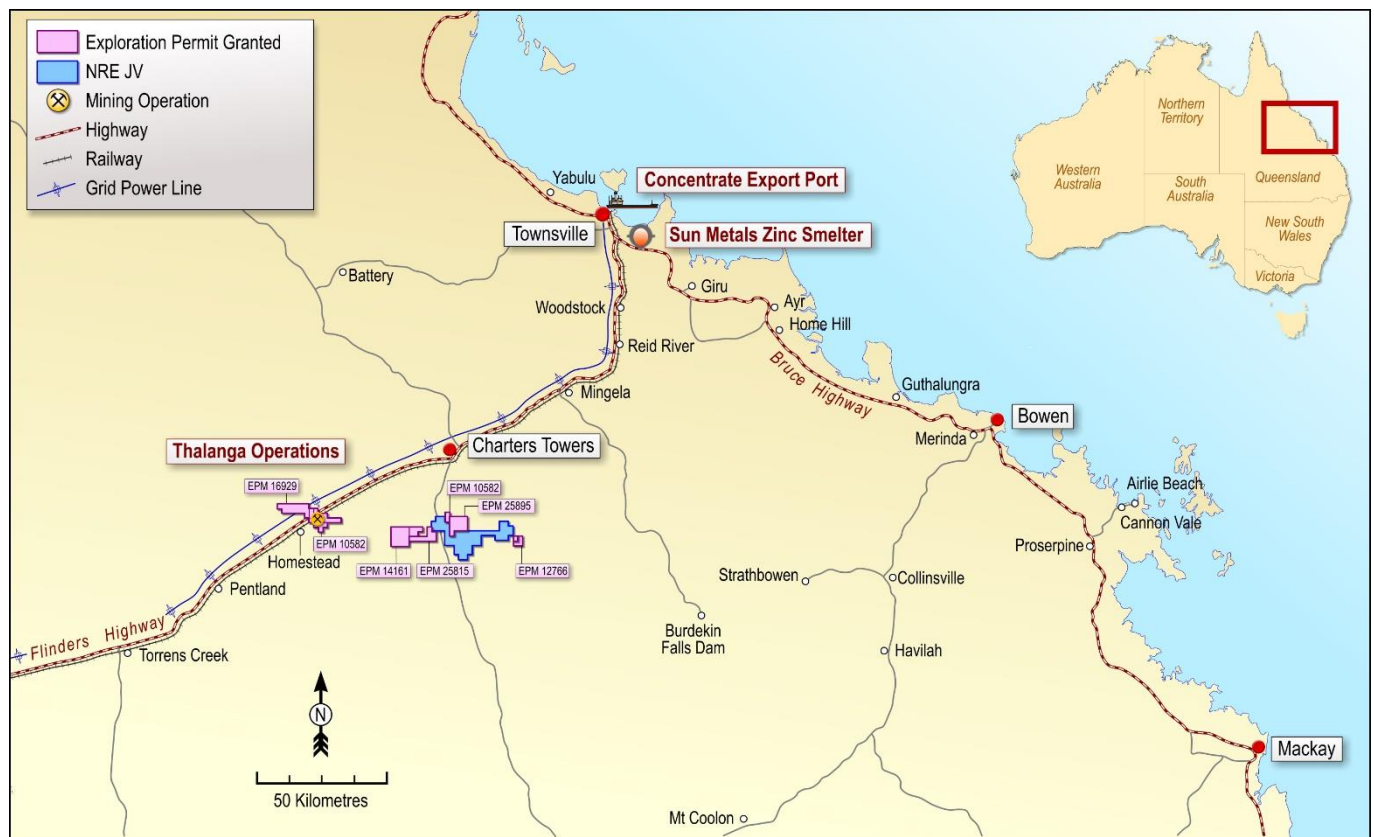
Annual average production is 21,400 tonnes of zinc, 3,600 tonnes of copper, 5,000 tonnes of lead, 2,000 ounces of gold and 370,000 ounces of silver in concentrate over an initial mine life of five years, and there is outstanding extension potential.

Please refer to ASX release dated 12 November 2015 for further details on the Thalanga Zinc Project Restart Study. Red River confirms that all material assumptions underpinning the production target in the ASX release dated 12 November 2015 continue to apply and have not materially changed.

The Thalanga Zinc Project Restart Study is based on production from three deposits – West 45, Far West and Waterloo. The Thalanga Zinc Project Restart Study is based on low level technical and economic assessments and there is insufficient data to support the estimation of Ore Reserves at Far West and Waterloo, provide assurance of an economic development case at this stage, or provide certainty that the results from the Thalanga Zinc Project Restart Study will be realised.

Further, as the production target that forms the basis of the Thalanga Zinc Project Restart Study includes Mineral Resources that are in the Inferred Category and there is a low level of geological confidence associated with Inferred Mineral Resources, there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

Figure 8 Thalanga Zinc Project Location



On behalf of the Board,

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