

RED RIVER RESOURCES LIMITED

ABN: 35 100 796 754

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET:

Reporting Period: Half-year ended 31 December 2021

Previous Corresponding Period: Half-year ended 31 December 2020

<i>Key information (extracted from interim financial report)</i>	Change Up / (Down) %	Half-Year Ended 31 December 2021 \$'000
Revenue and other income from ordinary activities	(1.2)	63,527
Net profit/(loss) from ordinary activities after tax attributable to members	(54.0)	5,062
Net profit/(loss) after tax attributable to members	(54.0)	5,062

DIVIDENDS

No dividends have been paid or declared during the current reporting period.

NET TANGIBLE ASSETS PER SHARE

	31 December 2021 cents	31 December 2020 cents
Net tangible assets per share	12.20	11.83

OTHER INFORMATION

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report, the consolidated financial statements and the notes to the financial statements for the half-year ended 31 December 2021. The information should be read in conjunction with Red River Resources Limited's 2021 Annual Report and the attached Half-Year Report. This report is based on the consolidated financial statements for the half-year ended 31 December 2021 which have been audited by RSM Australia Partners.

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Brett Fletcher

Chairman

24 February 2022



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 2021**

Contents

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	14
Consolidated Statement of Profit or Loss and Other Comprehensive Income	15
Consolidated Statement of Financial Position	16
Consolidated Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18
Notes to the Financial Statements	19
Directors' Declaration	27
Independent Auditor's Review Report	28
Shareholder Information	30

Corporate Directory

Directors

Mr. Brett Fletcher - Non-executive Chairman
Mr. Melkon Palancian - Managing Director
Mr. Ian Smith - Non-executive Director
Mr. Mark Hanlon - Non-executive Director

Company Secretary

Mr. Cameron Bodley

Registered Office

Level 6, 350 Collins Street
MELBOURNE VICTORIA 3000

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)

Auditors

RSM Australia Partners
Level 21
55 Collins Street
MELBOURNE VIC 3000

Legal Advisors

Piper Alderman
Level 26
71 Eagle Street
BRISBANE QLD 4000

Share Registry

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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 2021.

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
Mr. Brett Fletcher	Non-executive Chairman
Mr. Melkon Palancian	Managing Director
Mr. Ian Smith	Non-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 year was sustaining development, operation and production from the Far West Mine at the Thalanga Operation, located near Charters Towers in North Queensland and from operations at the Hillgrove Operation, located near Armidale in New South Wales. The consolidated entity also carried out exploration activities on its tenements located near its operations and near Herberton in North Queensland.

REVIEW OF OPERATIONS

Period Highlights

- Hillgrove JORC 2012 Mineral Resource increase of 54% to more than 1Moz contained gold
- Thalanga royalty dispute settled, resulting in no ongoing obligation to TCM
- Strong drillhole assays received from Lioneville Gap Lode, and Hillgrove Sunlight and Eleanora-Garibaldi

Thalanga Operation

- Zinc concentrate production of 12,236 DMT, copper concentrate production of 6,407dmt and lead concentrate production of 3,084 DMT

Hillgrove Gold Mine

- JORC 2012 Mineral Resource upgrade to 7.23Mt @ 4.5g/t Au & 1.2% Sb (6.2g/t Au Eq.) (1,037koz contained Au & 90kt contained Sb) (increase of 54% contained Au ozs)
- Gold production of 1,673 ozs
- Board approved underground mining restart at Syndicate deposit

Exploration and Development Activities

- Permitting for Lioneville advanced

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

1. Safety & Environmental Performance

Thalanga Operations

The site headcount during the period was 139 people. There were 64 full-time Red River Resources employees and an additional 75 contractors working in exploration and mining, with a total 182,282 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is 16.1 to 31 December 2021. There were two medical treated injuries and one Lost Time Injury (LTIs) during the period.

Hillgrove Gold Mine

Hillgrove's site headcount during the period was 62 people including contractors with 71,107 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) is 7.3 to 31 December 2021. There was one medical treated injury and zero Lost Time Injuries (LTIs) during the period.

Coronavirus (COVID) 19 Update

Red River continues to implement 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 Operations, Queensland

2.1. Thalanga Operations Summary

Key physicals for Thalanga are below (Table 1), ore tonnes mined decreased by 14% predominately due to additional ground support required in Q2 FY22. Production returned to more normal levels later in the quarter. Concentrate production reduced broadly inline with the lower ore mined partially offset by higher grades in H1 FY22.

Table 1 Thalanga Operations Production Summary for the six months to 31 December 2021 (H1 FY22)

	Units	H1 FY21	H1 FY22	Change
Ore mined	'000 Tns	191	165	-14%
Copper grade	%	1.4	1.3	-7%
Lead grade	%	1.3	1.6	23%
Zinc grade	%	4.1	4.5	10%
Gold grade	g/t	0.1	0.2	100%
Silver grade	g/t	46	38	-17%
Zinc equivalent ⁽¹⁾	%	11.0	11.4	4%
Ore processed	'000 Tns	215	169	-21%
Copper grade	%	1.2	1.2	0%
Lead grade	%	1.6	1.7	6%
Zinc grade	%	4.0	4.4	10%
Gold grade	g/t	0.2	0.3	50%
Silver grade	g/t	48	48	0%
Zinc equivalent ⁽¹⁾	%	10.9	11.3	4%
Zinc conc. produced	DMT⁽²⁾	14,456	12,236	-15%
Zinc grade	%	53.3	53.4	0%
Zinc recovery	%	88.7	88.2	-1%

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2.1. Thalanga Operations Summary (continued)

Table 1: Thalanga Operations Production Summary for the six months to 31 December 2021 (H1 FY22) (continued)

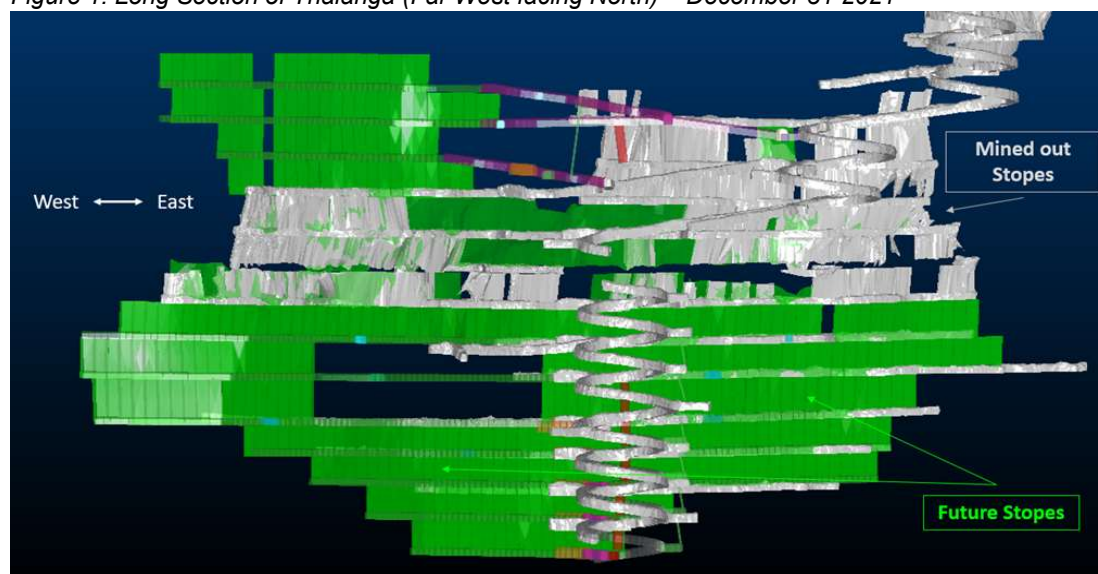
	Units	H1 FY21	H1 FY22	Change
Lead conc. produced	DMT ⁽²⁾	3,861	3,084	-20%
Lead grade	%	66.6	62.5	-6%
Gold grade	g/t	5.0	3.8	-24%
Silver grade	g/t	1,573	1,359	-14%
Lead recovery	%	72.6	68.9	-5%
Copper conc. prod.	DMT ⁽²⁾	7,637	6,407	-16%
Copper grade	%	27.5	27	-2%
Gold grade	g/t	1.7	2.5	47%
Silver grade	g/t	334	336	1%
Copper recovery	%	81.8	82.9	1%
Zinc conc. sold	DMT ⁽²⁾	14,916	12,430	-17%
Lead conc. sold	DMT ⁽²⁾	3,977	3,120	-22%
Copper conc. sold	DMT ⁽²⁾	7,968	6,610	-17%

⁽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.

During the half, Red River continued to develop Thalanga's Far West underground Mine with:

- Capital development of 690m completed (479m lateral capital development and 211m of decline development)
- Operating Development of 714m
- Total Development during the quarter was 1,541m (including 138m of vertical development)

Figure 1: Long Section of Thalanga (Far West facing North) ~ December 31 2021



Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2.2. Thalanga Project Development Activities

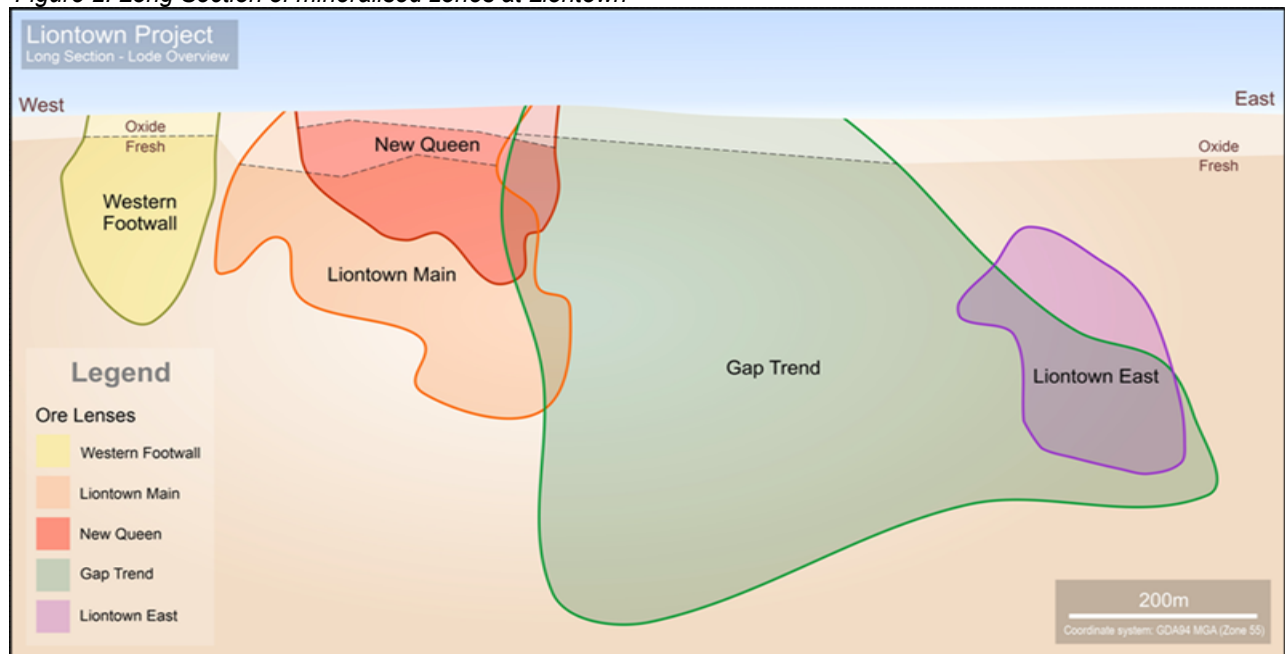
During the half Red River continued permitting, mine design and scheduling activities for the Liontown Project. Infill and extensional drilling continues at Liontown.

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 (12.7% Zn Eq) 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.

2.3. Thalanga Exploration Activities

Multiple successful drill programs were undertaken in the period with a total of 13 diamond drill holes completed (3,841m) and 45 RC holes completed (5,714m). Assays were received for programs completed at Liontown (ASX announcement 18 August 2021 and 02 December 2021). Red River continued drilling underground at Far West to define lower extensions to the ore body. No material extensional results were received.

Figure 2: Long Section of mineralised zones at Liontown



Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2.3. Thalanga Exploration Activities (continued)

Figure 3: Gap sulphide infill drilling (ASX announcement 02 December 2021 and 21 August 2021)

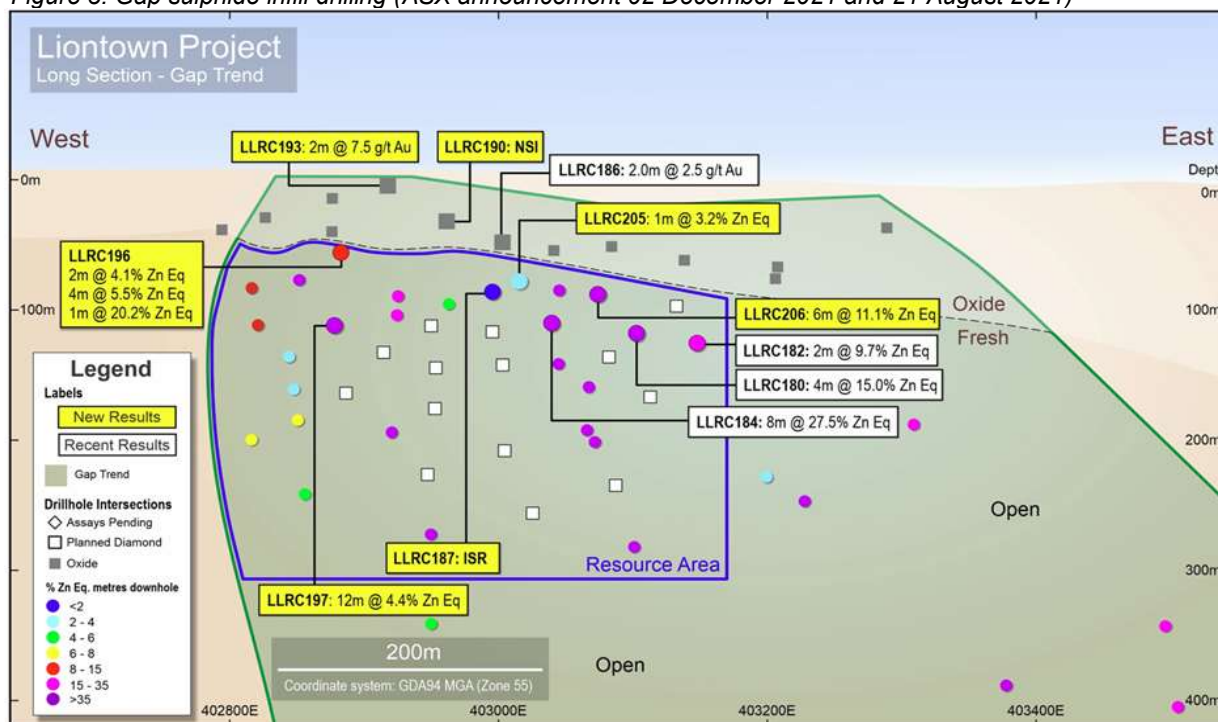
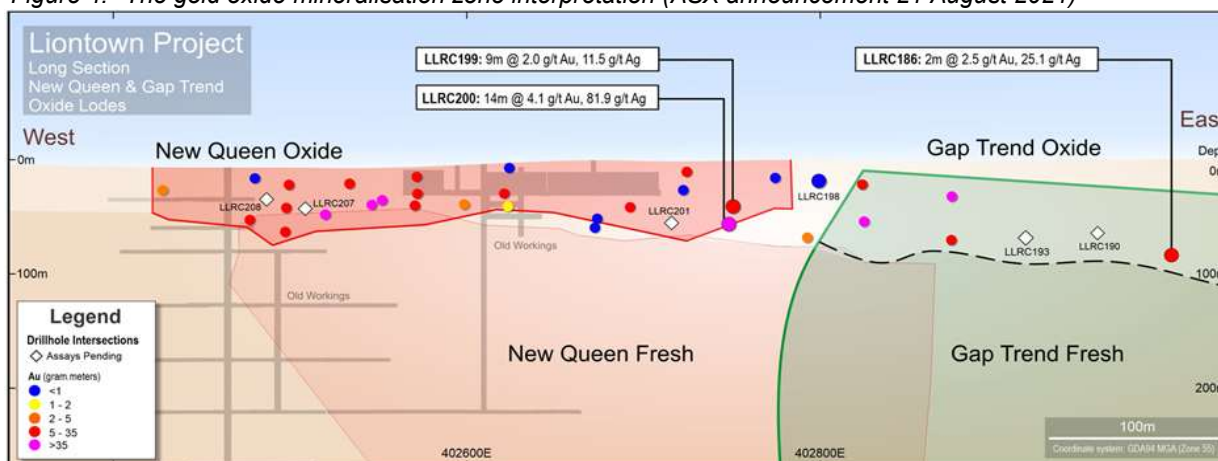


Figure 4: The gold oxide mineralisation zone interpretation (ASX announcement 21 August 2021)



Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3. Hillgrove Gold Mine, New South Wales

3.1. Hillgrove Gold Mine Operations Summary

Key physicals for Hillgrove are below (Table 2). Gold was first produced from the Bakers creek stockpile in Q3 FY21 and completed in Q2 FY22 with a total of 3,800 oz's produced and sold. Focus for the operation is now on restarting underground mining at Syndicate which will produce gold and antimony in concentrates.

Table 2: Hillgrove Gold Mine Summary for the Six Months to 31 December 2021 (H1 FY22)

	Units	H1 FY21	H1 FY22	Change
Ore processed	000 Tns	0	40	100%
Gold grade	g/t	0.0	1.5	100%
Gravity gold conc. prod.	DMT⁽¹⁾	0	19	100%
Gold grade	g/t	0	1,632	100%
Gold recovery	%	0	49.7	100%
Contained gold	ozs	0	1,008	100%
Flotation gold conc. prod.	DMT⁽¹⁾	0	234	100%
Gold grade	g/t	0	68	100%
Gold recovery to flotation conc.	%	0	25.2	100%
Contained gold	ozs	0	512	100%
Gold contained in gold dore	ozs	0	1,161	100%
Gold produced	ozs	0	1,673	100%
Gold sold	ozs	0	2,140	100%

⁽¹⁾ Dry metric tonne
 Tonnages and grades are rounded. Discrepancies in totals may exist due to rounding.

3.2. Hillgrove Gold Mine Project Development Activities

The Hillgrove Mineral resource was upgraded to 7.23Mt @ 4.5g/t Au & 1.2% Sb (6.2g/t Au Eq.) (1,037koz contained Au & 90kt contained Sb) (increase of 54% contained Au ozs).

Board approval was given for the restart of underground mining at Syndicate. Recruitment and required plant modifications were advanced during the period anticipating an underground restart in CY22.

3.3. Hillgrove Gold Mine Exploration Activities

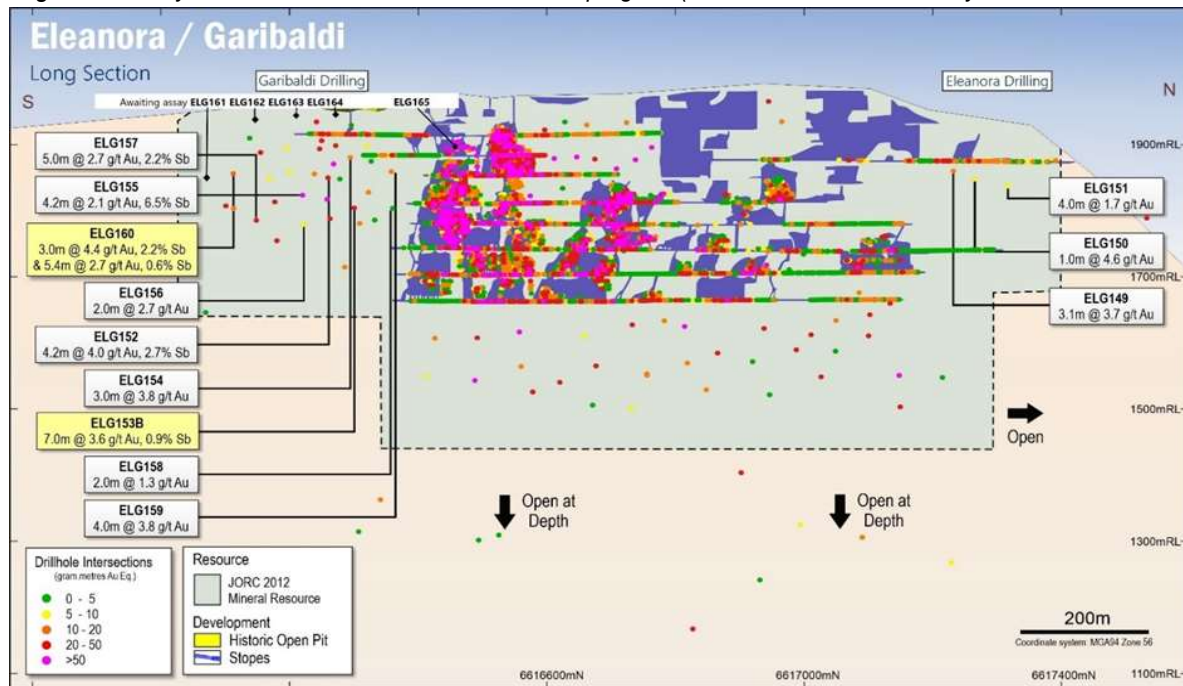
Multiple successful drill programs were completed at Hillgrove in the period with a total of 15 diamond drill holes completed (3,438m). Assays were received for programs at Eleanora Garibaldi and Sunlight (ASX announcement 08 July and 20 December 2021).

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3.3. Hillgrove Gold Mine Exploration Activities (continued)

Figure 5: Assay results from latest Eleanora-Garibaldi program (ASX announcement 08 July and 20 December 2021)



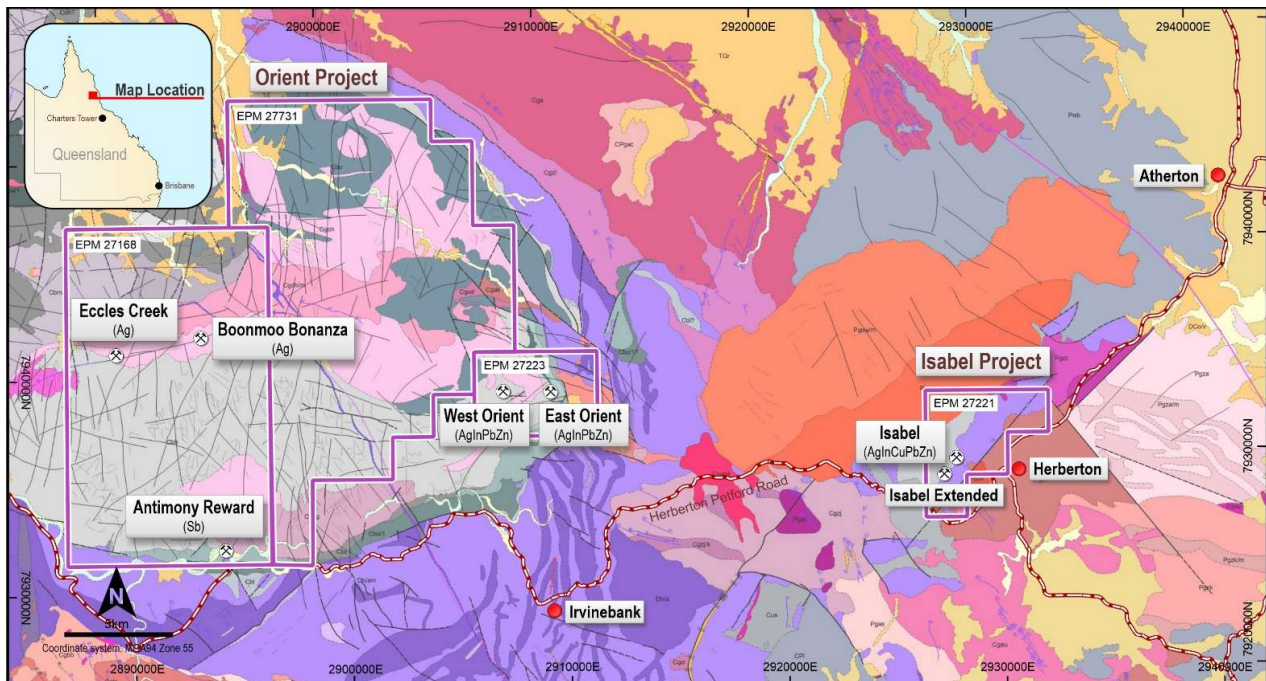
Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Herberton Silver-Indium Project (Queensland)

During the period, Red River continued working towards a drilling program at Herberton, expected to commence in CY22.

Figure 6: Herberton Silver-Indium Project



END OF OPERATIONS REVIEW

Directors' Report (continued)

REVIEW OF FINANCIAL RESULTS

Profit

The consolidated entity recorded a profit after income tax for the 6 month period to 31 December 2021 of \$5.06 million (December 2020: \$11.00 million). The result was impacted by a number of key factors including:

- Revenue from continuing operations amounted to \$63.53 million, compared to \$64.27 million in the previous corresponding period. Hillgrove operations contributed \$5.2 million in gold sales (December 2020: nil), and at Thalanga decreased sales of copper, zinc and lead concentrates were partially offset by favourable metal prices as compared to the previous corresponding period;
- Sales realisation costs decreased from \$7.97 million at December 2020 to \$6.61 million at December 2021 primarily due to lower concentrate tonnages sold, partially offset by higher sea freight rates;
- Employment benefits expense increased from \$6.98 million at December 2020 to \$9.45 million at December 2021 due to the restart of operations at Hillgrove;
- Production costs increased from \$23.87 million at December 2020 to \$26.59 million at December 2021 (refer note 4 of accounts). This increase, as compared to the previous corresponding period, was due to the restart of operations at Hillgrove Mine (\$2.32 million) and additional ground support requirements at the Far West Mine (\$1.83 million) being partially offset by lower ore and concentrate stock movements (\$1.43 million);
- Corporate costs increased from \$1.06 million at December 2020 to \$2.41 million at December 2021 primarily due to costs associated with the Thalanga Copper Mines (TCM) royalty matter; and
- Net realised and unrealised foreign exchange losses decreased by \$1.50 million as compared to the previous corresponding period with foreign exchange gains of \$0.31 million in the current period as compared to foreign exchange losses of \$1.19 million in the prior corresponding period.

Cash Flow

Operating cash flow for the period ended 31 December 2021 decreased by \$29.18 million to \$(1.76) million (31 December 2020: \$27.42 million). The decrease, as compared to the previous corresponding period, was primarily due to the payment of the TCM Judgement Amount (\$19.94 million)(refer to Note 14 to the Financial Accounts), lower receipt from customers, increased operating costs at Hillgrove with the re-commencement of operations, and additional ground support requirements at the Far West Mine.

Cash outflow from investing activities for the period ended 31 December 2021 increased by \$2.32 million to \$16.12 million (31 December 2020: \$13.81 million). Increased cash payments, as compared to the previous corresponding period, included \$5.40 million deposited for the increased environmental surety at Thalanga and an additional \$2.13 million spent on exploration and evaluation activities. These were partially offset by lower cash expenditure on mine property and development (\$4.74 million) due to the decline at the Far West Mine nearing completion.

Net cash inflow from financing activities of \$11.93 million for the period ended 31 December 2021 were \$18.31 million higher than the previous corresponding period (31 December 2020: \$6.38 million net outflow). This increase in cash inflow was primarily due to drawing down \$11.2 million on the working capital facility in December 2021 to assist with payment of the TCM Judgement Amount and no repayments being made on the working capital facility in the period ended 31 December 2021 as compared to \$6.5 million being repaid during the period ended 31 December 2020.

Cash and cash equivalents decreased in the period ended 31 December 2021 by \$5.95 million with cash and cash equivalent at the end of the period of \$13.19 million (30 June 2021: \$19.15 million).

END OF FINANCIAL REVIEW

Directors' Report (continued)

Significant Changes in State of Affairs

On 5th of October 2021 the Company issued 690,121 fully paid ordinary shares on conversion of 2019 performance rights.

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

Events Subsequent to Balance Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, no other matters or circumstances have arisen since the end of the half 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 consolidated entity'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 2021 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 14.

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

24 February 2022
Melbourne, Victoria

RSM Australia Partners

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PO Box 248 Collins Street West VIC 8007

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www.rsm.com.au**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 2021, 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.

A handwritten signature in black ink that reads 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in black ink that reads 'R J Morillo Maldonado'.**R J MORILLO MALDONADO**

Partner

24 February 2022
Melbourne, Victoria**THE POWER OF BEING UNDERSTOOD**
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half year ended 31 December 2021

	Note	31 December 2021 \$'000	31 December 2020 \$'000
Revenue			
Revenue from contracts with customers ¹		63,165	63,379
Other income		361	895
Total revenue and other income¹	3.	63,527	64,274
Expenses			
Sales realisation expenses ¹	4.	(6,608)	(7,973)
Employment benefits expense		(9,449)	(6,979)
Production costs	5.	(26,588)	(23,870)
Corporate costs		(2,414)	(1,065)
General and administration costs		(644)	(749)
Realised and unrealised foreign exchange gain / (loss)		305	(1,193)
Total expenses¹		(45,399)	(41,828)
Earnings / (loss) before interest, tax, depreciation and impairment		18,128	22,446
Depreciation and amortisation		(9,664)	(6,809)
Impairment - exploration and evaluation costs		(329)	-
Interest expense and other finance costs		(727)	(327)
Profit / (loss) before income tax benefit / (expense)		7,408	15,310
Income tax benefit / (expense)		(2,345)	(4,314)
Profit / (loss) after income tax benefit / (expense) for the half-year		5,062	10,996
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income / (loss) for the half-year		5,062	10,996

¹ Refer to Note 1 for detailed information on restatement of comparatives

Earnings per share for continuing operations

Basic (loss) / earnings per share (cents)	13.	0.98	2.13
Diluted (loss) / earnings per share (cents)	13.	0.98	2.12

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes on pages 19 to 26.

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 \$'000	30 June 2021 \$'000
Current assets			
Cash and cash equivalents		13,194	19,145
Financial assets at amortised cost		-	-
Trade and other receivables		5,633	4,886
Inventories	6.	5,288	5,768
Other	7.	1,891	1,109
Total current assets		26,006	30,907
Non-current assets			
Other	7.	18,348	12,950
Deferred tax		580	2,925
Property, plant and equipment		13,306	13,346
Right-of-use assets		1,073	1,248
Mine properties and development	8.	36,518	40,729
Intangibles		286	328
Exploration and evaluation	9.	14,174	11,636
Total non-current assets		84,285	83,163
Total assets		110,291	114,070
Current liabilities			
Trade and other payables		13,829	14,256
Borrowings	10.	12,235	147
Lease liabilities		258	292
Provisions	11.	1,443	21,254
Total current liabilities		27,764	35,948
Non-current liabilities			
Lease liabilities		802	923
Provisions	11.	16,667	17,260
Total non-current liabilities		17,470	18,183
Total liabilities		45,234	54,132
Net assets		65,057	59,938
Equity			
Issued capital	12.	67,766	67,767
Reserves		5,920	5,863
Accumulated losses		(8,629)	(13,691)
Total equity		65,057	59,938

The above Consolidated Statement of Financial Position should be read in conjunction with the notes on pages 19 to 26.

Consolidated Statement of Changes in Equity For the half year ended 31 December 2021

31 December 2021	Note	Issued capital \$,000	Reserves \$,000	Accumulated losses \$,000	Total equity \$,000
Balance at 1 July 2021		67,767	5,863	(13,691)	59,938
Profit / (loss) after income tax expense for the half-year		-	-	5,062	5,062
Other comprehensive income for the half-year, net of tax		-	-	-	-
Total comprehensive income for the half-year		-	-	5,062	5,062
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares		-	-	-	-
- Cost of issue of shares		(1)	-	-	(1)
- Employee share options		-	-	-	-
- Employee performance rights		-	58	-	58
		(1)	58	-	56
Balance at 31 December 2021		67,766	5,920	(8,629)	65,057
31 December 2020		Issued capital \$,000	Reserves \$,000	Accumulated losses \$,000	Total equity \$,000
Balance at 1 July 2020		67,770	5,673	(19,590)	53,852
Profit / (loss) after income tax expense for the half-year		-	-	10,996	10,996
Other comprehensive income for the half-year, net of tax		-	-	-	-
Total comprehensive income for the half-year		-	-	10,996	10,996
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares		-	-	-	-
- Cost of issue of shares		(3)	-	-	(3)
- Employee share options		-	-	-	-
- Employee performance rights		-	74	-	74
		(3)	74	-	71
Balance at 31 December 2020		67,767	5,747	(8,595)	64,920

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes on pages 19 to 26.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2021

	Note	31 December 2021 \$'000	31 December 2020 \$'000
Cash flows from operating activities			
Receipts from customers (GST inclusive)		66,834	69,645
Receipts from government grants		223	955
Payments to suppliers and employees (GST inclusive)		(48,433)	(43,075)
Payment for TCM royalty dispute settlement	14.	(19,940)	-
Interest received / (paid)		(444)	(105)
Net cash from / (used in) operating activities		(1,760)	27,420
Cash flows from investing activities			
Payment for property, plant and equipment		(1,136)	(1,584)
Payments in respect of security deposits		(5,398)	(24)
Payment for mine properties		(6,250)	(10,990)
Payment for exploration and evaluation		(3,341)	(1,211)
Net cash used in investing activities		(16,124)	(13,808)
Cash flows from financing activities			
Share issue transaction costs		(1)	(3)
Proceeds from borrowings		12,911	1,014
Repayment of borrowings		(823)	(7,354)
Repayment of lease liabilities		(153)	(37)
Net cash flows from / (used in) financing activities		11,934	(6,379)
Net increase / (decrease) in cash and cash equivalents		(5,951)	7,233
Cash and cash equivalents at the beginning of the half year		19,145	8,080
Cash and cash equivalents at the end of the half year		13,194	15,314

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes on pages 19 to 26.

1. General Information

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 24 February 2022.

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 2021 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.

Where necessary, comparative information has been restated to conform with changes in presentation in the current year. In the current year there have been two significant reclassifications:

1. During the previous financial year management reassessed the classification of treatment and refining charges and determined, in accordance with *AASB 15 Revenue from Contracts with Customers* and the consolidated entity's revenue accounting policy, these transactions should be recognised net with revenue from the sale of concentrate. While these changes were reflected in the revenues for the financial year ended 30 June 2020 they were not reflected in the revenues as reported for the half year ended 31 December 2020. Accordingly, revenues for the half year ended 31 December 2020 are presented net of \$4.7 million in relation to treatment and refining charges, previously reported as realisation expenses. This reclassification has neither impacted the profit or loss of the half year ended 31 December 2020, nor the financial position of the consolidated entity as at 31 December 2020. Therefore, extracts (being only those line items affected) are disclosed below:

Extract from Consolidated Statement of Profit or Loss and Other Comprehensive Income

	31 December 2020		31 December 2020
	Reported	Adjustment	Restated
	\$'000		\$'000
Revenue from contracts with customers	68,087	(4,708)	63,379
Total revenue and other income	68,982	(4,708)	64,274
Sales realisation expense	(12,681)	4,708	(7,973)
Total expense	(46,536)	4,708	(41,828)
Profit/(loss) before interest, tax and depreciation	22,446	-	22,446
Profit/(loss) before income tax (expense) benefit	15,310	-	15,310
Profit/(loss) after income tax (expense)/benefit for the year	10,996	-	10,996
Total comprehensive income/(loss) for the year	10,996	-	10,996

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

2. New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new or amended Accounting Standards and Interpretations neither have any impact in the opening balances, nor resulted in any significant results for the period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Revenue and Other Income

	31 December 2021 \$'000	31 December 2020 \$'000
Revenue from contracts with customers		
Contained zinc metal in concentrate	24,168	21,871
Contained lead metal in concentrate	5,490	5,313
Contained copper metal in concentrate	21,056	20,945
Contained precious metals in concentrate	7,585	15,250
Contained precious metals in dore	4,866	-
Total revenue	63,165	63,379
Other income		
Interest income	22	71
Realised and unrealised foreign exchange gains	-	-
Diesel rebates	105	45
Government grants, rental and other	235	779
Total other income	361	895
Total revenue and other income	63,527	64,274

The consolidated entity has disaggregated revenue into the metals contained in the dore and concentrates that we receive payment for from our customers, under our concentrate and dore sales agreements. All revenue is recognised at a point in time. Revenue from contracts with customers includes revenue from the provision of shipping and insurance services of \$2.4 million (December 2020: \$0.7 million).

4. Sales Realisation Expenses

	31 December 2021 \$'000	31 December 2020 \$'000
Queensland and New South Wales Government mineral royalty	2,465	2,792
Provision for settlement of TCM royalty dispute	-	2,440
Land and sea freight	3,881	2,520
Port and loading charges	262	221
	6,608	7,973

5. Production Costs

	31 December 2021 \$'000	31 December 2020 \$'000
Ore mining cost	17,251	15,288
Ore processing cost	6,618	4,992
Shared operating cost	1,775	1,215
Movement in ore and concentrate stocks on hand	944	2,375
	26,588	23,870

6. Inventory

	31 December 2021 \$'000	30 June 2021 \$'000
Ore	208	752
Zinc, lead and copper concentrate's	2,120	1,812
Gold concentrate	-	548
Dore	-	160
Consumables	2,960	2,496
	5,288	5,768

7. Other Assets

Current	Note	31 December 2021 \$'000	30 June 2021 \$'000
Prepayments		1,881	1,100
Residential housing tenancy bonds		10	9
		1,891	1,109
Non-current			
Security deposits		511	527
Term deposits - restricted cash	(a)	17,837	12,423
Other receivables		-	-
		18,348	12,950

(a) Term deposits - restricted cash

Restricted cash relates to cash held on deposits for security against bank guarantees and the consolidated entity's credit card facility.

8. Mine Properties and Development

	Mine properties in development \$'000	Mine properties in production \$'000	Total mine properties \$'000
Period ending 31 December 2021			
Cost	1,468	63,669	65,137
Accumulated amortisation	-	(28,619)	(28,619)
	1,468	35,050	36,518
Movements			
Balance at 1 July 2021	805	39,924	40,729
Transfers - exploration and evaluation	-	263	263
Transfer from in development to in production	-	-	-
Additions	663	4,103	4,766
Writedown on adjustment of provision for rehabilitation	-	(801)	(801)
Amortisation	-	(8,439)	(8,439)
Balance at 31 December 2021	1,468	35,050	36,518
Year ended 30 June 2021			
Cost	805	60,104	60,909
Accumulated amortisation	-	(20,181)	(20,181)
	805	39,924	40,729

9. Exploration and evaluation

	31 December 2021 \$'000	30 June 2021 \$'000
Exploration and evaluation at cost	17,140	14,273
Impairment	(2,966)	(2,637)
	14,174	11,636
Movements		
Opening balance at 1 July 2021	11,636	
Transfers - mine properties in production	(263)	
Additions - Thalanga Region and Hillgrove Mines	3,131	
Impairments - Thalanga Region	(329)	
Balance as at 31 December 2021	14,174	

10. Borrowings

	31 December 2021 \$'000	30 June 2021 \$'000
Premium Funding	1,196	147
Trafigura PTE. Working Capital Facility	11,039	-
	12,235	147

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest on borrowings has been expensed in the consolidated statement of profit or loss and other comprehensive income as incurred.

11. Provisions

		31 December 2021 \$'000	30 June 2021 \$'000
Current			
Provision for employee entitlements	Note	1,396	1,207
Provision for settlement of TCM royalty dispute	(c)	-	20,000
Provision for rehabilitation and restoration costs	(a)	47	47
		1,443	21,254
Non-current			
Provision for employee entitlements		66	82
Provision for make good on right-of-use assets		148	147
Provision for rehabilitation and restoration costs	(b)	16,453	17,032
		16,667	17,260

Movements

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

	31 December 2021 \$'000
Current	
Opening balance at 1 July 2021	47
Expenditure on progressive rehabilitation works	(0)
Balance as at 31 December 2021	47

11. Provisions (continued)

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

	31 December 2021 \$'000
Non-current	
Opening balance at 1 July 2021	17,032
Increase in provision due to discount unwind	223
Decrease in provision due to change in discount rate	(574)
Other - reassessment of rehabilitation plan	(227)
Balance as at 31 December 2021	16,453

(c) Movement in current provision for settlement of TCM royalty dispute for the half year is set out below:

	31 December 2021 \$'000
Current	
Opening balance at 1 July 2021	20,000
Payment made to settle royalty dispute	(19,942)
Provision credited to sales realisation expenses	(58)
Balance as at 31 December 2021	-

12. Issued Capital

	Note	31 December 2021 \$'000	30 June 2021 \$'000
Ordinary share capital - fully paid	(a)	67,766	67,767
		67,766	67,767

(a) Movement in ordinary share capital

	31 December 2021 \$'000	31 December 2021 No.
<i>Balance at the beginning of the reporting period</i>	67,767	517,774,367
Issue of shares on placement	-	-
Issue of shares on the exercise of options	-	-
Issue of shares on vesting of performance	-	690,121
Less transaction costs	(1)	-
Deferred tax adjustment	-	-
Balance at the end of the financial year	67,766	518,464,488

Weighted average number of ordinary shares

	31 December 2021	31 December 2020
Weighted average number of ordinary shares used in calculating basic earnings per share	518,159,025	517,019,202
Adjustments for calculation of diluted earnings per share:		
Performance rights over ordinary shares that would have been issued had the current period been the assessment period of the LTIP	5,157,965	2,500,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	523,316,990	519,519,202

13. Earnings per Share

	31 December 2021	31 December 2020
Profit / (loss) after income tax benefit / (expense) for the half-year (\$'000)	5,062	10,996
Basic (loss) / earnings per share (cents)	0.98	2.13
Diluted (loss) / earnings per share (cents)	0.98	2.12

14. Contingent Liability

The Company and its wholly owned subsidiary, Cromarty Resources Pty Ltd (Cromarty), have paid \$19.94 million to settle its royalty dispute with Thalanga Copper Mines (TCM), a subsidiary of Vedanta Resources Limited. This settlement has been reflected in the consolidated entity's accounts for the half year ended 31 December 2021.

15. Events Subsequent to Balance Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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.

16. Reconciliation of Profit / (Loss) after tax to net cash from / (used in) operating activities

	31 December 2021 \$'000	31 December 2020 \$'000
Operating profit / (loss) after income tax	5,062	10,996
Adjustments to reconcile loss after income tax to net operating cash flows.		
Depreciation, amortisation and impairment	9,993	6,809
Share based payments expensed	58	74
Borrowing costs	-	-
Changes in Assets and Liabilities		
(Decrease)/increase in trade and other payables	1,434	3,516
(Decrease)/increase in provisions	(19,604)	348
(Increase)/decrease in prepayments	(782)	(872)
(Increase)/decrease in inventory	480	2,145
(Increase)/decrease in trade and other receivables	(747)	90
(Increase)/decrease in net deferred tax assets	2,345	4,314
Net cash from / (used) in operating activities	(1,760)	27,420

17. 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 ('CODM')) in assessing performance and in determining the allocation of resources. The CODM reviews EBITDA (earnings before interest, tax, depreciation, amortisation and impairment).

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on a monthly basis.

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 Mine 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. Intercompany loan accounts are maintained between the corporate entity and its subsidiaries. Interest on outstanding loan balances is charged at market rates. 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 2021

Profit / (Loss) of reportable segments

	Thalanga Operation	Hillgrove Gold Mine	Other	Total
Half - year to 31 December 2021	\$'000	\$'000	\$'000	\$'000
Revenue				
Contained zinc metal in concentrate	24,168	-	-	24,168
Contained lead metal in concentrate	5,490	-	-	5,490
Contained copper metal in concentrate	21,056	-	-	21,056
Contained precious metal in concentrate	7,585	-	-	7,585
Contained precious metal in dore	-	4,866	-	4,866
Total revenue	58,300	4,866	-	63,165
Other Income	63	298	347	708
Total segment revenue	58,363	5,164	347	63,873
Intersegment eliminations				(347)
Total revenue				63,527
Earnings / (loss) before interest, tax and depreciation	21,717	(1,803)	(1,786)	18,128
<i>Reconciliation of profit / (loss) after income tax</i>				
Depreciation and amortisation				(9,664)
Impairment - exploration and evaluation costs				(329)
Net interest income / (expense)				(727)
Profit / (loss) before income tax benefit				7,408
Income tax benefit / (expense)				(2,345)
Profit / (loss) after income tax benefit				5,062

17. 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 2021				
Total Assets	88,046	15,349	6,896	110,291
Total Liabilities	(37,438)	(5,535)	(2,261)	(45,234)

Operating Segment Information for half year ended 31 December 2020

Profit / (Loss) of reportable segments

	Thalanga Operation \$'000	Hillgrove Gold Mine \$'000	Other \$'000	Total \$'000
Half - year to 31 December 2020				
Revenue				
Contained zinc metal in concentrate	21,871	-	-	21,871
Contained lead metal in concentrate	5,313	-	-	5,313
Contained copper metal in concentrate	20,945	-	-	20,945
Contained precious metal in concentrate	15,250	-	-	15,250
Total revenue	63,379			63,379
Other Income	795	40	670	1,505
Total segment revenue	64,174	40	670	64,885
Intersegment eliminations				(611)
Total revenue				64,274
Earnings / (loss) before interest, tax and depreciation	25,142	(1,187)	(1,510)	22,446
<i>Reconciliation of profit / (loss) after income tax</i>				
Depreciation and amortisation				(6,809)
Impairment - exploration and evaluation costs				-
Net interest income / (expense)				(327)
Profit / (loss) before income tax expense				15,310
Income tax benefit / (expense)				(4,314)
Profit / (loss) after income tax expense				10,996

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 2021 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

24 February 2022
Melbourne, Victoria

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RED RIVER RESOURCES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Red River Resources Limited (the 'Company') and the entities it controlled during the period (together the 'Consolidated entity'), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Consolidated entity does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Red River Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibility for the Half-Year Financial Report

The directors of Red River Resources Limited 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2021 and of 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*.

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.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

24 February 2022
Melbourne, Victoria

Shareholder Information

ASX Information

The substantial Shareholders of the Company as at 17 February 2022 were:

Substantial Shareholder	Number Held	Percentage
3RD Wave Investors Pty Ltd	36,757,001	7.09%

Distribution of Shareholders as at 17 February 2022.

Range of Holding	Holders	Shares
1 - 1,000	138	21,254
1,001 - 5,000	904	3,086,662
5,001 - 10,000	784	6,678,146
10,001 - 100,000	2,010	77,134,585
100,001 - over	618	431,543,841
	4,454	518,464,488

Voting Rights

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

Top twenty largest Shareholders as at 17 February 2022.

	Number of shares	% of capital held
3RD Wave Investors Pty Ltd	36,757,001	7.09%
HSBC Custody Nominees (Australia) Limited	25,962,340	5.01%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	11,362,719	2.19%
Braham Consolidated Pty Ltd	10,147,790	1.96%
Bell Potter Nominees Ltd <BB Nominees A/C>	9,801,916	1.89%
Mrs Narelle Fay	8,754,658	1.69%
Mr Matthew Glenn Sheerin	7,500,000	1.45%
Mr Andrew Fay	6,750,000	1.30%
Wymond Investments Pty Ltd <Dee Why Sales P/L S/F A/C>	6,250,000	1.21%
BNP Paribas Noms Pty Ltd <DRP>	6,236,404	1.20%
Braham Investments Pty Ltd <Braham Staff Super Fund A/C>	5,095,656	0.98%
Mr Andrew Fay + Mrs Narelle Fay <Andrew Fay Super A/C>	5,080,000	0.98%
Citicorp Nominees Pty Limited	5,038,515	0.97%
National Nominees Limited <DB A/C>	5,000,000	0.96%
R J Muffet Pty Ltd <R J Muffet Super Fund A/C>	5,000,000	0.96%
Mr David Rothwell	4,919,112	0.95%
CS Fourth Nominees Pty Limited <HSBC Cust Nom AU LTD 11 A/C>	4,564,130	0.88%
Omigoto Pty Ltd	4,000,000	0.77%
Winchester Investments Group Pty Limited	4,000,000	0.77%
Corlette Point Road Pty Limited <Point A/C>	3,920,000	0.76%
Total top twenty Shareholders	176,140,241	33.97%
Total other Shareholders	342,324,247	66.03%
Total Shareholders	518,464,488	100.00%

Unmarketable Parcel

Minimum parcel size of \$500 equates to approx. 2,236 shares at \$0.215 per share of which there are 314 holders with a total of 365,268 shares.