



ACN 100 796 754

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES**

ABN: 35 100 796 754

**HALF YEAR REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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Corporate Directory

Directors

Mr. Brett Fletcher - Non-executive Chairman
Mr. Melkon Palancian - Managing Director
Mr. Donald Garner - Executive Director
Mr. Mark Hanlon - Non-executive Director

Auditors

RSM Australia Partners
Level 21
55 Collins Street
MELBOURNE VIC 3000

Company Secretary

Mr. Cameron Bodley

Legal Advisors

Piper Alderman
Level 26
71 Eagle Street
BRISBANE QLD 4000

Registered Office

Level 6, 350 Collins Street
MELBOURNE VICTORIA 3000

Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
PERTH WA 6001

Principal Place of Business

“Thalanga Mine”
18144 Flinders Highway
CHARTERS TOWERS QUEENSLAND 4820

Website Address

www.redriverresources.com.au

Country of Incorporation

Red River Resources Limited is domiciled and incorporated in Australia

Stock Exchange Listing

Red River Resources Limited is listed on the Australian Securities Exchange (ASX code : RVR)

Directors' Report

Your Directors present their report together with the financial statements of the consolidated entity, being Red River Resources Limited (the 'Company') and its controlled entities, for the financial half year ended 31 December 2019.

Chairman and Directors

The following persons were directors of Red River Resources Limited during the whole of the financial half year and up to the date of this report, unless otherwise stated:

Name	Position
Current directors	
Mr. Brett Fletcher	Non-executive Chairman
Mr. Melkon Palancian	Managing Director
Mr. Donald Garner	Executive Director
Mr. Mark Hanlon	Non-executive Director

Dividends Paid or Declared

No dividends were paid or declared during the half year. No recommendation for payment of dividends has been made.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated entity during the half year ended 31 December 2019 was the operation and development of the Thalanga Operation and exploration and evaluation of its tenements. The Company completed the acquisition of Hillgrove Mines Proprietary Limited during the period (for further information refer below to 'Review of Operations: 3. Hillgrove Gold Mine, New South Wales'). There were no significant changes in the nature of activities during the half year.

REVIEW OF OPERATIONS

Period Highlights

- Acquisition of Hillgrove Gold Mine in NSW completed in August 2019
- Stopping operations commenced at the Far West Mine, the second underground base metal mine developed by Red River at our Thalanga Operations in QLD
- LioneTown Project drilling program delivered outstanding thick intercepts of high-grade precious metal rich polymetallic mineralisation in the shallow New Queen Lens

1. Safety & Environmental Performance

Thalanga Operations

The site headcount during the period was 163 people. There were 68 full-time Red River Resources employees and an additional 95 contractors working in exploration and mining, with a total 207,589 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is zero for the year to date. There were zero medical treated injuries during the quarter, and zero Lost Time Injuries (LTIs) year to date.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

1. Safety & Environmental Performance (continued)

Hillgrove Gold Mine

For the period from 27 August 2019 (completion of transaction) to 31 December 2019, the Hillgrove Gold Mines site headcount during the period was 5 people with 2,631 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is zero for the year to date. There were zero medical treated injuries during the quarter, and zero Lost Time Injuries (LTIs) year to date.

2. Thalanga Operations, Queensland

Thalanga Operations are located approximately 65km southwest of Charters Towers in Northern Queensland and 200km from the Port of Townsville. The Thalanga Operations consists of a 650ktpa capacity processing plant which produces separate copper, lead and zinc concentrates with material precious metal (gold and silver) credits.

Red River acquired the Thalanga Operation in 2014 and commenced production from the West 45 deposit in 2017, with ore for the Thalanga Operation currently being sourced from the West 45 and Far West underground mines, with plans to develop the Liontown Project to extend the future Thalanga operational life.

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

2.1. Thalanga Operations Summary

Thalanga Operations ore mined for the period was 160kt @ 0.7% Cu, 1.6% Pb, 3.7% Zn, 0.3 g/t Au and 37 g/t Ag (8.4% Zn Eq.), and ore processed was 166kt @ 0.6% Cu, 1.6% Pb, 3.6% Zn, 0.2 g/t Au and 39 g/t Ag (8.1% Zn Eq.)

Mining activities at West 45 started to reduce during the period, with mining at West 45 expected to be completed during Q2 FY20 when West 45 will be placed into care and maintenance.

Thalanga Operations produced 9,980 DMT of zinc concentrate, 2,892 DMT of lead concentrate and 2,932 DMT of copper concentrate during the period.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2. Thalanga Operations, Queensland (continued)

2.1. Thalanga Operations Summary (continued)

Table 1 Thalanga Operations Production Summary for the six months to 31 December 2019

	Units	H1 FY19	H2 FY19	FY19	H1 FY20	YTD FY20
Ore mined	'000 Tns	187	196	383	160	160
Copper grade	%	0.3	1.1	0.4	0.7	0.7
Lead grade	%	2.3	5.4	2.5	1.6	1.6
Zinc grade	%	5.2	10.8	5.3	3.7	3.7
Gold grade	g/t	0.2	0.5	0.2	0.3	0.3
Silver grade	g/t	35	96	42	37	37
Zinc equivalent ⁽¹⁾	%	9.4	21.7	10.2	8.4	8.4
Ore processed	'000 Tns	193	213	407	166	166
Copper grade	%	0.4	1.1	0.5	0.6	0.6
Lead grade	%	2.4	5.5	2.6	1.6	1.6
Zinc grade	%	4.7	10.9	5.1	3.6	3.6
Gold grade	g/t	0.2	0.6	0.2	0.2	0.2
Silver grade	g/t	38	111	47	39	39
Zinc equivalent ⁽¹⁾	%	9.1	22.6	10.3	8.1	8.1
Zinc conc. produced	DMT⁽²⁾	14,495	18,009	32,504	9,980	9,980
Zinc grade	%	56	114.7	56.7	52.4	52.4
Zinc recovery	%	88.5	177.3	88.6	88.5	88.5
Lead conc. produced	DMT⁽²⁾	5,754	7,132	12,886	2,892	2,892
Lead grade	%	64.1	133.8	65.7	63.9	63.9
Copper grade	%	3.6	3.2	2.5	3.1	3.1
Gold grade	g/t	3.1	5.3	2.8	4.2	4.2
Silver grade	g/t	787	1653	809	1050	1050
Lead recovery	%	80.4	161.6	80.7	70.5	70.5
Copper recovery	%	28.8	19.3	16.8	8.9	8.9
Copper conc. produced	DMT⁽²⁾	1,142	3,500	4,642	2,932	2,932
Copper grade	%	28.3	49.2	25.5	24.7	24.7
Gold grade	g/t	5.7	13.5	6.5	3.3	3.3
Silver grade	g/t	915	2072	1008	608	608
Copper recovery	%	45.3	144.6	62.2	71.00	71.00
Zinc conc. sold	DMT⁽²⁾	12,870	18,954	31,824	10,340	10,340
Lead conc. sold	DMT⁽²⁾	5,444	7,180	12,624	3,326	3,326
Copper conc. sold	DMT⁽²⁾	882	3,935	4,817	2,880	2,880

⁽¹⁾ Zinc equivalent (Zn Eq.) has been calculated using the metal selling prices, recoveries and other assumptions contained in Zinc Equivalent Calculation as part of Mineral Resource and Ore Reserve Statement. It is the Company's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

⁽²⁾ Dry metric tonne

Tonnages and grades are rounded. Discrepancies in totals may exist due to rounding.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2. Thalanga Operations, Queensland (continued)

2.2. Project Development Activities

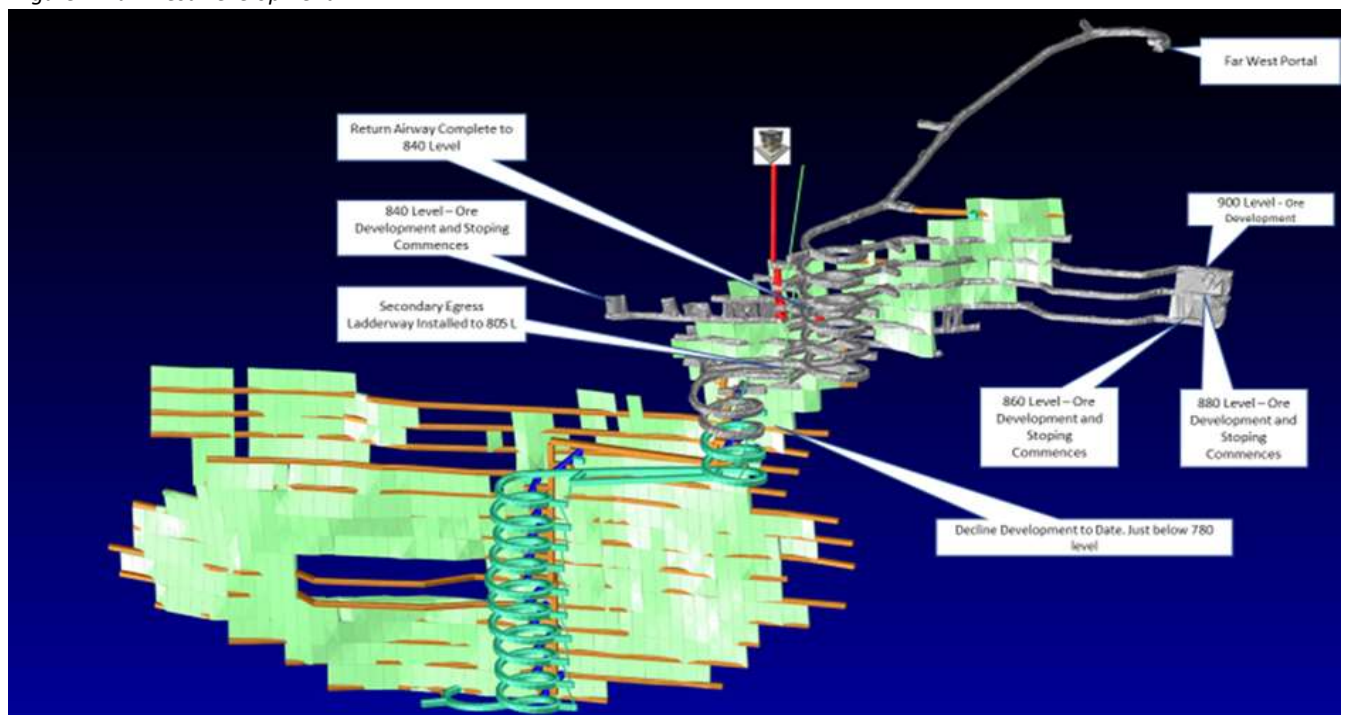
The first production stope at Far West (Far West 840-2902 Stope) was fired and stope ore from Far West was delivered to the Thalanga ROM Pad during the period. Far West is the second mine successfully developed and delivered by Red River at the Thalanga Operation over the past two years.

Red River continued to invest in the development of the Far West mine during the period, with 2,145m of lateral development completed:

- Far West decline development of 411m and vertical development of 178m ;
- Total ore development of 1,178m; and
- Other lateral waste development of 556m

Total Far West development to period end was 4,604m including 1,651m of decline development.

Figure 1 Far West Development



Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2. Thalanga Operations, Queensland (continued)

2.3. Exploration Activities

Red River holds approximately 580km² 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.

Red River continued to drill at the Liontown Project during the period. The drilling program was designed to infill proposed mining areas, undertake geotechnical design assessment of conceptual mining, generate samples for additional metallurgical test work and extend known mineralisation in the New Queen Lens, Main Lens and the Carrington Lode.

At period end, 34 drill holes were completed (for 5,278m drilled). The drilling program was an outstanding success, with multiple thick high-grade intercepts of precious metal rich, particularly gold polymetallic (copper lead zinc) mineralisation returned at shallow depths in the New Queen Lens.

Red River is working to update a JORC 2012 Mineral Resource estimate for the Liontown Project and has commenced preliminary mining studies. The Mineral Resource estimate will be completed when the assays for the outstanding holes are received. Completion of Mineral Resource estimate will allow the outcome of the preliminary mining studies to be finalised.

Continued high-grade polymetallic results from Liontown has led Red River to focus to on developing the Liontown Project as the third mining operation at Thalanga. Red River had previously planned to develop the zinc-rich Waterloo Project, which will now be placed on hold.

Red River can use a pre-existing Mining Lease (ML 10277) to accelerate development of the New Queen Lens, increasing Red River's exposure to copper and gold production at Thalanga Operations.

Red River engaged a geological consultant (Nick Tate, Geomap) in October 2019 to undertake a review of the gold potential of Red River's tenements in the Charters Towers region. Mr Tate spent 16 days on site at Thalanga to review known gold targets, consisting of mapping, sampling and a review of historic exploration activities. The review confirmed the highly prospective nature of Red River's tenement holding and his review prioritised the following targets (New Homestead, Liontown West Extension, Coronation, Truncheon and Kitchen Rock). Red River has commenced exploration activities based on the recommendations of the report.

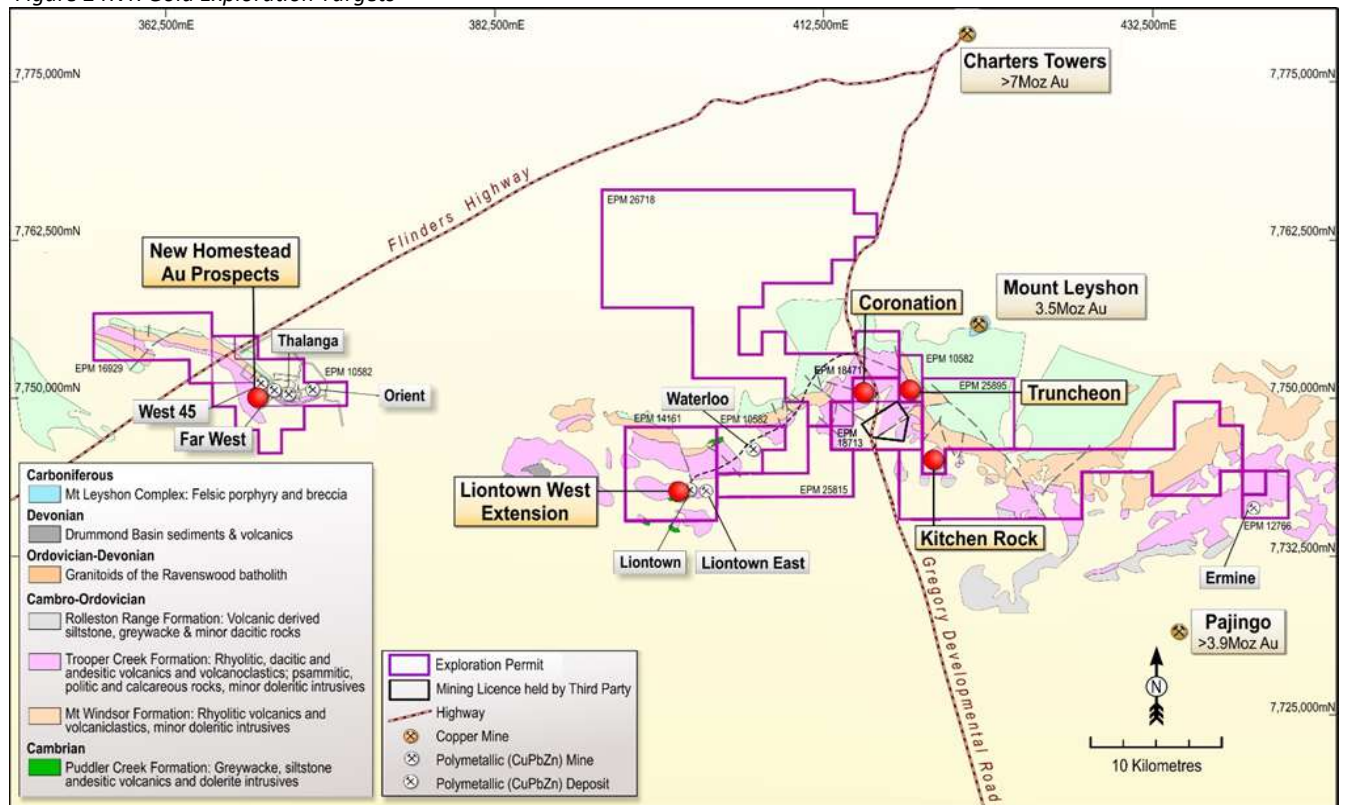
Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2. Thalanga Operations, Queensland (continued)

2.3. Exploration Activities (continued)

Figure 2 RVR Gold Exploration Targets



3. Hillgrove Gold Mine, New South Wales

Red River announced the completion of the Hillgrove Gold Mine acquisition on 27 August 2019. The Hillgrove Gold Mine acquisition is a key step to fulfilling Red River's strategy of building a multi-asset operating business focused on base and precious metals.

The Hillgrove Gold Mine is located approximately 30km from Armidale in New South Wales. Historic mining activity commenced at the site in 1857 and ceased in 1921 and recommenced in 1969.

Historical production at Hillgrove exceeds 730,000 oz of gold (in concentrate and bullion) and 50,000 tonnes of antimony (in concentrate and metal) plus by-product tungsten.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3. Hillgrove Gold Mine, New South Wales (continued)

Material assets acquired as part of the transaction include:

- A 250ktpa processing plant capable of producing saleable gold and gold-antimony concentrates plus antimony alkali leach and electrowinning circuit, pressure oxidation (POX) plant, gold cyanide leach circuit and gold;
- Offices, warehouses, assay lab and maintenance facilities;
- Comprehensive underground mining fleet and surface vehicle fleet;
- Fully lined tailings storage facility with approximately 2 years capacity; and a
- \$4.3 million environmental bond.

Figure 3 Hillgrove Gold Mine showing processing infrastructure and layout



Since 2004, over \$180 million has been invested in underground development, surface infrastructure and processing plant by Straits Resources Limited (2004 to 2009) and most recently by the current owner, Bracken Resources Pty Ltd ("Bracken") which acquired Hillgrove from Straits in 2013 for \$33.2 million (plus the replacement of \$3.9 million in environmental bonds provided by Straits). Bracken subsequently invested over \$40 million in upgrading and recommissioning Hillgrove with production of gold concentrate and antimony-gold concentrate commencing in 2014.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3. Hillgrove Gold Mine, New South Wales (continued)

Hillgrove has a current JORC 2012 compliant Mineral Resource of 2.8Mt @ 5.1 g/t Au and 1.7% Sb (459Koz Au & 48Kt Sb) (refer to Table 2) 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.

Table 2 Hillgrove Mineral Resource at a 5g/t Gold Equivalent cut-off

Classification	Tonnes (kt)	Gold (g/t)	Antimony (%)	Gold Equivalent (g/t)	Contained Gold (Koz Au)	Contained Antimony (Kt Sb)
Measured	690	5.8	2.6	9.8	129	18
Indicated	1,100	4.9	1.5	7	173	17
Inferred	1,000	5.0	1.1	6.5	161	11
Total	2,790	5.1	1.7	7.5	463	46

Source: AMC Consultants Pty. Ltd. Hillgrove Mineral Resource Estimate (August 2017)
Tonnages and grades are rounded. Discrepancies in totals may exist due to rounding.
Gold equivalent (Au Eq.) has been calculated using the metal selling prices, recoveries and other assumptions contained in the AMC Estimate and included this announcement.

The Hillgrove Gold Mine was placed on care and maintenance in 2016 due to low prevailing antimony prices and is currently being maintained by a staff of 5 employees.

3.1. Hillgrove Gold Mine Restart Strategy

Red River has commenced work on the Hillgrove Gold Mine Restart Strategy during the period, with the following undertaken:

- Bulk sampling of the Bakers Creek waste dump (423kg of samples) returned a weighted average grade of 3.0 g/t Au.; and
- Metallurgical consultants were engaged: Consep Pty Ltd – (gravity test work) and Core Resources (flotation and cyanide leach test work) to carry out metallurgical test work on representative samples from the Bakers Creek Waste dump to confirm the optimal flow sheet to maximise gold recovery. Results from this program are expected shortly.

Red River is aiming to restart operations at the Hillgrove Gold Mine in 2020.

Directors' Report (continued)

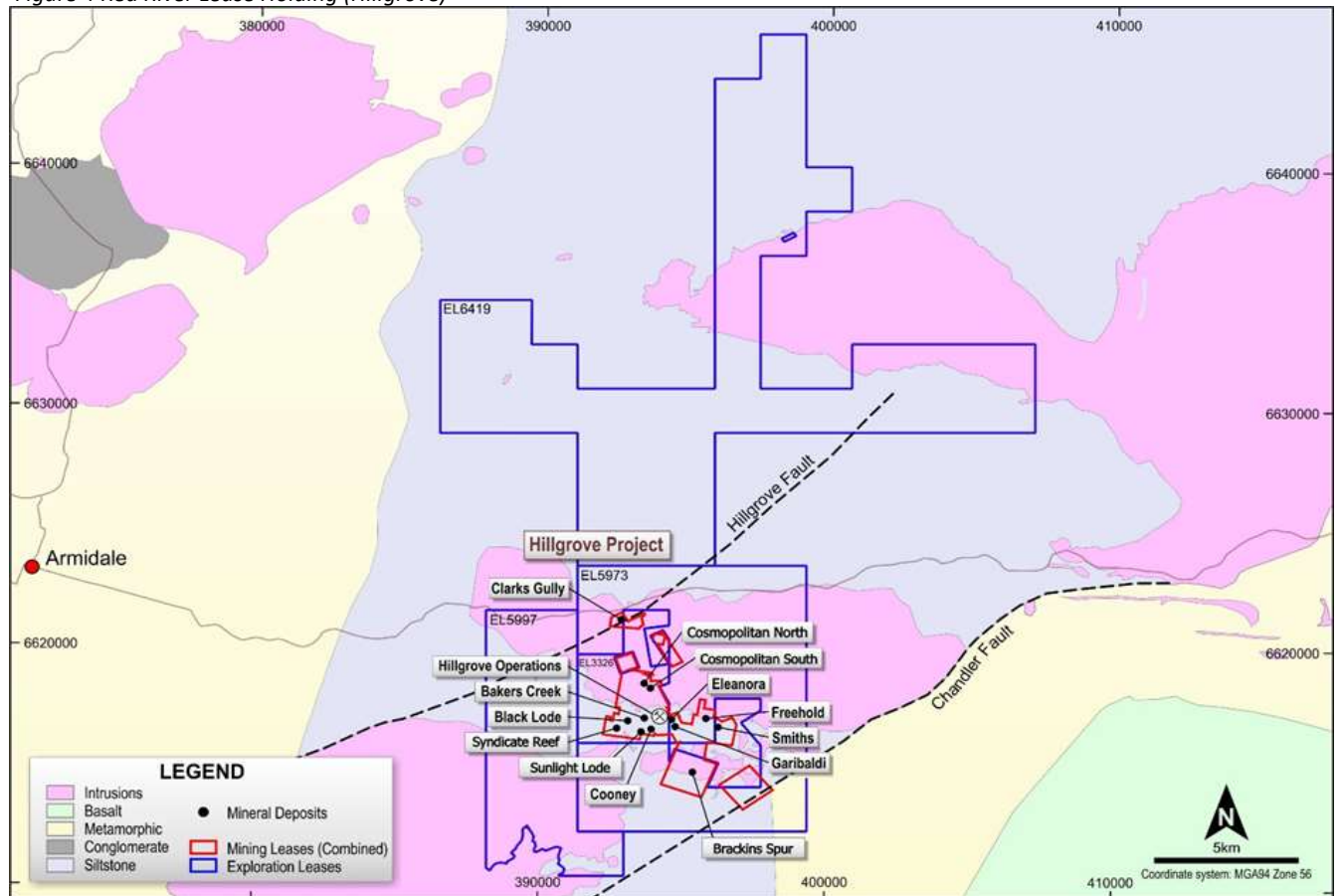
REVIEW OF OPERATIONS (continued)

3. Hillgrove Gold Mine, New South Wales (continued)

3.2. Exploration Activities

The Hillgrove Mineral Field (HMF) contains significant gold-antimony-tungsten mineralisation and covers approx. 9km x 6km. In excess of 200 individual mineral occurrences have been identified in field; and of these, 18 have significant historical mining activity and only 6 have had recent exploration resulting in establishment of resources. Red River now controls the entirety of the HMF and holds 225km² of EIs and 17km² of mining leases (or equivalent).

Figure 4 Red River Lease Holding (Hillgrove)



With the acquisition of the Hillgrove Gold Mine, Red River has gained exclusive access to an extensive and unique historical database (drilling data, underground mapping, sampling and development), representing a huge opportunity to target historical mines that have had no modern exploration activity. Red River has commenced a detailed review of the historical database, and this has highlighted multiple opportunities which the Hillgrove Team are systematically working through.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

Competent Person Statement

Thalanga Operation Exploration Results

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.

Hillgrove Mine Mineral Resources

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 Mine Gold Equivalent Calculation

It is the consolidated entity's 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 test work (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; and
- 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:

- Au Eq. (g/t) = (Au g/t * 91%) + (2.0 * Sb % * 86%) where :
 - 2.0 = (US\$7,950/100) / (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%

END OF OPERATIONS REVIEW

Directors' Report (continued)

REVIEW OF FINANCIAL RESULTS

Profit

The consolidated entity recorded a loss after income tax for the 6 month period to 31 December 2019 of \$5.23 million (December 2018: loss \$2.52 million). The result was impacted by a number of key factors including:

- Revenue from continuing operations amounted to \$32.98 million, compared to \$34.54 million in the previous corresponding period, with lower sales of zinc and lead concentrates being largely offset by increased sales of copper concentrate;
- Net realised and unrealised foreign exchange gains decreased by \$0.74 million as compared to the previous corresponding period with foreign exchange losses of \$0.14 million in the current period as compared to foreign exchange gains of \$0.60 million realised in the prior corresponding period;
- Sales realisation costs increased from \$7.53 million at December 2018 to \$10.28 million at December 2019 with lower sales tonnage (down 14%) being more than offset by increased treatment charges per tonne of zinc concentrate (period on period increase of AUD 275 / tonne) and increased treatment charges per tonne of lead concentrate (period on period increase of AUD 140 / tonne); and
- Production costs (excluding movement in ore and concentrate stocks on hand) decreased from \$19.70 million at December 2018 to \$17.44 million at December 2019 (refer note 4 of accounts), primarily due to lower tonnes being mined and processed.

Cash Flow

Operating cash flow for the period ended 31 December 2019 decreased by \$6.04 million to \$(6.10) million (31 December 2018: \$(0.07) million) with increased sales realisation cash costs being partially offset by reduced operating cash costs. Sales realisation cash costs were impacted by increased zinc and lead concentrate treatment charges and the payment of an additional quarters mineral royalty to the Queensland Government with the transition to paying mineral royalty on a quarterly basis. Operating cash costs decreased primarily due to the decrease in ore tonnes mined and processed.

Cash outflow from investing activities for the period ended 31 December 2019 increased by \$0.48 million to \$8.26 million (31 December 2018: \$7.79 million) with payments for exploration and evaluation decreasing by \$1.58 million and payments for mine property and development increasing by \$1.88 million period on period. The change in expenditure on exploration and mine property and development is as a direct result of the change in activities carried out, with the focus during the period being the construction of the new Far West Mine at Thalanga.

Cash inflow from financing activities of \$0.35 million for the period ended 31 December 2019 were in line with the previous corresponding period (31 December 2018: \$0.35 million).

Cash and cash equivalents decreased in the period ended 31 December 2019 by \$14.02 million with cash and cash equivalent at the end of the period of \$11.90 million (30 June 2019: \$25.92 million)

END OF FINANCIAL REVIEW

Directors' Report (continued)

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity that occurred during the half year.

Events Occurring After Balance Date

17 January 2020 - The Company released its Quarterly Activities and Cash Flow Report for the quarter ended December 2019.

24 January 2020 - The Company announced its plans to restart gold production at its Hillgrove Mine in 2020 using current infrastructure.

11 February 2020 - The Company released a production update for the Thalanga Operation.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Environmental Regulation

So far as the directors are aware, there have been no significant breaches of environmental conditions of the Company's exploration or development licences.

Greenhouse Gas and Energy data reporting requirements

The company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Company intends to take as a result.

The National Greenhouse and Energy Reporting Act 2007 requires the company to report its annual greenhouse gas emissions and energy use.

For the year ended 30 June 2019 the company was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The company will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

Proceedings on behalf of the Company

No person has applied for leave of Court under S.237 of the Corporations Act 2001 to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Auditors' Independence Declaration

A copy of the Auditors Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 16.

Directors' Report (continued)

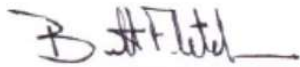
Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to Section 306(3)(a) of the Corporations Act 2001:

On behalf of the Board

RED RIVER RESOURCES LIMITED

A handwritten signature in black ink, appearing to read "B. Fletcher", with a horizontal line extending to the right.

Mr. Brett Fletcher
Non-executive Chairman

26 February 2020
Melbourne, Victoria

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Red River Resources Limited and its Controlled Entities for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

**RSM AUSTRALIA PARTNERS**

J S CROALL
Partner

Dated: 26 February 2020
Melbourne, Victoria

THE POWER OF BEING UNDERSTOOD
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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the period 1 July 2019 to 31 December 2019

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Revenue from continuing operations			
Revenue		32,981	34,542
Other income		40	712
Total revenue and other income	3.	33,022	35,254
Expenses			
Sales realisation expenses		(10,284)	(7,529)
Employment benefits expense		(5,482)	(5,164)
Production costs	4.	(17,173)	(19,081)
Corporate costs		(941)	(665)
General and administration costs		(475)	(318)
Realised and unrealised foreign exchange loss		(142)	-
Total expenses		(34,497)	(32,757)
Earnings / (loss) before interest, tax and depreciation		(1,476)	2,497
Depreciation and amortisation		(5,298)	(5,789)
Impairment - exploration and evaluation costs		(163)	-
Net interest income / (expense)		(69)	(186)
Profit / (loss) before income tax benefit / (expense)		(7,006)	(3,477)
Income tax benefit / (expense)		1,772	954
Profit / (loss) after income tax benefit / (expense) for the half-year		(5,234)	(2,523)
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		(5,234)	(2,523)
Earnings per share for continuing operations			
Basic (loss) / earnings per share (cents)		(1.03)	(0.52)
Diluted (loss) / earnings per share (cents)		(1.03)	(0.51)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes on pages 21 to 29.

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019 \$,000	30 June 2019 \$,000
Current assets			
Cash and cash equivalents	5.	11,903	25,618
Financial assets at amortised cost	5.	-	300
Trade and other receivables		1,850	2,169
Inventories	6.	4,608	3,856
Other	7.	931	455
Total current assets		19,292	32,398
Non-current assets			
Other	7.	12,927	8,471
Deferred tax		3,233	1,461
Property, plant and equipment		9,897	6,191
Right-of-use assets		178	-
Mines property and development	8.	29,194	21,952
Intangibles		419	317
Exploration and evaluation	9.	9,100	11,164
Total non-current assets		64,947	49,556
Total assets		84,239	81,954
Current liabilities			
Trade and other payables		14,931	16,975
Borrowings	10.	537	134
Lease liabilities		72	-
Provisions	11.	788	654
Total current liabilities		16,328	17,762
Non-current liabilities			
Lease liabilities		99	-
Provisions	11.	12,626	7,856
Total non-current liabilities		12,726	7,856
Total liabilities		29,054	25,618
Net assets		55,185	56,336
Equity			
Issued capital	12.	67,770	63,788
Reserves		5,388	5,287
Accumulated losses		(17,972)	(12,738)
Total equity		55,185	56,336

The above Consolidated Statement of Financial Position should be read in conjunction with the notes on pages 21 to 29.

Consolidated Statement of Changes in Equity

As at 31 December 2019

31 December 2019	Note	Issued capital \$,000	Reserves \$,000	Accumulated losses \$,000	Total equity \$,000
Balance at 1 July 2019		63,788	5,287	(12,738)	56,336
Profit / (loss) after income tax expense for the half-year		-	-	(5,234)	(5,234)
Other comprehensive income for the half-year, net of tax		-	-	-	-
Total comprehensive income for the half-year		-	-	(5,234)	(5,234)
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares		4,000	-	-	4,000
- Cost of issue of shares		(18)	-	-	(18)
- Employee share options		-	(16)	-	(16)
- Employee performance rights		-	117	-	117
		3,982	101	-	4,083
Balance at 31 December 2019		67,770	5,388	(17,972)	55,185
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Employee share options		-	46	-	46
- Employee performance rights		-	144	-	144
		-	190	-	190
Balance at 31 December 2018		63,698	5,217	(19,019)	49,895

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes on pages 21 to 29.

Consolidated Statement of Cash Flows
For the half year ended 31 December 2019

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Cash flows from operating activities			
Receipts from customers		35,408	35,689
Payments to suppliers and employees		(41,541)	(35,867)
Net interest received / (paid)		30	112
Net cash from / (used in) operating activities		(6,103)	(66)
Cash flows from investing activities			
Payment for property, plant and equipment		(268)	(321)
Proceeds from release / (payments) in respect of security deposits		(96)	297
Payment for intangibles		-	(156)
Payment for mine properties		(6,131)	(4,250)
Payment for exploration and evaluation		(1,778)	(3,355)
Cash received on acquisition of Hillgrove Mines PL		9	-
Net cash used in investing activities		(8,264)	(7,785)
Cash flows from financing activities			
Share issue transaction costs		(18)	-
Proceeds from borrowings		767	668
Repayment of borrowings		(364)	(318)
Repayment of lease liabilities		(33)	-
Net cash flows from financing activities		352	351
Net increase / (decrease) in cash and cash equivalents		(14,016)	(7,501)
Cash and cash equivalents at the beginning of the half year		25,918	20,178
Cash and cash equivalents at the end of the half year	5.	11,903	12,678

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes on pages 21 to 29.

1. Basis of Preparation of the Half Year Report

Red River Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia and is a for-profit entity for the purposes of preparing financial statements. The financial statements are for the consolidated entity consisting of Red River Resources Limited (the 'company') and its controlled entities which together are referred to as the 'consolidated entity'.

The financial statements were approved for issue by the Directors of Red River Resources Limited (Directors) on 27 February 2019.

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding half year reporting period.

2. New or amended Accounting Standards and Interpretations adopted

A number of new or amended Accounting Standards became applicable for the current reporting period, however, the consolidated entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The adoption of these standards did not have any significant impact on financial performance or position of the consolidated entity. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations have been applied and are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity adopted AASB 16 from 1 July 2019. AASB 16 replaced the current accounting requirements applicable to leases in AASB 117 Leases and related Interpretations. AASB 16 introduced a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116 Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead accounting for all components as a lease; and
- additional disclosure requirements.

The consolidated entity has recognised a right-of-use asset and liability for the lease on its corporate office. The statement of profit or loss and other comprehensive income and statement of financial position was not materially impacted by this adoption of AASB 16.

2. New or amended Accounting Standards and Interpretations adopted (continued)

The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019
	\$'000
Operating lease commitments as at 1 July 2019 (AASB 117)	5,388
Finance lease commitments as at 1 July 2019 (AASB 117)	-
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5.7% (AASB 16)	(17)
Mining and exploration lease commitments not recognised as right-of-use asset (AASB 16)	(5,167)
Right-of-use assets (AASB 16)	205
Lease liabilities - current (AASB 16)	69
Lease liabilities - non-current (AASB 16)	136
	205
Impact on opening retained profits as at 1 July 2019	-

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

3. Revenue and Other Income

	31 December 2019 \$'000	31 December 2018 \$'000
Revenue		
Contained zinc metal in concentrate	15,074	20,284
Contained lead metal in concentrate	6,293	8,334
Contained copper metal in concentrate	5,585	2,203
Contained precious metal in concentrate	6,029	3,721
Total revenue	32,981	34,542
Other income		
Realised and unrealised foreign exchange gains	-	602
Diesel rebates	29	95
Government grants, rental and other	11	15
Total other income	40	712
Total revenue and other income	33,022	35,254

The consolidated entity has disaggregated revenue into the metals contained in the concentrates that we receive payment for from our customers, under our concentrate sales agreements.

4. Production Costs

	31 December 2019 \$'000	31 December 2018 \$'000
Ore mining cost	12,341	13,569
Ore processing cost	4,507	5,376
Shared operating cost	619	759
Movement in ore and concentrate stocks on hand	(294)	(623)
	17,173	19,081

5. Cash and Cash Equivalents

	31 December 2019 \$'000	30 June 2019 \$'000
Cash and cash equivalents per Consolidated Statement of Financial Position	11,903	25,618
Financial assets at amortised cost per Consolidated Statement of Financial Position	-	300
Cash and cash equivalents at the end of the period as per Consolidated Statement of Cash Flows	11,903	25,918

6. Inventory

	31 December 2019 \$'000	30 June 2019 \$'000
Ore	130	221
Zinc, lead and copper concentrate's	2,260	1,875
Consumables	2,217	1,760
	4,608	3,856

7. Other Assets

		31 December 2019 \$'000	30 June 2019 \$'000
Current	Note		
Prepayments		923	448
Residential housing tenancy bonds		8	6
		931	455
Non-current			
Security deposits		513	83
Term deposits - restricted cash	(a)	12,413	8,388
		12,927	8,471

(a) Term deposits - restricted cash

Restricted cash relates to cash held on deposits for security against bank guarantees and for credit facility. Restricted cash increased by \$4.03 million during the period, of which \$3.94 million is due to term deposits (to back bank guarantees) included in the acquisition of Hillgrove Mines Proprietary Limited (refer note 16).

8. Mine Properties

	Mine properties in development \$'000	Mine properties in production \$'000	Total mine properties \$'000
Period ending 31 December 2019			
Cost	163	52,662	52,824
Accumulated amortisation	-	(23,631)	(23,631)
	163	29,031	29,194
Movements			
Balance at 1 July 2019	14,410	7,543	21,952
Transfers - exploration and evaluation	-	3,637	3,637
Transfer from in development to in production	(20,419)	20,419	-
Additions	6,172	2,013	8,185
Amortisation	-	(4,581)	(4,581)
Balance at 31 December 2019	163	29,031	29,194

Accounting Policy

The accounting policy adopted for Mine Properties is consistent with that of the previous financial year and corresponding half year reporting period, except for the basis of amortising mine development costs adopted for the new Far West Mine.

While mine development costs for West 45 Mine (as transferred from exploration and evaluation and/or mines under construction) have continued to be amortised on a units-of-time basis over the life of West 45 Mine, due to the longer life of Far West Mine, the mine development costs for Far West Mine (as transferred from exploration and evaluation and/or mines under construction) have been amortised on a units-of-production basis over the life of Far West Mine.

The life of mine is reviewed regularly as additional information becomes known. The impact of any change in mine life on amortisation is accounted for on a prospective basis.

9. Exploration and evaluation

	31 December 2019 \$'000	30 June 2019 \$'000
Exploration and evaluation at cost	10,915	12,816
Impairment	(1,815)	(1,652)
	9,100	11,164
Movements		
Opening balance at 1 July 2019	11,164	
Transfers - mine properties in production	(3,637)	
Additions - Thalanga Region and Hillgrove Mines post acquisition	1,736	
Impairments - Thalanga Region	(163)	
Balance as at 31 December 2019	9,100	

10. Borrowings

	31 December 2019 \$'000	30 June 2019 \$'000
Premium Funding	537	134
	537	134

Interest on this facility has been expensed to the consolidated statement of profit or loss and other comprehensive income as incurred.

11. Provisions

		31 December 2019 \$'000	30 June 2019 \$'000
Current	Note		
Provision for employee entitlements		647	513
Provision for rehabilitation and restoration costs		141	141
		788	654
Non-current			
Provision for employee entitlements		138	68
Provision for rehabilitation and restoration costs	(a)	12,488	7,788
		12,626	7,856

Movements

(a) Movement in non-current provision for rehabilitation and restoration costs for the financial year is set out below:

	31 December 2019 \$'000
Current	
Non-current	
Opening balance at 1 July 2019	7,788
Increase in provision due to discount unwind	113
Other - increase in provision on acquisition of Hillgrove Mines Pty Ltd	4,587
Balance as at 31 December 2019	12,488

12. Issued Capital

	Note	31 December 2019 \$'000	30 June 2019 \$'000
Ordinary share capital - fully paid	(a)	67,770	63,788
		67,770	63,788

(a) Movement in ordinary share capital

	31 December 2019 \$'000	31 December 2019 No.
<i>Balance at the beginning of the reporting period</i>	63,788	490,682,000
Issue of shares on placement	-	-
Issue of shares on the exercise of options	-	-
Issue of shares on acquisition of Hillgrove Mines Pty Ltd.	3,700	21,297,944
Issue of shares on accession of United States Antimony Loan	300	1,726,860
Issue of shares on vesting of performance	-	2,532,061
Less transaction costs	(18)	
Deferred tax adjustment	-	-
<i>Balance at the end of the financial year</i>	67,770	516,238,865

13. Contingent Liability

The Company and its wholly owned subsidiary, Cromarty Resources Pty Ltd (Cromarty), have had legal proceedings commenced against them in relation to the payment of royalties with Thalanga Copper Mines Pty Ltd (TCM), a wholly owned subsidiary of Vedanta Resources Limited, following the purported termination of the relevant agreement. The consolidated entity has made several requests to TCM for a tax invoice to enable it to pay the royalty due prior to the date of termination. TCM has refused to issue a tax invoice. TCM has alleged that the consolidated entity is liable for non-payment of royalties and related damages, including loss and damage for the royalties payable prior to the date of termination and in respect of future royalty payments that TCM would have received pursuant to the royalty arrangements with TCM. The consolidated entity is confident that TCM's claim in respect of future royalty payments after the date of termination will be unsuccessful and intends to defend the Claim. Royalties payable prior to the date of termination have been fully accrued in sales realisation expenses in the audited Consolidated Statement of Profit or Loss and Other Comprehensive Income and under trade and other payables in the Consolidated Statement of Financial Position. Due to the commercial in confidence nature of this dispute, and the current stage of the legal proceedings, the Company has not disclosed the potential financial impact of the contingent liability. The consolidated entity continues to vigorously defend the proceedings.

14. Events Subsequent to Balance Date

17 January 2020 - The Company released its Quarterly Activities and Cash Flow Report for the quarter ended December 2019.

24 January 2020 - The Company announced its plans to restart gold production at its Hillgrove Mine in 2020 using current infrastructure.

11 February 2020 - The Company released a production update for the Thalanga Operation.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

15. Segment Information

The consolidated entity operates entirely in the industry of exploration for and development of minerals in Australia only.

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on their geographical location. An operating segment may include both exploration and operating activities. The reportable segments are split between the Thalanga Operation, Hillgrove Gold Mines (acquired 27 August 2019) and Other (representing other tenements and corporate activities).

Corporate office activities are not allocated to operating segments for assessing performance of each operating segment.

Intersegment transactions

Intersegment transactions were made at market rates. The computer retailing operating segment purchases finished goods from the computer manufacturing operating segment and pays for freight costs to the computer distribution operating segment. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating Segment Information for half year ended 31 December 2019

Profit / (Loss) of reportable segments

	Thalanga Operation \$'000	Hillgrove Gold Mine \$'000	Other \$'000	Total \$'000
Half - year to 31 December 2019				
Revenue				
Contained zinc metal in concentrate	15,074	-	-	15,074
Contained lead metal in concentrate	6,293	-	-	6,293
Contained copper metal in concentrate	5,585	-	-	5,585
Contained precious metal in concentrate	6,029	-	-	6,029
Total revenue	32,981			32,981
Other Income	42	10	904	955
Total segment revenue	33,023	10	904	33,937
Intersegment eliminations				(915)
Total revenue				33,022
Earnings / (loss) before interest, tax and depreciation	456	(462)	(1,470)	(1,476)
<i>Reconciliation of profit / (loss) after income tax</i>				
Depreciation and amortisation				(5,298)
Impairment - exploration and evaluation costs				(163)
Net interest income / (expense)				(69)
Profit / (loss) before income tax benefit				(7,006)
Income tax benefit / (expense)				1,772
Profit / (loss) after income tax benefit				(5,234)

15. Segment Information (continued)

Total assets and total liabilities of reportable segments

	Thalanga Operation \$'000	Hillgrove Gold Mine \$'000	Other \$'000	Total \$'000
Segment assets at 31 December 2019				
Total Assets	67,216	8,654	8,370	84,239
Total Liabilities	(22,282)	(4,851)	(1,922)	(29,054)

Operating Segment Information for half year ended 31 December 2018

Profit / (Loss) of reportable segments

	Thalanga Operation \$'000	Hillgrove Gold Mine \$'000	Other \$'000	Total \$'000
Half - year to 31 December 2018				
Revenue				
Contained zinc metal in concentrate	20,284	-	-	20,284
Contained lead metal in concentrate	8,334	-	-	8,334
Contained copper metal in concentrate	2,203	-	-	2,203
Contained precious metal in concentrate	3,721	-	-	3,721
Total revenue	34,542	-	-	34,542
Other Income	712	-	2,149	2,862
Total segment revenue	35,255	-	2,149	37,404
Intersegment eliminations				(2,150)
Total revenue				35,254
Earnings / (loss) before interest, tax and depreciation	3,773	-	(1,276)	2,497
<i>Reconciliation of profit / (loss) after income tax</i>				
Depreciation and amortisation				(5,789)
Impairment - exploration and evaluation costs				-
Net interest income / (expense)				(186)
Profit / (loss) before income tax expense				(3,477)
Income tax benefit / (expense)				954
Profit / (loss) after income tax expense				(2,523)

16. Business combinations

On the 27th of August 2019, Red River Resources Limited acquired 100% of the ordinary shares of Hillgrove Mines Proprietary Limited for the total consideration of 21,297,944 Red River Resources Limited ordinary shares that had a deemed market value of \$3,700,000 (based on the 10 day VWAP of \$0.17373 as at 2nd July 2019). Hillgrove Gold Mine is a gold and antimony mine that was placed on care and maintenance by its current owners in 2016. Further information on the mine is contained in the Directors' Report of this Half Year Report. The goodwill of \$141,000 represents the expected synergies from merging this business into the existing corporate management structure of Red River Resources and the resulting saving in management and governance costs. The acquired business contributed revenues of \$9,700 and loss after tax of \$508,900 to the consolidated entity for the period from 27 August 2019 to 31 December 2019. If the acquisition occurred on 1 July 2019, the full half year contributions would have been revenues of \$12,000 and loss after tax of \$7,654,000. The values identified in relation to the acquisition of Hillgrove Mines Proprietary Limited are provisional as at 31 December 2019.

	Fair Value
	\$'000
Cash and cash equivalents	9
Trade and other receivables	63
Security deposits	14
Restricted cash - backing rehabilitation liability with NSW Government	3,940
Cash rehabilitation deposits with the NSW Government	420
Land and buildings	4,093
Trade and other payables	(253)
Employee benefits	(139)
Rehabilitation liabilities	(4,587)
	<hr/>
Net assets acquired	3,559
Goodwill on acquisition	141
	<hr/>
Acquisition-date fair value of total consideration transferred	3,700
	<hr/>
Representing:	
Value of ordinary shares in Red River Resources Ltd transferred as total consideration	3,700
	<hr/>
Acquisition costs expensed to profit or loss in FY19	421
Acquisition costs expensed to profit or loss in FY20	114

Directors' Declaration

In the director's opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

RED RIVER RESOURCES LIMITED



Mr. Brett Fletcher

Non-executive Chairman

26 February 2020
Melbourne, Victoria

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Red River Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Red River Resources Limited (the 'Company') and its Controlled Entities (the 'Consolidated Entity'), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Red River Resources Limited and its Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Red River Resources Limited and its Controlled Entities would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Red River Resources Limited and its Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



J S CROALL

Partner

Dated: 26 February 2020
Melbourne, Victoria

Shareholder Information

ASX Information

The substantial Shareholders of the Company as at 20 February 2020 were:

Substantial Shareholder	Number Held	Percentage
Tribeca Investments Partners Pty Ltd	35,631,972	6.90%

Distribution of Shareholders as at 19 February 2020

Range of Holding	Holders	Shares
1 - 1,000	101	18,809
1,001 - 5,000	588	2,007,716
5,000 - 10,000	586	5,076,125
10,001 - 100,000	1,798	74,019,358
100,000 - over	603	435,116,857
	3,676	516,238,865

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

Top twenty largest Shareholders as at 19 February 2020.

	Number of shares	% of capital held
Meridian Capital CIS Fund	23,024,804	4.46%
National Nominees Limited	20,741,395	4.02%
Citicorp Nominees Pty Limited	16,264,565	3.15%
HSBC Custody Nominees (Australia) Limited	14,042,286	2.72%
CS Third Nominees Pty Limited <HSBC Cust Nom AU Ltd 13 A/C>	13,295,647	2.58%
Braham Consolidated Pty Ltd	9,802,963	1.90%
Bell Potter Nominees Ltd <BB Nominees A/C>	9,801,916	1.90%
Mrs Narelle Fay	9,090,000	1.76%
UBS Nominees Pty Ltd	7,644,525	1.48%
Mr Donald Garner	7,631,601	1.48%
J p Morgan Nominees Australia Pty Ltd	7,355,857	1.42%
3RD Wave Inestors Ltd	7,000,000	1.36%
BT Portfolio Services Limited <Warrell Holdings S/F A/C>	6,000,000	1.16%
Mr Andrew Fay	5,500,000	1.07%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	5,405,971	1.05%
Wymond Investments Pty Ltd <Dee Why Sales P/L S/F A/C>	5,400,000	1.05%
Zenith Pacific Limited	5,200,000	1.01%
Braham Investments Pty Ltd <Braham Staff Super Fund A/C>	5,095,656	0.99%
RJ Muffet Pty Ltd <R J Muffet Super Fund A/C>	4,700,000	0.91%
Mr David Rothwell	4,450,000	0.86%
Total top twenty Shareholders	187,447,186	36.31%
Total other Shareholders	328,791,679	63.69%
Total Shareholders	516,238,865	100.00%

Unmarketable Parcel

Minimum parcel size of \$500 equates to approx. 5,051 shares at \$0.099 per share of which there are 689 holders with a total of 2,026,525 shares.