



ACN 100 796 754

**RED RIVER RESOURCES LIMITED
AND CONTROLLED ENTITIES**

ABN: 35 100 796 754

**ANNUAL FINANCIAL REPORT
30 JUNE 2020**

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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 16
70 Franklin Street
ADELAIDE SA 5000

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

Postal:
GPO Box 2975,
MELBOURNE VIC 3001

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)

Chairman's Message

Dear Fellow Shareholder,

I am pleased to present the 2020 Annual Report for Red River Resources and to look back on a challenging year as the world came to terms with the coronavirus pandemic and the impact on economic growth, industrial production and commodity prices.

FY2020 was marked by a number of significant milestones at the Thalanga Operation. The Thalanga Operation processed its one millionth tonne of ore since Red River restarted production at Thalanga in 2017. Red River's first mining operation at Thalanga, West 45, ended production in early 2020 due to depletion. West 45 started production in 2017 and was the sole source of ore for the Thalanga Operation until the Far West Underground (UG) mine commenced production in late 2019. Far West will now be the sole source of ore until the Liontown Project is developed.

Red River's Thalanga Operation mined 334kt of ore @ 0.9% Cu, 1.5% Pb, 3.7% Zn, 0.3 g/t Au & 40 g/t Ag (9.0% Zinc Equivalent) and processed 331kt of ore @ 0.8% Cu, 1.4% Pb, 3.5% Zn, 0.2 g/t Au & 42 g/t Ag (8.5% Zinc Equivalent) to produce 18,834 dry metric tonnes of zinc concentrate, 5,142 dry metric tonnes of lead concentrate and 7,939 dry metric tonnes of copper concentrate.

A 37 hole drilling program was completed at Liontown resulting in a material increase in the Liontown Project Mineral Resource to 4.1Mt @ 0.6% Cu, 1.9% Pb, 5.9% Zn, 1.1 g/t Au & 29 g/t Ag (12.7% Zn Eq.). Red River is currently working on a combined open pit and underground development for the Liontown Project, with a conceptual mine life in excess of 10 years. During the year, the historic tailings from Liontown Project were processed at Thalanga to produce a gold concentrate, paving the way for mine development activities to commence.

Red River also completed the acquisition of the Hillgrove Gold Project in NSW. The Hillgrove Gold Project is located 23km east of Armidale in NSW. It was discovered in 1857 and has produced approximately 730,000 ounces of gold and 50,000 tonnes of antimony to date, with material amounts of by-product tungsten.

The Hillgrove Gold Project has a material high-grade JORC 2012 Compliant Mineral Resource of 5.0Mt @ 4.3 g/t Au & 1.5% Sb (6.4 g/t Au Eq.) (686koz gold & 74kt antimony), in addition to a material high-grade JORC 2004 Compliant Mineral Resource (refer to ASX release "Red River acquires Hillgrove Gold-Antimony Project in NSW" dated 3 July 2019 for further details).

The Project has substantial infrastructure, including a 250ktpa processing plant capable of producing gold & gold-antimony concentrates plus an antimony metal alkali leach and electrowinning circuit, pressure oxidation circuit, gold cyanide leach circuit and a gold room.

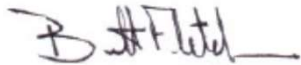
The Project also has extensive offices, warehouses, assay lab and maintenance facilities plus an underground mining and surface vehicle fleet. Hillgrove last operated in 2016 when it was placed on care & maintenance due to low prevailing commodity prices.

Red River is planning a staged production restart at Hillgrove, with Stage One commencing by the end of 2020. Stage One comprises processing the Bakers Creek Stockpile to produce gold dore, with Stage Two (restart of underground production to produce antimony-gold concentrate, gold concentrate and gold dore) starting when Stage One is completed.

The coming year will be an exciting one for Red River as we bring the Hillgrove Gold Project, into production. This will transform Red River from a sole operating asset business, into a diversified multiple asset operating business and increasing our exposure to gold.

Chairman's Message (continued)

The Liontown Project will continue to advance towards production, with the combination of Far West and Liontown underpinning an operational life in excess of 10 years for the Thalanga Operation, and increasing Red River's exposure to copper and precious metals (gold and silver).

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

Mr. Brett Fletcher

Non-executive Chairman

Directors' Report

Your Directors present their report together with the financial statements of the Group, being Red River Resources Limited (the 'Company' or 'RVR') and its subsidiaries which together are referred to as the 'consolidated entity', for the financial year ended 30 June 2020.

The following persons were directors of the Company during the whole of the financial year, unless otherwise stated.

CHAIRMAN AND DIRECTORS

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

Information on directors

MR BRETT FLETCHER

BEng MAICD

Non-executive Chairman

Mr. Fletcher, a qualified Mining Engineer (University of NSW, 1989), brings over 25 years experience in the metals and mining industry to Red River. His experience within the Australian base metal mining and smelting sector is without equal, where he has held multiple senior management and executive roles including Manager UG Operations Broken Hill Zinc Lead Mine, General Manager Rosebery Copper Lead Zinc Mine, General Manager Century Zinc Mine and General Manager Hobart Zinc Smelter, Chief Operating Officer of Zinifex/OZ Minerals and then MMG and Executive General Manager PNG Operations at Newcrest where he was responsible for the Morobe Mining JV, Gosowong and Lihir Operations. Brett is currently Chief Executive Officer of Ravenswood Gold Pty Ltd.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	528,244 ordinary shares
Interest in options:	None
Contractual rights to shares:	None

MR. MELKON PALANCIAN

BEng MEng MAusIMM MIEAust

Managing Director

Mel has over 20 years experience in the mining industry and his most recent role was Deputy Operations Director at Newcrest's Gosowong operation in Indonesia. Prior to this, he held a range of senior positions including General Manager Technical Services for MMG, Manager Dugald River Development for OZ Minerals and Principal Adviser Mining for Zinifex. Mel holds a Bachelor of Engineering (Civil & Computing) from Monash and a Masters in Engineering from RMIT.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	1,697,118 ordinary shares
Performance Rights:	857,143 2018 Performance Rights 704,777 2019 Performance Rights 1,066,983 2020 Performance Rights
Interest in options:	None
Contractual rights to shares:	None

Directors' Report (continued)

MR. DONALD GARNER

BSc (Hons) MSc FGS MSEG MAusIMM

Executive Director

Mr. Garner is a geologist with over 20 years experience in the resource industry, corporate finance and corporate development roles. He has a strong track record in the identification and acquisition of resource projects, recently being responsible for New Age Exploration's (ASX: NAE) Lochinvar coking coal project and Sirius Minerals Plc (LSE:SXX) York Potash project. Donald previously worked in a corporate development role at Zinifex, and prior to that worked in metals and mining corporate finance in the United Kingdom. He has also worked as a geologist in Western Australia in a number of roles, both as an exploration geologist and a mine geologist and also as an exploration geologist in Myanmar.

Current directorships:	None
Former directorships (in last 3 years):	None
Interest in shares:	8,215,923 ordinary shares
Performance Rights:	400,000 2018 Performance Rights 328,896 2019 Performance Rights 497,926 2020 Performance Rights
Interest in options:	None
Contractual rights to shares:	None

MR. MARK HANLON

B.Bus. (Accounting & Finance), M. Bus. (Banking & Finance)

Non-executive director

Mr. Hanlon has over fifteen years of experience in the resources and resource services sector as well as over ten years' experience in commercial and merchant banking. He has a broad background of senior executive experience across a wide range of industries including mining, mining services, electricity distribution, electronics contract manufacturing, paper & packaging and insurance. He has most recently been the Finance Director of ENK plc and previously held the position or equivalent position of CFO with listed companies such as Century Drilling and International Contract Manufacturing Limited.

Current directorships:	None
Former directorships (in last 3 years):	Copper Strike Limited; Echo Resources Limited
Interest in shares:	4,850,000 ordinary shares
Interest in options:	None
Contractual rights to shares:	None

COMPANY SECRETARY

MR. CAMERON BODLEY

CA, B.Comm, MACID

Mr. Bodley has been providing accounting, taxation and secretarial services to other ASX listed and unlisted public and private entities for the past 10 years. He is also a member of the Australian Institute of Company Directors.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the consolidated entity during the year was the operation and production from the West 45 Mine and the development, commissioning, and ramping up of production from the Far West Mine at the Thalanga Operation, located near Charters Towers in North Queensland. In August 2019 the Company acquired Hillgrove Mines Pty. Ltd., the holder of the Hillgrove Gold Mine and surrounding tenements located near Armidale in New South Wales.

Directors' Report (continued)

REVIEW OF FINANCIAL RESULTS

Dividends paid or declared

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

Operating results

The consolidated entity recorded a loss after income tax for the year ended 30 June 2020 of \$6.9 million (FY19: profit \$3.8 million). The result was impacted by a number of key factors including:

- Revenue from continuing operations amounted to \$64.5 million (FY19: \$97.4 million). Reduced revenue from the sale of zinc and lead concentrate (with lower average (AUD) zinc price and lower zinc and lead concentrate volumes sold), was partially offset by increased revenue achieved from the sale of additional copper concentrates;
- Sales realisation costs of \$18.5 million (FY19: \$23.7 million) were impacted by lower concentrate sales tonnages. This impact was partially offset by higher treatment charges per tonne of zinc concentrate and lead concentrate (which added \$2.9 million to the current financial years costs) and the adverse impact of lower exchange rates on other USD denominated realisation costs;
- Production costs of \$33.8 million were 19% lower than FY19 costs of \$42.0 million. A focus on reducing fixed costs and improving the efficiency of variable cost items, resulted in overall mining and processing unit costs being 6% and 14% lower respectively than in FY19;
- Depreciation decreased by \$2.9 million to \$9.5 million (FY19: \$12.4 million) following the depletion of West 45 Mine in quarter 3 of the current financial year; and
- Income tax benefit of \$6.1 million (FY19: income tax expense \$1.7 million) due to the operating loss in the current year and adjustments to tax values incurred as the Group consolidated for tax purposes from 1 August 2019.

Financial position

The net assets of the consolidated Group have decreased from \$56.3 million at 30 June 2019 to \$53.9 million at 30 June 2020.

Operating cash flow for the year ended 30 June 2020 decreased by \$31.6 million to -\$8.6 million (FY19: \$23.0 million). Lower concentrate production during the current period contributed to a \$33.5 million decrease in sales receipts. Reduced cash operating and cash sales realisation costs associated with the lower production levels have been largely offset by \$2.9 million in increased treatment charges per tonne of zinc concentrate and lead concentrate, the adverse impact of lower exchange rates on other USD denominated realisation costs; \$1.4 million to fund restart and care and maintenance activities at the Hillgrove Gold Mine site (acquired in August 2019), \$3.9 million in additional mineral royalty payments to the Queensland Government and \$2.6 million to fund increased working capital, primarily associated with higher closing concentrate stocks in June 2020. The additional Queensland Government mineral royalty payments were due to the Government moving the consolidated entity's Thalanga Operation from paying royalty on an annual basis to pay on a quarterly basis. Transitioning to an annual basis resulted in FY20 incurring the cash cost of the FY19 annual royalty payment and the royalty payments for the first three quarters of FY20.

Cash outflow from investing activities for the year ended 30 June 2020 was \$16.1 million (FY19: \$17.3 million). Payments for exploration and evaluation expenditure were \$1.8 million lower in the current period as exploration activities were temporarily reduced. Mine Development costs (\$0.5 million higher) were similar in both FY20 and FY19.

Cash flow from financing activities for the year ended 30 June 2020 increased by \$6.8 million to \$6.9 million (FY19: \$0.1 million) due to drawing down on the consolidated entity's working capital facility. Further details on the consolidated entity's borrowings are available in Note 23 and Note 35 to the financial statements.

Cash and cash equivalents decreased during the year ended 30 June 2020 by \$17.6 million with cash and cash equivalent at the end of the period of \$8.0 million (30 June 2019: \$25.6 million).

END OF REVIEW OF FINANCIAL RESULTS

Directors' Report (continued)

REVIEW OF OPERATIONS

1. Overview

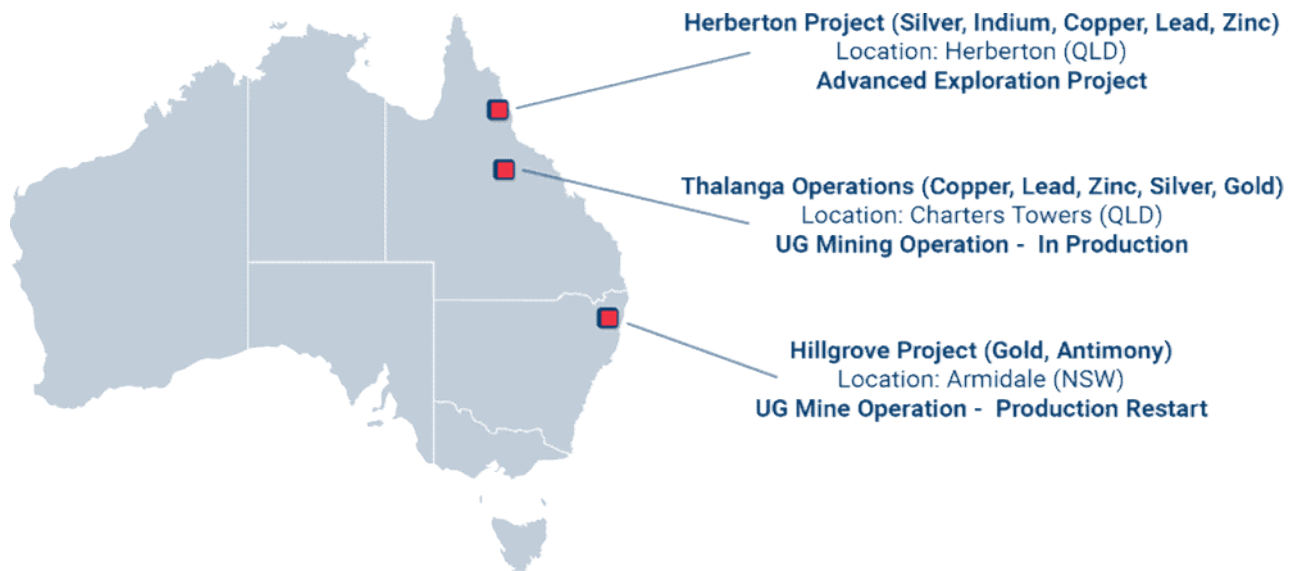
Red River Resources is seeking to build a multi-asset operating business focused on base and precious metals with the objective of delivering prosperity through lean and clever resource development.

Red River's foundation asset is the Thalanga Base Metal Operation in Northern Queensland, which was acquired in 2014 and where Red River commenced copper, lead and zinc concentrate production in September 2017.

During the past year, Red River completed the acquisition of the high-grade Hillgrove Gold Project in New South Wales, which will enable RVR to build a multi-asset operating business focused on base and precious metals. Gold production at Hillgrove is scheduled to restart at the end of CY2020.

Red River was also granted a number of high grade silver-indium-lead zinc projects in the Herberton area in Northern Queensland.

Figure 1. RVR Key Assets and Projects



2. Safety & Environmental Performance

With the onset of the coronavirus pandemic, Red River followed federal and state guidance measures and implemented preventative measures to reduce risk to employees and operations at all sites. These preventative measures include increased hygiene practices, restrictions on non-essential travel, social distancing, limiting visitors to site and remote working where possible.

Thalanga and Hillgrove are residential operations and Red River is striving to ensure its workforce and the communities in which it operates are not impacted.

2.1 Thalanga Base Metal Operation

The site headcount at period end was 151 people, of which there were 74 full-time Red River Resources employees, with an additional 77 contractors working in exploration and mining. A total of 395,544 hours worked during the period. The Total Recordable Injury Frequency Rate (TRIFR) was 5.22 for the year, and there were two medical treated injuries during the period, and zero Lost Time Injuries (LTIs).

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

2. Safety & Environmental Performance (continued)

2.1 Thalanga Base Metal Operation (continued)

Recordable injuries include those that result in any days away from work (Lost Time Injuries), and those where an employee or contractor cannot perform all or any of their normal shift (Restricted Work Day Injuries) plus any injury that requires the services that only a medical practitioner can provide (Medical Treatment Injuries).

2.2 Hillgrove Gold Project

The Hillgrove Gold Mines site headcount during the period (from completion on 27 August 2019 to 30 June 2020) was five people with 6,659 hours worked. The Total Recordable Injury Frequency Rate (TRIFR) was zero for the period. There were zero medical treated injuries during the period, and zero Lost Time Injuries (LTIs).

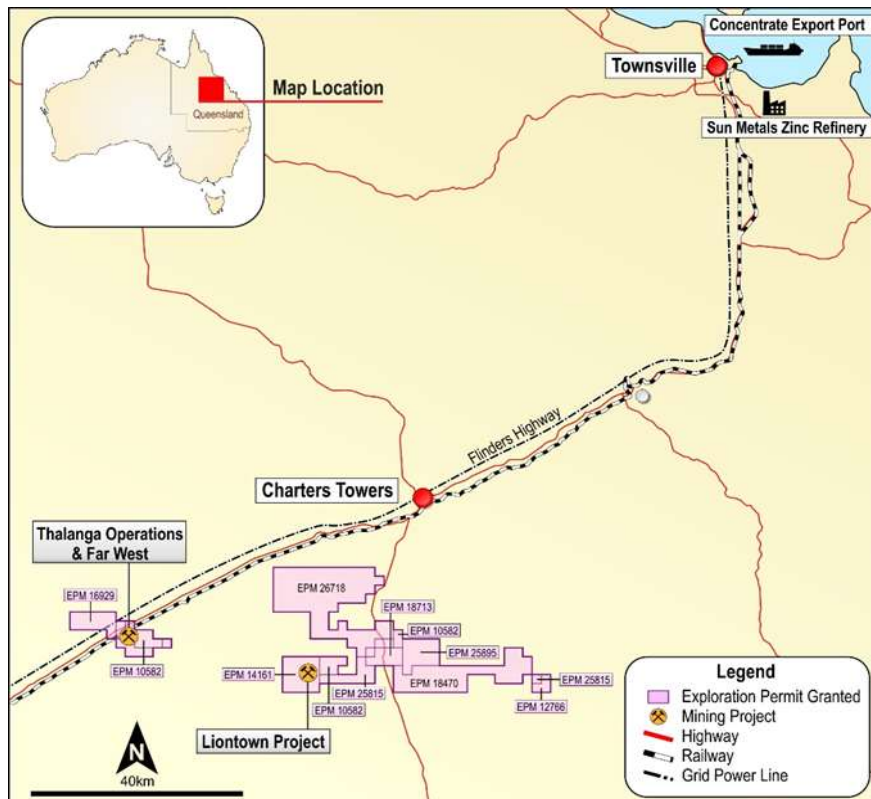
3. Thalanga Base Metal Operation

The Thalanga Operation is located 60km SW of Charters Towers in Central Queensland and consists of the following key assets:

- 650ktpa polymetallic processing facility capable of producing separate copper, lead and zinc concentrates;
- Tailings storage facility; and
- Site offices, workshops and change facilities.

Site access is by sealed road and the Thalanga Operation is run as a residential operation, with the workforce predominately living in Charters Towers. The Thalanga Operation is located 200km from the Port of Townsville (Australia's largest base metal concentrate export port) and Korea Zinc's Sun Metals zinc refinery.

Figure 2. Thalanga Base Metal Operation Location



Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3. Thalanga Base Metal Operation (continued)

The Thalanga Plant is designed for a nominal throughput of 650ktpa, using standard industry technology to produce saleable copper, lead and zinc concentrates via flotation. The plant flowsheet is summarised as:

- Crushing circuit (three-stage crushing circuit);
- Milling circuit (primary (x1) and secondary ball mill (x2) circuit);
- Concentrate flotation circuit (differential copper, lead and zinc flotation circuits);
- Concentrate thickening and filtration;
- Regrind circuit;
- Concentrate storage, blending and transport; and
- Sub-aqueous disposal of tailings to fully permitted Tailings Storage Facility ("TSF") with sufficient existing capacity for currently planned operations.

Figure 3. Thalanga Base Metal Operation



3.1 Production

Production from West 45 UG mine ceased in March 2020 and the Far West UG mine ore became the primary ore source for the Thalanga Operations. Approximately 13,000 tonnes of historic gold tailings from the Lontown Project were treated in Q4FY20 to produced 475 DMT of gold concentrate.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3. Thalanga Base Metal Operation (continued)

3.1 Production (continued)

Production highlights for the year ended June 30 2020 include:

- Total tonnes mined: 334kt @ 9.0% Zn Eq. (FY2019: 383kt @ 10.2% Zn Eq.)
- Total tonnes processed: 331kt @ 8.5% Zn Eq. (FY2019: 407kt @ 10.3% Zn Eq.)
- Zinc concentrate produced: 18,834 dry metric tonnes (DMT) (FY2019: 32,504 DMT)
- Lead concentrate produced: 5,142 DMT (FY2019: 12,886 DMT)
- Copper concentrate produced: 7,939 DMT (FY2019: 4,642 DMT)

Table 1. Thalanga Base Metal Operation FY2020 Production Summary

	Units	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Total FY20
Ore mined	'000 Tns	100	60	91	83	334
Copper grade	%	0.4	1.0	1.1	1.1	0.9
Lead grade	%	1.9	1.2	1.3	1.3	1.5
Zinc grade	%	3.9	3.5	3.5	3.7	3.7
Gold grade	g/t	0.3	0.2	0.3	0.2	0.3
Silver grade	g/t	36	38	44	42	40
Zinc equivalent ⁽¹⁾	%	8.1	9.0	9.4	9.6	9.0
Ore processed	'000 Tns	99	66	84	82	331
Copper grade	%	0.5	0.8	0.8	1.0	0.8
Lead grade	%	1.8	1.3	1.2	1.3	1.4
Zinc grade	%	3.6	3.5	3.3	3.4	3.5
Gold grade	g/t	0.2	0.2	0.2	0.2	0.2
Silver grade	g/t	38	40	48	44	42
Zinc equivalent ⁽¹⁾	%	7.9	8.4	8.5	9.2	8.5
Zinc concentrate	DMT⁽²⁾	6,199	3,781	4,310	4,544	18,834
Zinc grade	%	52.4	52.5	54.8	54.0	53.4
Zinc recovery	%	90.3	85.8	85.2	86.4	87.3
Lead concentrate	DMT⁽²⁾	2,016	876	1,117	1,133	5,142
Lead grade	%	67.1	56.5	63.9	67.5	64.7
Copper grade	%	1.8	6.1	2.6	2.1	2.8
Gold grade	g/t	3.9	4.9	5.4	4.6	4.6
Silver grade	g/t	892	1,413	1,826	1,747	1,372
Lead recovery	%	76.0	58.8	68.1	69.7	70.0
Copper recovery	%	7.9	9.8	4.1	2.8	6.3
Copper concentrate	DMT⁽²⁾	1,372	1,560	2,310	2,697	7,939
Copper grade	%	24.5	24.8	25.3	26.5	25.5
Gold grade	g/t	4.5	2.2	2.9	2.5	2.9
Silver grade	g/t	818	423	505	367	496
Copper recovery	%	71.2	70.8	83.9	84.7	79.4
Zinc concentrate sold	DMT⁽²⁾	6,191	4,149	4,452	4,151	18,943
Lead concentrate	DMT⁽²⁾	2,381	945	1,232	1,003	5,562
Copper conc. sold	DMT⁽²⁾	1,425	1,455	2,623	2,326	7,829

⁽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)

3. Thalanga Base Metal Operation (continued)

3.2. Concentrate Sales and Marketing

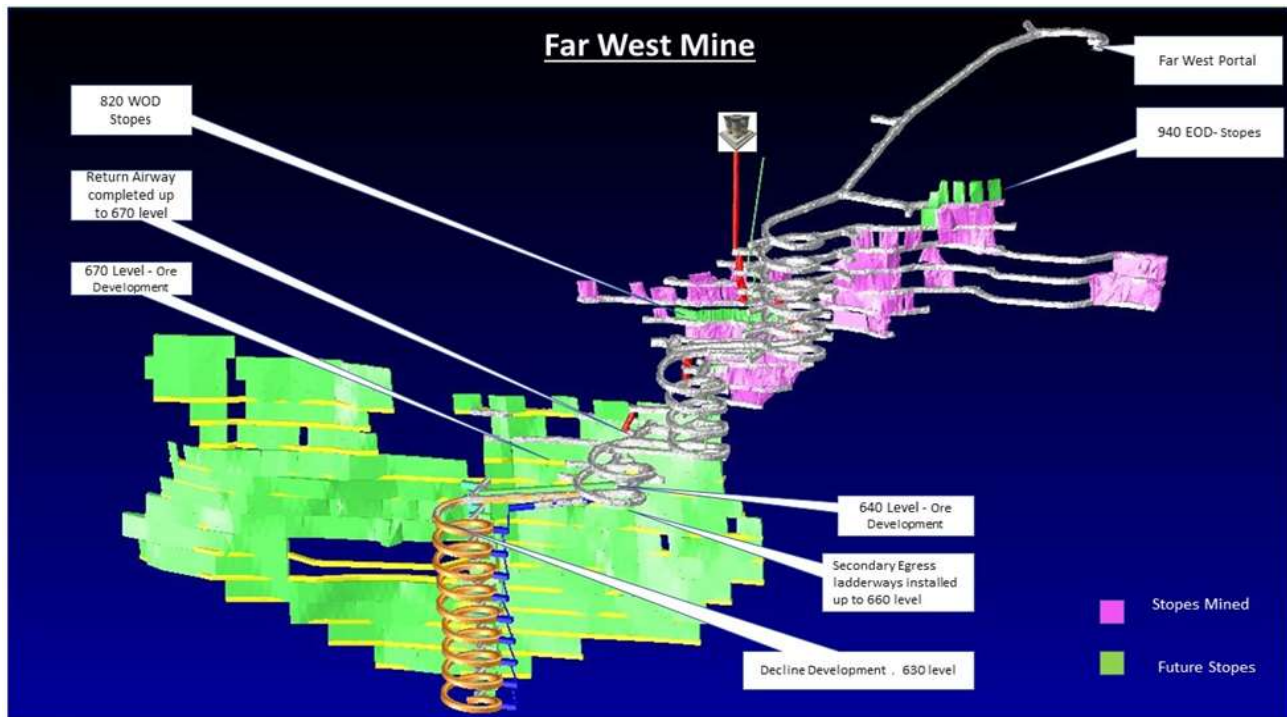
Thalanga Operations sold 18,943 DMT zinc concentrate, 5,562 DMT lead concentrate and 7,829 DMT copper concentrate during the period. Concentrate quality was excellent and was well received by Red River's offtake partners. The gold concentrate produced (475 DMT) during the year was sold subsequent to the year end.

3.3. Project Development Activities

During the period, Red River invested \$13.1 million in project development activities, with the continued focus being on developing the Far West UG mine.

Total Far West UG capital development in FY20 was 2,446m for the period (954m lateral capital development, 1,131m decline development and 361m vertical capital development). Total development for the period was 4,270m (including operating development of 1,824m).

Figure 4. Far West Development as at period end



Project development activities commenced at the Liontown Project during the period. The Liontown Project has a 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.), with a material gold component (152koz Au contained).

Red River is focusing on an open pit / UG development for the Liontown Project with a conceptual mine life of 10+ years. During the period, historic tailings from Liontown were processed at Thalanga to produce a gold concentrate, paving the way for the commencement of mine development activities.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

3. Thalanga Base Metal Operation (continued)

3.4. Thalanga Exploration Activities

The Thalanga Exploration team's main focus during the period was on (a) completion of a drilling program at the Liontown Project which enabled the Mineral Resource to be materially increased (b) commencing gold exploration activities at Thalanga and (c) the successful application for a group of silver-indium-lead-zinc deposits and exploration prospects in the Herberton region in Northern Queensland.

Liontown Project

Red River updated the Liontown Mineral Resource following the recently completed drilling program (34 holes drilled in 2019 and 3 holes drilled in 2018) at Liontown, delivering a Liontown Mineral Resource (Fresh Sulphide) for the Liontown Main, New Queen, Western Footwall and Gap Lodes of 2.6 Mt @ 0.7% Cu, 1.6% Pb, 5.1% Zn, 1.4 g/t Au and 30 g/t Ag (12.4% Zn Eq.).

The total Liontown Project Mineral Resource (Liontown & Liontown East) increased materially to 4.1Mt @ 0.6% Cu, 1.9% Pb, 5.9% Zn, 1.1 g/t Au & 29 g/t Ag (12.7% Zn Eq.), with total tonnage increasing by 20%, and contained metals increasing, particularly gold (increase of 75%) and copper (increase of 59%).

The Liontown Project is part of Red River's Thalanga Operations 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.

Red River plans to develop Liontown as the next (third) mine as part of its Thalanga operations, given the high-grade gold-rich nature of the deposit. It has a pre-existing Mining Lease (ML 10277) at Liontown and this may enable early works to commence to develop the deposit, initially targeting the New Queen Lens. Liontown mine design work and mining studies are proceeding.

Thalanga Gold Exploration Strategy

Red River commenced reconnaissance (mapping and sampling) exploration activities targeting known occurrences of gold mineralisation on the Group's existing tenements. Two exploration permits (EPM 27537 and EPM 27520) were granted over known gold occurrences during the period.

Herberton Exploration Project

Red River was granted the following exploration permits in the Herberton area during the period: EPM 27221 (Isabel), EPM 27223 (Orient), and EPM 27168 (Eccles Creek). The permits are located near Herberton in Northern Queensland, approximately 500km from the Thalanga Operation (by sealed road).

The Isabel contains the Isabel polymetallic massive sulphide zinc-lead-copper-silver-indium deposit and the Isabel Extended exploration target, and the Orient contains the West Orient zinc-lead-silver-indium deposit and the East Orient exploration target. The Isabel and Orient deposits have potential to provide additional feed to Thalanga Operations or be developed as stand-alone operations.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Hillgrove Gold Project

Red River completed the acquisition of the Hillgrove Gold Project in August 2019.

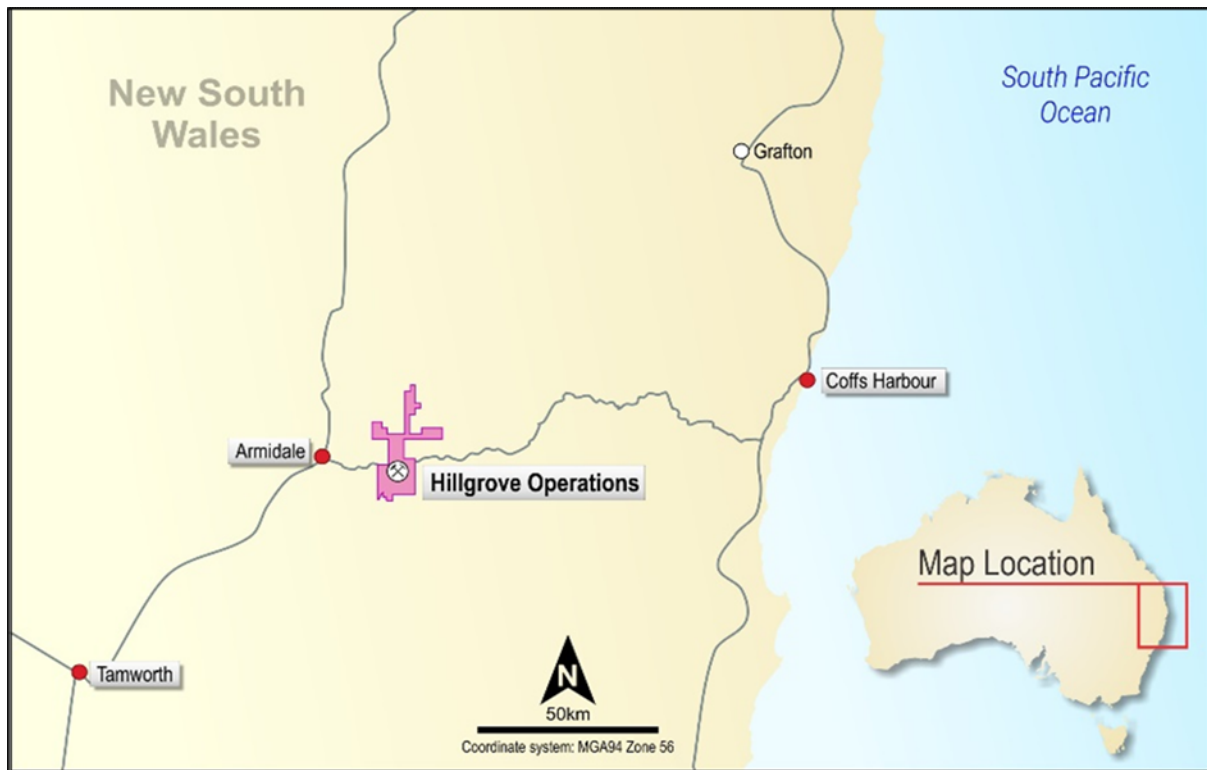
The Hillgrove Gold Project is located approximately 30km from Armidale in New South Wales. Historic mining activity commenced at the site in 1857 and ceased in 1921 and recommenced in 1969. To date, Hillgrove has produced more than 730,000 ounces of gold (in bullion and concentrates), over 50,000 tonnes of antimony (as metal and in concentrates) plus material amounts of by-product tungsten (in concentrates).

Since 2004, over \$180 million has been invested in underground development, surface infrastructure and processing plant by Straits Resources Limited ("Straits") (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 concentrates and antimony-gold concentrates commencing in 2014. Hillgrove was placed on care & maintenance by the vendor in 2016 due to low prevailing antimony prices.

The Hillgrove Gold Project has a material high-grade JORC 2012 Compliant Mineral Resource of 5.0Mt @ 4.3 g/t Au & 1.5% Sb (6.4 g/t Au Eq.) (686koz gold & 74kt antimony), in addition to a material high-grade JORC 2004 Compliant Mineral Resource (refer to ASX release "Red River acquires Hillgrove Gold-Antimony Project in NSW" dated 3 July 2019 for further details).

Figure 5. Hillgrove Gold Project Location



Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Hillgrove Gold Project (continued)

The Hillgrove site includes a 250ktpa capacity processing plant currently on active care & maintenance comprising a selective flotation circuit (capable of producing antimony-gold and refractory gold concentrates), an antimony leach/SXEW/refining & casting plant, a gold cyanide leach circuit & gold room and a pressure oxidation circuit.

A fully HDPE (high-density polyethylene) lined modern tailing storage facility which was constructed in 2006, and has approximately 2 years of production storage capacity.

The site also has a first aid/mine rescue centre & UG capable ambulance, plus on-site stores with ~ \$2.2 million worth of stock and associated maintenance, administration buildings and laboratory/on site assay facilities.

Figure 6. Hillgrove Gold Project Site, showing processing infrastructure and layout



Previous owners have invested substantial capital in developing the Metz UG Mining Centre (accessing the Syndicate Lode, Sunlight Lode, Blacklode, Cox's Lode and associated smaller lodes). The Metz UG Mining Centre is currently on active care & maintenance, with all infrastructure (ventilation, power, water) in place to support near term restart of mining. Approximately 3,950m of declines and capital development and 3,400m of ore drives have been completed in the Syndicate Lode, 500m of ore drives in Blacklode and 320m of ore drives in Cox's Lode.

The acquisition also included an underground mining fleet (3 Volvo A40F trucks, 2 development jumbos, 1 production jumbo, 5 UG loaders and support vehicles) and a surface vehicle fleet (15 light vehicles, 1 CAT 972G loader and support vehicles including graders, backhoes, forklifts and trucks).

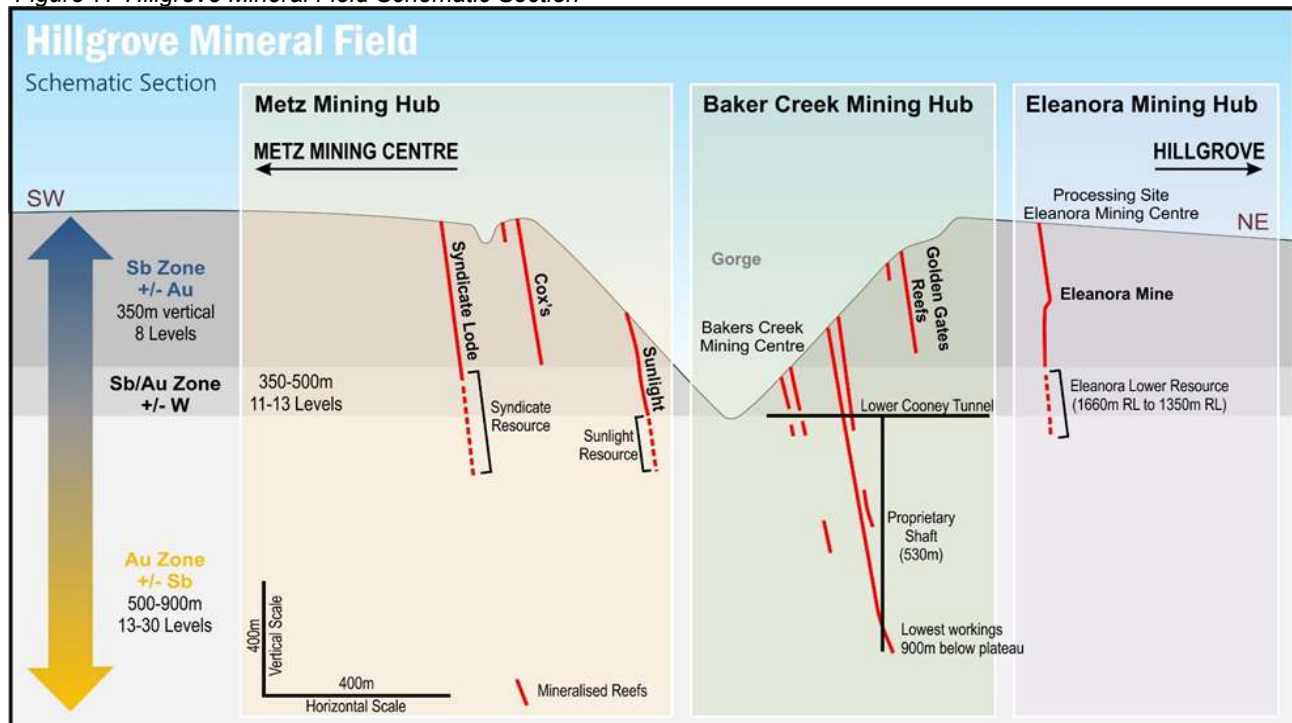
Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

4. Hillgrove Gold Project (continued)

Orogenic gold-antimony-tungsten mineralisation at Hillgrove is hosted in multiple steeply dipping vein/shear systems contained within the Hillgrove Mineral Field. There is a strong zonation in the veins, transitioning from shallow antimony dominant mineralisation to gold dominant mineralisation at depth. All known veins are open at depth, with potential transition to high grade gold dominant mineralisation at depth.

Figure 7. Hillgrove Mineral Field Schematic Section



The Hillgrove Mineral Field covers approximately 9km x 6km, with more than 200 individual mineral occurrences identified in field. Red River controls the entirety of the Hillgrove Mineral Field and holds 225km² of exploration leases and 17km² of mining leases (or equivalent).

4.1. Hillgrove Gold Project Restart

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

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

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

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement

The Mineral Resource and Ore Reserve for Red River Resources as at 25 August 2020 are as follows, and are reported in accordance with the guidelines in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code)' and Chapter 18 of the Listing Rules. Mineral Resources and Ore Reserve tables are provided below. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources that convert to Ore Reserves.

5.1. Mineral Resource and Ore Reserve Annual Comparison

The Mineral Resource and Ore Reserve (2020) for Red River Resources is summarised in the tables below along with the Mineral Resource and Ore Reserve (2019) for comparison.

Table 2. Mineral Resource and Ore Reserve Estimate Annual Comparison (Thalanga Operations)

Mineral Resource (2020)	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %
West 45	-	-	-	-	-	-	-
Far West	1,344	1.6	2.2	6.5	0.2	60	15.3
Orient	540	0.9	1.8	7.9	0.2	44	13.6
Waterloo	707	1.9	1.6	11.0	0.9	50	19.1
Liontown	4,138	0.6	1.9	5.9	1.1	29	12.7
Total	6,729	1.0	1.9	6.7	0.8	39	14.0
Mineral Resource (2019)	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %
West 45	242	0.5	2.6	5.5	0.3	50	10.7
Far West	1,686	1.6	2.2	6.4	0.3	61	15.3
Orient	540	0.9	1.8	7.9	0.2	44	13.6
Waterloo	707	1.9	1.6	11.0	0.9	50	19.1
Liontown	3,553	0.5	2.0	5.7	0.8	27	10.0
Total	6,728	1.0	2.0	6.6	0.6	40	12.6
Ore Reserve (2020)	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %
West 45	-	-	-	-	-	-	-
Far West	1,162	1.2	1.5	4.5	0.2	40	10.7
Total	1,162	1.2	1.5	4.5	0.2	40	10.7
Ore Reserve (2019)	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %
West 45	126	0.3	2.4	4.6	0.3	49	9.3
Far West	1,423	1.4	1.7	5.1	0.3	49	12.6
Total	1,549	1.3	1.8	5.1	0.3	49	12.3

*Note that mining operations at West 45 ceased in March 2020 as a result of Ore Reserve depletion.
 Table subject to rounding errors.*

Table 3. Mineral Resource and Ore Reserve Estimate (Hillgrove Gold Project)

Mineral Resource (2020)	Tonnage (kt)	Au g/t	Sb %	Au Eq. (g/t)
Sunlight & Blacklode	2,647	4.5	1.1	6.2
Brackin's Spur	1,600	4.5	1.5	6.6
Clark's Gully	270	2.0	3.8	8.4
Syndicate	230	4.5	4.5	11.8
Bakers Creek Stockpile	225	2.5	-	2.5
Total	4,972	4.3	1.5	6.4

*Table subject to rounding errors.
 Red River Resources acquired the Hillgrove Gold Project on 27 August 2019.*

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.1. Mineral Resource and Ore Reserve Annual Comparison (continued)

Information in the table above was sourced from the following. Please refer to the appendices in the relevant release for the supporting information.

Table 4. Mineral Resource and Ore Reserve Estimate and Release Dates

Deposit	Resource / Reserve	Estimate Date	Release Date
Thalanga Operations			
West 45	Mineral Resource 2020		
Far West	Mineral Resource 2020	25-Aug-20	27-Aug-20
Orient	Mineral Resource 2020	9-Feb-15	11-Feb-15
Waterloo	Mineral Resource 2020	7-Feb-15	24-Apr-15
Liontown	Mineral Resource 2020	21-Feb-20	11-Mar-20
West 45	Mineral Resource 2019	30-Jun-19	30-Aug-19
Far West	Mineral Resource 2019	30-Jun-19	30-Aug-19
Orient	Mineral Resource 2019	9-Feb-15	11-Feb-15
Waterloo	Mineral Resource 2019	7-Feb-15	24-Apr-15
Liontown	Mineral Resource 2019	2-Jul-18	18-Jul-18
West 45	Ore Reserve 2020	25-Aug-20	27-Aug-20
Far West	Ore Reserve 2020	30-Jun-19	30-Aug-19
West 45	Ore Reserve 2019	18-Dec-17	20-Dec-01
Far West	Ore Reserve 2019	19-Nov-17	21-Nov-17
Hillgrove Gold Project			
Sunlight & Blacklode	Mineral Resource 2020	29-Jul-20	17-Aug-20
Brackin's Spur	Mineral Resource 2020	August 2017	August 2017
Clark's Gully	Mineral Resource 2020	August 2017	August 2017
Syndicate	Mineral Resource 2020	August 2017	August 2017
Bakers Creek Stockpile	Mineral Resource 2020	28-Feb-20	28-Feb-20

Mineral Resources and Ore Reserve information in this statement has been compiled by Competent Persons (as defined by the 2012 JORC Code). Each Competent Person consents to the inclusion of the information in this report that they have provided in the form and context in which it appears. Competent Persons are listed in 5.2, 5.3 and 5.4.

5.2. Thalanga Operations Ore Reserve (2020)

Thalanga Operations Ore Reserve (2020) is 1,162kt @ 1.2% Cu, 1.5% Pb, 4.5% Zn, 0.2 g/t Au & 40 g/t Ag (10.7% Zinc Equivalent).

Table 5. Thalanga Operations Ore Reserve

	Classification	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %
Far West	Proved	-	-	-	-	-	-	-
	Probable	1,162	1.2	1.5	4.5	0.2	40	10.7
	Total	1,162	1.2	1.5	4.5	0.2	40	10.7
Thalanga Operation	Proved	-	-	-	-	-	-	-
	Probable	1,162	1.2	1.5	4.5	0.2	40	10.7
	Total	1,162	1.2	1.5	4.5	0.2	40	10.7

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 Red River's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold. Table subject to rounding errors, Please refer to Competent Persons Statements for appropriate Competent Persons Statement.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.2. Thalanga Operations Ore Reserve (2020) (continued)

An explanation of any material changes in Ore Reserve per deposit:

Deposit	Reason
West 45	Mining ceased at West 45 in March 2020 due to orebody depletion
Far West	Mining depletion and re-interpretation of the orebody

Competent Persons Statement – Ore Reserves

The information in this report that relates to the estimation and reporting of the Far West Ore Reserve is based on and fairly represents, information and supporting documentation compiled by Mr Aurimas Karosas who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Red River Resources. Mr Karosas 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 market announcement 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 market announcement.

5.3. Thalanga Operations Mineral Resource (2020)

Thalanga Operations Mineral Resource (2020) is 6,729kt @ 1.0% Cu, 1.9% Pb, 6.7% Zn, 0.9 g/t Au & 39 g/t Ag (14.0% Zinc Equivalent).

Table 6. Thalanga Operations Mineral Resource

Deposit	Classification	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %
West 45	Measured	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-
	Inferred	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-
Far West	Measured	134	1.7	1.9	6.1	0.3	55	15.0
	Indicated	875	1.7	2.2	6.8	0.3	60	16.1
	Inferred	335	1.2	2.1	6.0	0.3	64	13.5
	Total	1,344	1.6	2.2	6.5	0.3	60	15.3
Orient	Measured	-	-	-	-	-	-	-
	Indicated	496	0.9	1.8	7.7	0.2	44	13.4
	Inferred	44	0.8	1.8	10.9	0.2	46	16.2
	Total	540	0.9	1.8	7.9	0.2	44	13.6
Waterloo	Measured	-	-	-	-	-	-	-
	Indicated	406	2.7	2.1	13.4	1.4	68	24.6
	Inferred	301	0.9	0.9	7.9	0.4	27	11.8
	Total	707	1.9	1.6	11.0	0.9	50	19.1

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.3. Thalanga Operations Mineral Resource (2020) (continued)

Table 6. Thalanga Operations Mineral Resource (continued)

Deposit	Classification	Tonnage (kt)	Cu %	Pb %	Zn %	Au g/t	Ag (g/t)	Zn Eq %
Liontown	Measured	-	-	-	-	-	-	-
	Indicated	1,063	0.4	2.0	6.0	1.0	42	12.2
	Inferred	3,075	0.7	1.9	5.9	1.2	25	12.9
Total		4,138	0.6	1.9	5.9	1.1	29	12.7
Thalanga Operation	Measured	134	1.7	1.9	6.1	0.3	55	15.0
	Indicated	2,840	1.2	2.0	7.6	0.7	52	15.4
	Inferred	3,755	0.8	1.8	6.1	1.0	29	12.9
Total		6,729	1.0	1.9	6.7	0.9	39	14.0

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 Red River's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold. Table subject to rounding errors.
Note that the Liontown Mineral Resources is reported inclusive of the Liontown East Mineral Resource.
Please refer to Competent Persons Statements for appropriate Competent Persons Statement.

An explanation of any material changes in Mineral Resource per deposit:

Deposit	Reason
West 45	Mining ceased at West 45 in March 2020 due to orebody depletion
Far West	Mining depletion and re-interpretation of the orebody
Waterloo	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Waterloo Mineral Resource estimate as at 7 February 2015.
Orient	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Orient Mineral Resource estimate as at 9 February 2015.
Liontown	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Liontown Mineral Resource estimate as at 21 February 2015.

Competent Person Statement - Mineral Resource

Orient and Waterloo Mineral Resource

The information in this report that relates to the estimation and reporting of the Orient and Waterloo Mineral Resources is based on and fairly represents, information and supporting documentation compiled by Mr Stuart Hutchin who is a Member of The Australasian Institute of Mining and Metallurgy, Member of the Australian Institute of Geoscientists and a full time employee of Mining One Consultants Pty Ltd. Mr Hutchin 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 market announcements 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 market announcements.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.3. Thalanga Operations Mineral Resource (2020) (continued)

Competent Person Statement - Mineral Resource (continued)

Far West and Lioneaton Mineral Resource

The information in this report that relates to the estimation and reporting of the Far West and Lioneaton Mineral Resources is based on and fairly represents, information and supporting documentation compiled by Mr Peter Carolan who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Red River Resources Ltd. Mr Carolan has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements 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 market announcements.

5.4. Hillgrove Gold Project Mineral Resource (2020)

The Hillgrove Gold Project Mineral Resource (2020) is 4,951kt @ 4.3 g/t Au & 1.5% Sb (6.4 g/t Gold Equivalent).

Table 7. Hillgrove Gold Project Mineral Resource

Deposit	Classification	Tonnage (kt)	Au g/t	Sb (%)	Au Eq. (g/t)
Sunlight & Blacklode	Measured	-	-	-	-
	Indicated	1,511	5.3	1.3	7.1
	Inferred	1,136	3.6	0.9	4.9
Total		2,647	4.5	1.1	6.2
Brackin's Spur	Measured	73	5.1	0.9	6.2
	Indicated	640	4.2	1.8	6.9
	Inferred	870	4.8	1.3	6.5
Total		1,583	4.6	1.5	6.6
Clark's Gully	Measured	170	1.9	4.2	9.0
	Indicated	96	2.1	3.1	7.3
	Inferred	-	0.8	3.0	5.8
Total		266	2.0	3.8	8.4
Syndicate	Measured	170	4.4	5.5	13.4
	Indicated	56	4.7	1.7	7.2
	Inferred	4	9.3	0.3	9.0
Total		230	4.6	4.5	11.8
Bakers Creek Stockpile	Measured	-	-	-	-
	Indicated	-	-	-	-
	Inferred	225	2.5	-	2.5
Total		225	2.5	-	2.5
Hillgrove Gold Project	Measured	413	3.5	4.2	10.3
	Indicated	2,303	4.8	1.5	7.1
	Inferred	2,235	4.0	1.0	5.0
Total		4,951	4.3	1.5	6.4
It is Red River's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.					
Table subject to rounding errors.					
Please refer to Competent Persons Statements for appropriate Competent Persons Statement.					

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.4. Hillgrove Gold Project Mineral Resource (2020) (continued)

An explanation of any material changes in Mineral Resource per deposit:

Deposit	Reason
Sunlight & Blacklode	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Sunlight and Blacklode Mineral Resource estimate as at 29 July 2020.
Brackin's Spur	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Brackin's Spur Mineral Resource estimate as at August 2017.
Clark's Gully	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Clark's Gully Mineral Resource estimate as at August 2017.
Syndicate	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Syndicate Mineral Resource estimate as at August 2017.
Bakers Creek Stockpile	Red River Resources confirms that it is not aware of any new information or data that would materially affect the Bakers Creek Mineral Resource estimate as at 28 February 2020.

Competent Person Statement - Mineral Resource

Sunlight and Blacklode Mineral Resource

The information in this report that relates to the estimation and reporting of the Blacklode & Sunlight Mineral Resource is based on and fairly represents, information and supporting documentation compiled by Mr Peter Carolan who is a Member of The Australasian Institute of Mining and Metallurgy and a full-time employee of Red River Resources Ltd.

Mr Carolan has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Carolan consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The information in this report that relates to database compilation, geological interpretation and mineralisation wireframing, project parameters and costs and overall supervision and direction of the Blacklode & Sunlight estimation is based on and fairly represents, information and supporting documentation compiled under the overall supervision and direction of Mr Carolan.

Bakers Creek Stockpile Mineral Resource

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

Mr Tarrant has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Tarrant consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The information in this report that relates to database compilation, geological interpretation and mineralisation wireframing, project parameters and costs and overall supervision and direction of the Bakers Creek Stockpile estimation is based on and fairly represents, information and supporting documentation compiled under the overall supervision and direction of Mr Carolan.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.4. Hillgrove Gold Project Mineral Resource (2020) (continued)

Competent Person Statement - Mineral Resource (continued)

Brackin's Spur, Clark's Gully & Syndicate Mineral Resources

The information in this report that relates to the reporting of the Brackin's Spur, Clark's Gully & Syndicate 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.

5.5. Governance Arrangements

Updates to Mineral Resources and Ore Reserve estimates completed during the period, were completed in accordance with the guiding principles contained within the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). This included:

- Reporting in compliance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition);
- Suitably qualified and experienced Competent Persons;
- All Mineral Resources and Ore Reserve estimates being subject to internal review by suitably qualified practitioners, inclusive of Competent Persons; and
- Approval by the Board of Mineral Resources and Ore Reserve estimates prior to release to the market.

5.6 Zinc Equivalent Calculation

The net smelter return zinc equivalent (Zn Eq.) calculation adjusts individual grades for all metals included in the metal equivalent calculation applying the following modifying factors: metallurgical recoveries, playability factors (concentrate treatment charges, refining charges, metal payment terms, net smelter return royalties and logistic costs) and metal prices in generating a zinc equivalent value for copper (Cu), lead (Pb), zinc (Zn), gold (Au) and silver (Ag). Red River has selected to report on a zinc equivalent basis, as zinc is the metal that contributes the most to the net smelter return zinc equivalent (Zn Eq.) calculation. It is the view of Red River Resources that all the metals used in the Zn Eq. formula are expected to be recovered and sold. Where: Metallurgical Recoveries are derived from historical metallurgical recoveries from test work carried out at the respective deposits. The Metallurgical Recovery for each metal is shown below in Table 2. Metal Prices and Foreign Exchange assumptions are set as per internal Red River price forecasts and are shown below in Table 8.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5. Mineral Resource and Ore Reserve Statement (continued)

5.6 Zinc Equivalent Calculation (continued)

Table 8 Metallurgical Recoveries and Metal Prices

Metallurgical Recoveries and Metal Prices					
			West 45, Thalanga Far West, Orient & Lontown Fresh Resource	Waterloo Fresh Resource	Waterloo Transition Resource
Metal	Price	Units	Recoveries	Recoveries	Recoveries
Copper	US\$/lb	US\$3.00	80%	80%	58%
Lead	US\$/lb	US\$0.90	70%	70%	0%
Zinc	US\$/lb	US\$1.00	88%	88%	76%
Gold	US\$/oz	US\$1,200	15%	50%	30%
Silver	US\$/oz	US\$17.00	65%	65%	58%
FX Rate: A\$1.00: US\$0.85					

Payable Metal Factors are calculated for each metal and make allowance for concentrate treatment charges, transport losses, refining charges, metal payment terms and logistic costs. It is the view of Red River that three separate saleable base metal concentrates will be produced at Thalanga. Payable metal factors are detailed below in Table 9.

Table 9 Payable Metal Factor

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

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

$$\text{Zn Eq.} = (\text{Zn\%} * \text{ZnMEF}) + (\text{Cu\%} * \text{CuMEF}) + (\text{Pb\%} * \text{PbMEF}) + (\text{Au ppm} * \text{AuMEF}) + (\text{Ag ppm} * \text{AgMEF})$$

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

Table 10 Metal Equivalent Factor (MEF)

Metal Equivalent Factor (MEF)					
Project	Copper (CuMEF)	Lead (Pb MEF)	Zinc (ZnMEF)	Gold (AuMEF)	Silver (AgMEF)
Thalanga Far West, Orient & Lontown (Fresh)	3.30	0.90	1.00	0.50	0.025
Waterloo (Fresh)	3.40	0.75	1.00	0.50	0.025
Waterloo (Transition)	2.50	0.00	0.84	0.40	0.010

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

5.7 Gold Equivalent Calculation

Blacklode & Sunlight Mineral Resources

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

Metallurgical test work (carried out in 2016 and 2017) and mill production data demonstrate that total gravity & float recoveries of 91% Au and 86% Sb are achievable. The antimony recovery is applicable where Sb head grades are 1% or greater. The majority of the Sunlight Resource contains an antimony grade of less than 0.5% and therefore antimony recovery is not expected from this material.

The Au Eq. value was calculated using a gold price of US\$1,234 per oz and an antimony price of US\$ 5,650 per tonne where:

- $\text{Au Eq. (g/t)} = (\text{Au g/t}) + (1.424 * \text{Sb \%})$

Brackin's Spur, Clark's Gully & Syndicate Mineral Resources

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

- Metallurgical 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

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

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

END OF OPERATIONS REVIEW

Directors' Report (continued)

Significant Changes in State of Affairs

During the course of the year ended 30 June 2020, at it's Thalanga Operations, the Company completed the development and commissioning of the Far West Mine and placed the depleted West 45 Mine on care and maintenance. The Company completed the acquisition of the Hillgrove Gold Mine in New South Wales in August 2019.

Other than the above, there were no Significant Changes in State of Affairs.

Matters subsequent to the end of the financial year

30 July 2020 - The Company announced that it had secured two new polymetallic projects hosting the highest grade known indium deposits in Australia.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had limited impact on the consolidated entity up to the date of signing this report, it is not practicable to estimate the potential impact, positive or negative, 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.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of these operations, or the consolidated entity's state of affairs in future financial years.

Likely Developments and Expected Results

Information on likely developments in the operations of the Group and the expected results of those operations have not been included in this report as the directors believe it would be likely to result in unreasonable prejudice to the Group. The Group is to continue to explore for metals on its properties, and maximise production from its Thalanga Operation and to recommence production at its Hillgrove Gold Mine.

Shares Under Option and Performance Rights

Unissued ordinary shares of the Company under options and rights at the date of this report are as follows:

Instrument	Grant Date	Vesting Date	Expiry Date	Exercise Price \$	Number of Options / Rights at Date of Report
Options	1/9/2017	1/7/2020	30/6/2022	0.30	2,500,000
Rights	17/11/2017	28/10/2020	31/10/2020	Nil	2,490,002
Rights	26/9/2018	28/10/2021	31/10/2021	Nil	1,330,075
Rights	25/10/2018	28/10/2021	31/10/2021	Nil	1,033,673
Rights	7/11/2019	28/10/2022	31/10/2022	Nil	3,578,547

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.

Option and performance rights holders do not have any rights, by virtue of the option or performance right held, to participate in any share issue of the Company. Options and performance rights will not give any right to participate in dividends or any voting rights until shares are issued upon the exercise of vested options or performance rights.

Shares Issued on the Exercise of Options

During the year ended 30 June 2020 and up to the date of this report no options have been exercised (2019: 750,000 options previously granted to Key Management Personnel at the Company's Annual General Meeting on the 27th of October 2016, with an expiry date of 30 June 2019, were exercised at \$0.12 each).

Directors' Report (continued)

Directors' Meetings

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020, and the number of meetings attended by each director were:

Director	Directors' Meetings		Audit & Risk Committee		Nomination & Remuneration Committee	
	Number of meetings held ¹	Number attended	Number of meetings held ¹	Number attended	Number of meetings held ¹	Number attended
Mr. Brett Fletcher	11	11	3	3	1	1
Mr. Melkon Palancian	11	11	-	-	-	-
Mr. Donald Garner	11	11	-	-	-	-
Mr. Mark Hanlon	11	11	3	3	1	1

¹ Meetings held while each director was a director or member of a committee

Board Committees

As at the date of this report the Company had an Audit & Risk Committee and a Nomination & Remuneration Committee of the Board of Directors. The eligibility and attendance of each of the Directors is disclosed in the table above. The chairman of each committee was:

- Audit & Risk Committee - Mr. Mark Hanlon
- Nomination & Remuneration Committee - Mr. Brett Fletcher

AUDITED REMUNERATION REPORT

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key Management Personnel (KMP) of the consolidated entity are detailed in the table below and are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director, whether executive or otherwise of the Company.

KMP covered in this report are :

Executive KMP		Non-Executive KMP	
Mr. Mel Palancian	Managing Director	Mr. Brett Fletcher	Board Chairman
Mr. Donald Garner	Executive Director	Mr. Mark Hanlon	Non-Executive Director
Mr. Rod Lovelady	Chief Financial Officer		
Mr. Karl Spaleck ¹	Operations Manager		
Mr. Randy McMahon ²	General Manager - Thalanga Operation		

¹ Mr Karl Spaleck was General Manager - Thalanga Operations until the 30th of March 2020 when he became Operations Manager.

² Mr Randy McMahon commenced as General Manager - Thalanga Operations on the 30th of March 2020.

Board Oversight - Nomination and Remuneration Committee

The Board is responsible for ensuring that the consolidated entity's remuneration structures are aligned with the long-term interests of the consolidated entity and its Shareholders. Accordingly, the Board has an established a Nomination and Remuneration Committee to assist it in making decisions in relation to KMP remuneration.

The Committee currently comprises two Independent Non-Executive Directors:

- Mr. Brett Fletcher (Chair); and
- Mr. Mark Hanlon

Directors' Report (continued)

REMUNERATION REPORT (continued)

Board Oversight - Nomination and Remuneration Committee (continued)

The Committee's responsibilities include reviewing and making recommendations to the Board on:

- the consolidated entity's remuneration policy and framework (including determining short term incentives (STI's) key performance indicators and long term incentives (LTI's) performance hurdles, and vesting of STI's and LTI's);
- Senior executives' remuneration and incentives (including KMP and other senior management);
- Short term incentive strategy, performance targets and bonus payments;
- Senior management performance assessment process; and
- Non-executive Director individual remuneration, and the aggregate pool for approval by Shareholders (as required).

To ensure it is fully informed when making remuneration decisions the Committee undertakes a broad review of data derived from remuneration consultants and from industry recognised remuneration reports. The Committee did not utilise a remuneration consultant during the year ended 30 June 2020. However, the Committee did carry out its own benchmarking exercise against other similar resources companies.

Remuneration Principles and Overview

The consolidated entity's remuneration policy for executives is designed to promote superior performance and long term commitment to the company. Executives receive a base salary which is market related. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the best interests of the Company and its Shareholders to do so. The main principles of the policy are:

- The consolidated entity's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- Remuneration reflects the competitive market in which the consolidated entity operates;
- Structured short and long term incentives are challenging and linked to the creation of sustainable shareholder returns; and
- Individual reward should be linked to both financial and non-financial performance criteria.

The Board considers that executive remuneration must be sufficient to attract and retain a talented and successful executive team.

Executive Remuneration

Total remuneration for the year ended 30 June 2020 consisted of a mix of :

- Fixed remuneration that reflects the executives job size and responsibilities, professional competence, knowledge and experience; and
- "at risk" variable remuneration, comprising short-term and long-term incentives.

Fixed Remuneration

Fixed remuneration consists of base salary, superannuation and non-monetary benefits are reviewed annually and any adjustments are approved by the Board after recommendation by the Nomination and Remuneration Committee.

Variable Remuneration - Short Term Incentive

The Committee has established a Short-Term Incentive Plan (STIP) structure and review process to strongly link executive remuneration to performance and to the creation of value for shareholders. The STIP is an "at risk" cash award program offering executives, depending on their role and individual performance, an opportunity to earn up to a maximum lump sum cash payment of between 40% and 60% of their base salary.

Award outcomes are determined through the Committee's assessment of an executive's progress against a range of goals and specific, measurable targets established by the Committee at the start of the performance year. Performance requirements will provide for 'stretch' achievement of safety, financial, production and cost outcomes in addition to achievement of Board approved budget objectives, works programmes and strategic plans.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Executive Remuneration (continued)

Variable Remuneration - Short Term Incentive (continued)

The payment of all STI's is subject to Board approval. The Board has discretion to adjust remuneration outcomes higher or lower to prevent any inappropriate reward outcome, including reducing (down to zero, if appropriate) any STI outcome.

Variable Remuneration - Long Term Incentive

The Company's Long-Term Incentive Plan (LTIP) was approved by shareholders at the 2019 Annual General Meeting.

The objective of the LTIP is to incentivise and focus the executive and management team to achieve superior Total Shareholder Return (TSR) and growth in the business with longer term shareholder interests. Participants in the LTIP are provided with an "at risk" grant of performance rights, subject to the Board's discretion, on an annual basis. Performance rights are granted based on a percentage of the participants total fixed remuneration (between 40% and 60% for executives) and will potentially vest after year 3 based on achievement against performance hurdles associated with TSR and growing the company's Ore Reserves and Mineral Resources. Performance rights for subsequent years will be allotted in a similar structure.

TSR will be measured against a comparator group of companies that are considered to be alternate investments for investors and are impacted by commodity prices and cyclic factors in a similar way to the Company. The Board retains the discretion to adjust the comparator group of companies over time to account for mergers, takeovers, new entrants and other changes. Increases in ore reserves and mineral resources are measured after including depletion of mined reserves and resources.

Performance hurdles for LTIP 1 - Offer date 1 July 2016, Vesting date 28 October 2019 :

Hurdle	Weighting	Outcome	Level of Vesting
Total Shareholder Return	50%	below 50th percentile of comparator group 50th to 75th percentile of comparator group At or above 75th percentile	0% vest 50% to 100% on pro-rata basis 100%
Increase Mineral Resource	25%	No increase 0 to 20% increase greater than 20% increase	0% Vest 0% to 100% on pro-rata basis 100% vest
Increase Ore Reserves	25%	No increase 0 to 20% increase greater than 20% increase	0% Vest 0% to 100% on pro-rata basis 100% vest
Comparator group for evaluating TSR hurdle: Heron Resources (HRR), Venturex Resources (VXR), KGL Resources (KGL), Terramin Australia (TZN), ROX Resources (ROX), Energia Minerals (EMX), Ironbark Zinc (IBG), Consolidated Zinc (CZL), PNX Metals (PNX), Variscan Mines (VAR)			

Performance hurdles for LTIP 2 - Offer date 1 July 2017, Vesting date 28 September 2020 :

Hurdle	Weighting	Outcome	Level of Vesting
Total Shareholder Return	50%	below 50th percentile of comparator group 50th to 75th percentile of comparator group At or above 75th percentile	0% vest 50% to 100% on pro-rata basis 100%
Increase Mineral Resource	25%	No increase 0 to 25% increase greater than 25% increase	0% Vest 0% to 100% on pro-rata basis 100% vest
Increase Ore Reserves	25%	No increase 0 to 25% increase greater than 25% increase	0% Vest 0% to 100% on pro-rata basis 100% vest
Comparator group for evaluating TSR hurdle: Heron Resources (HRR), Venturex Resources (VXR), KGL Resources (KGL), Terramin Australia (TZN), Mymanmar Metals (MYL), Ironbark Zinc (IBG), Consolidated Zinc (CZL), ROX Resources (ROX), PNX Metals (PNX), New Century Resources (NCZ)			

Directors' Report (continued)

REMUNERATION REPORT (continued)

Executive Remuneration (continued)

Performance hurdles for LTIP 3 - Offer date 1 July 2018, Vesting date 28 October 2021 :

Hurdle	Weighting	Outcome	Level of Vesting
Total		below 50th percentile of comparator group	0% vest
Shareholder	50%	50th to 75th percentile of comparator group	50% to 100% on pro-rata basis
Return		At or above 75th percentile	100%
Increase		No increase	0% Vest
Mineral	25%	0 to 25% increase	0% to 100% on pro-rata basis
Resource		greater than 25% increase	100% vest
Increase Ore		No increase	0% Vest
Reserves	25%	0 to 25% increase	0% to 100% on pro-rata basis
		greater than 25% increase	100% vest
Comparator group for evaluating TSR hurdle: Heron Resources (HRR), Venturex Resources (VXR), KGL Resources (KGL), Terramin Australia (TZN), Mymanmar Metals (MYL), Ironbark Zinc (IBG), Consolidated Zinc (CZL), ROX Resources (ROX), PNX Metals (PNX), New Century Resources (NCZ)			

Performance hurdles for LTIP 4 - Offer date 1 July 2019, Vesting date 28 October 2022 :

Hurdle	Weighting	Outcome	Level of Vesting
Total		below 50th percentile of comparator group	0% vest
Shareholder	50%	50th to 75th percentile of comparator group	50% to 100% on pro-rata basis
Return		At or above 75th percentile	100%
Increase		No increase	0% Vest
Mineral	25%	0 to 25% increase	0% to 100% on pro-rata basis
Resource		greater than 25% increase	100% vest
Increase Ore		No increase	0% Vest
Reserves	25%	0 to 25% increase	0% to 100% on pro-rata basis
		greater than 25% increase	100% vest
Comparator group for evaluating TSR hurdle: Heron Resources (HRR), Venturex Resources (VXR), KGL Resources (KGL), Terramin Australia (TZN), Mymanmar Metals (MYL), Ironbark Zinc (IBG), Consolidated Zinc (CZL), Aeris Resources (AIS), PNX Metals (PNX), New Century Resources (NCZ)			

Non-Executive Remuneration

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Nomination and Remuneration Committee reviews Non-executive directors remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The Board Chair is not present at any discussions relating to determination of their own remuneration.

The maximum aggregate amount of fees that can be paid to non executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$260,000). Fees for non executive directors are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in an employee option plan.

Currently each Non-executive director is entitled to receive \$40,000 per annum, with the Non-executive Chairman receiving \$80,000. These entitlements were effective 1 June 2016 and include statutory superannuation entitlements.

Service Agreements and Remuneration Commitments

Remuneration and other terms of employment for key management personnel are formalised in service agreements. The major provisions of these service agreements are as follows:

Directors' Report (continued)

REMUNERATION REPORT (continued)

Service Agreements and Remuneration Commitments (continued)

Name	Position	Term of Agreement	Base Salary including Super-annuation	Notice Period and Termination Benefit ¹	Potential STI / LTI
M. Palancian	Managing Director	No fixed term	300,000	3 months	60% / 60%
D. Garner	Executive Director	No fixed term	210,240	3 months	40% / 40%
R. Lovelady	Chief Financial Officer	No fixed term	225,000	3 months	40% / 40%
K. Spaleck ²	Operations Manager	No fixed term	280,000	3 months	40% / 40%
R. McMahon ³	General Manager - Thalanga Operations	No fixed term	280,000	3 months	40% / 40%

¹ Termination by the Company will result in a payment to the executive equal to the number of months in the notice period.

² Mr Karl Spaleck was General Manager - Thalanga Operations until 30th March 2020 when he became Operations Manager.

³ Mr Randy McMahon commenced as General Manager - Thalanga Operations on the 30th of March 2020.

Apart from the above described agreement there are no outstanding commitments payable to any of the key management personnel as at 30 June 2020.

Details of Remuneration

During the 2020 financial year no options were granted (2019: nil); 1,066,983 performance rights were issued to Mr. Mel Palancian (FY19: 704,777) and 497,926 performance rights were issued to Mr. Donald Garner (FY19: 328,896) following Shareholder approval. 663,901 performance rights were issued to Mr. Karl Spaleck (FY19: 438,528) and 533,492 performance rights were issued to Mr. Rod Lovelady (FY19: 352,389) under the Company's Long-Term Incentive Plan.

Disclosures relating to directors and executive officers (key personnel) emoluments are outlined in the remainder of the Remuneration Report.

Equity Instrument Disclosure Relating to Key Management Personnel

At 30 June 2020 the relevant interest of each key management personnel who held office during the year in ordinary fully paid shares and options of the Company were:

Shares - 2020	Balance at beginning of year	Ordinary Shares Performance Rights Vested	Purchased / (Sold)	Become / (Cease) to be KMP	Balance at the end of the year
Director / KMP					
D. Garner	7,631,601	584,322	-	-	8,215,923
M. Palancian	445,000	1,252,118	-	-	1,697,118
B. Fletcher	528,244	-	-	-	528,244
M. Hanlon	3,100,000	-	1,750,000	-	4,850,000
Total Director	11,704,845	1,836,440	1,750,000	-	15,291,285
R. Lovelady	50,000	-	-	-	50,000
K. Spaleck	850,000	695,621	(720,455)	-	825,166
R. McMahon ¹	-	-	-	-	-
Total KPM	900,000	695,621	(720,455)	-	875,166
Total Director/KMP	12,604,845	2,532,061	1,029,545	-	16,166,451

¹ Mr Randy McMahon commenced as General Manager - Thalanga Operations on the 30th of March 2020.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Equity Instrument Disclosure Relating to Key Management Personnel (continued)

Options - 2020	Balance at beginning of year	Granted as compensation	Share Options Exercised	Expired	Unvested Balance at the end of the year
Director / KMP					
D. Garner	-	-	-	-	-
M. Palancian	-	-	-	-	-
B. Fletcher	-	-	-	-	-
M. Hanlon	-	-	-	-	-
Total Director	-	-	-	-	-
R. Lovelady	-	-	-	-	-
K. Spaleck	-	-	-	-	-
R. McMahon ¹	-	-	-	-	-
Total KMP	-	-	-	-	-
Total Director/KMP	-	-	-	-	-

¹ Mr Randy McMahon commenced as General Manager - Thalanga Operations on the 30th of March 2020.

Performance Rights - 2020	Balance at beginning of year	Granted as compensation	Vested	Market conditions not met	Unvested Balance at the end of the year
Director / KMP					
D. Garner	1,440,760	497,926	(584,322)	(127,542)	1,226,822
M. Palancian	3,087,343	1,066,983	(1,252,118)	(273,305)	2,628,903
B. Fletcher	-	-	-	-	-
M. Hanlon	-	-	-	-	-
Total Director	4,528,103	1,564,909	(1,836,440)	(400,847)	3,855,725
R. Lovelady	780,961	533,492	-	-	1,314,453
K. Spaleck	1,819,319	663,901	(695,621)	(151,836)	1,635,763
R. McMahon ¹	-	-	-	-	-
Total KMP	2,600,280	1,197,393	(695,621)	(151,836)	2,950,216
Total Director/KMP	7,128,383	2,762,302	(2,532,061)	(552,683)	6,805,941

¹ Mr Randy McMahon commenced as General Manager - Thalanga Operations on the 30th of March 2020.

Shares - 2019	Balance at beginning of year	Ordinary Shares Performance Rights Vested	Purchases / Opt. Exercised	Become / (Cease) to be KMP	Balance at the end of the year
Director / KMP					
D. Garner	7,594,930	-	36,671	-	7,631,601
M. Palancian	445,000	-	-	-	445,000
B. Fletcher	528,244	-	-	-	528,244
J. Black ¹	248,500	-	-	(248,500)	-
M. Hanlon	3,100,000	-	-	-	3,100,000
Total Director	11,916,674	-	36,671	(248,500)	11,704,845
R. Lovelady	50,000	-	-	-	50,000
K. Spaleck	100,000	-	750,000	-	850,000
Total KMP	150,000	-	750,000	-	900,000
Total Director/KMP	12,066,674	-	786,671	(248,500)	12,604,845

¹ Mr. James Black resigned effective 23 August 2018.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Equity Instrument Disclosure Relating to Key Management Personnel (continued)

Options - 2019 Director / KMP	Balance at beginning of year	Granted as compensation	Share Options Exercised	Expired	Unvested Balance at the end of the year
D. Garner	-	-	-	-	-
M. Palancian	1,500,000	-	-	(1,500,000)	-
B. Fletcher	-	-	-	-	-
M. Hanlon	-	-	-	-	-
Total Director	1,500,000	-	-	(1,500,000)	-
R. Lovelady	-	-	-	-	-
K. Spaleck	750,000	-	(750,000)	-	-
Total KMP	750,000	-	(750,000)	-	-
Total Director/KMP	2,250,000	-	(750,000)	(1,500,000)	-

Performance Rights - 2019 Director / KMP	Balance at beginning of year	Granted as compensation	Vested	Lapsed	Unvested Balance at the end of the year
D. Garner	1,111,864	328,896	-	-	1,440,760
M. Palancian	2,382,566	704,777	-	-	3,087,343
B. Fletcher	-	-	-	-	-
M. Hanlon	-	-	-	-	-
Total Director	3,494,430	1,033,673	-	-	4,528,103
R. Lovelady	428,572	352,389	-	-	780,961
K. Spaleck	1,380,791	438,528	-	-	1,819,319
Total KMP	1,809,363	790,917	-	-	2,600,280
Total Director/KMP	5,303,793	1,824,590	-	-	7,128,383

Share Based Compensation - Options

During the 2020 financial year, no options were granted to Directors and Key Management Personnel (2019: None).

Options issued under the plan contain no dividend or voting rights.

When exercised, each option is converted into one ordinary share.

During the 2020 financial year no Director or KMP Options were exercised or expired.

During the 2019 financial year the following Director or KMP Options were exercised or expired. 750,000 options were exercised and 1,500,000 options lapsed.

Directors' Report (continued)**REMUNERATION REPORT (continued)****Share Based Compensation - Performance Rights**

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	No. of performance rights granted	Grant Date	Vesting Date	Expiry Date	Share Price at Grant Date (cents)	Fair value per right at grant date (cents)
M. Palancian	1,066,983	6/11/2019	28/10/2022	31/10/2022	14.5	11.3
D. Garner	497,926	6/11/2019	28/10/2022	31/10/2022	14.5	11.3
R. Lovelady	533,492	6/11/2019	28/10/2022	31/10/2022	14.5	11.3
K. Spaleck	663,901	6/11/2019	28/10/2022	31/10/2022	14.5	11.3

Value of performance rights granted, exercised and where market conditions were not met for directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Perform. rights granted \$	Perform. rights vested \$	Perform. rights - market cond. not met \$	Perform. rights as a % of total remuneration
M. Palancian	120,107	148,927	32,507	27.1%
D. Garner	56,050	69,499	15,170	19.9%
R. Lovelady	60,053	-	-	20.0%
K. Spaleck	74,733	82,737	18,059	20.4%

Long Term Incentive Plan (LTIP) 1 Evaluation

The vesting date of LTIP 1 occurred during the financial year ended 30 June 2020. The award of performance rights under the LTIP is dependent on meeting defined performance measures. The % of performance rights to vest is determined having regard to the satisfaction of performance hurdles and weightings as described above, in the section 'Variable Remuneration - Long Term Incentive'. The evaluation of each LTIP is determined, once hurdle outcomes are known, by the Nomination and Remuneration Committee. The evaluation of each hurdle is set out below:

Hurdle Target	LTIP 1 Outcome Score (result)	% of Rights capable of vesting	% of Rights to Vest	% of Rights to Lapse
Total Shareholder Return - FY17	100%	16.7%	16.7%	83.3%
Total Shareholder Return - FY18	100%	16.7%	16.7%	83.3%
Total Shareholder Return - FY19	0%	16.7%	0.0%	100.0%
Grow Mineral Resources by 20%	95%	25.0%	23.8%	76.3%
Grow Ore Reserves by 20%	100%	25.0%	25.0%	75.0%
Total % of Rights to Vest / Lapse			82.1%	17.9%

Directors' Report (continued)

REMUNERATION REPORT (continued)

Additional Information

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

	2020	2019	2018	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000
Sales Revenue	\$63,212	\$96,508	\$51,135	\$0	\$20
EBITDA	(\$2,365)	\$19,422	\$8,135	(\$2,564)	(\$1,523)
EBIT	(\$12,963)	\$6,055	(\$1,494)	(\$2,611)	(\$1,527)
Profit / (Loss) after income tax	(\$6,852)	\$3,758	\$266	(\$2,611)	(\$1,527)

The factors that are considered to affect total shareholder return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Quoted price of ordinary shares at year end	\$0.081	\$0.170	\$0.265	\$0.225	\$0.120
Quoted price of options at period end	-	-	-	-	-
Profit/(Loss) per share (\$'s)	(\$0.013)	\$0.008	\$0.001	(\$0.007)	(\$0.008)
Dividends declared	-	-	-	-	-

Directors' Report (continued)

REMUNERATION REPORT (continued)

Key Management Personnel Remuneration

2020						
Name	Short Term Cash / Fees	Annual & Long Serv. Leave	Post - employment Super	Share Based Payments ¹ Perform. Rights	Total	Share Based payments as a % of total remuneration
	\$	\$	\$	\$	\$	%
Executive Directors						
M. Palancian	268,783	28,077	26,027	120,107	442,994	27.1%
D. Garner	187,421	19,676	18,219	56,050	281,367	19.9%
	456,204	47,754	44,247	176,157	724,361	
Non-executive Directors						
B. Fletcher	73,059	-	6,941	-	80,000	0.0%
M. Hanlon	36,530	-	3,470	-	40,000	0.0%
	109,589	-	10,411	-	120,000	
Total Directors	565,793	47,754	54,658	176,157	844,361	
Executives						
R. Lovelady	199,252	21,058	19,521	60,053	299,884	20.0%
K. Spaleck	241,051	26,205	24,292	74,733	366,281	20.4%
R. McMahon ⁴	65,442	6,677	6,204	-	78,322	0.0%
Total Executives	505,745	53,940	50,016	134,787	744,488	
Total	1,071,538	101,694	104,674	310,943	1,588,849	
2019						
Executive Directors						
M. Palancian	251,141	28,077	26,027	106,175	411,420	25.8%
D. Garner	176,597	19,676	18,219	49,548	264,041	18.8%
	427,738	47,754	44,247	155,723	675,461	
Non-executive Directors						
B. Fletcher ²	93,128	-	6,941	-	100,069	0.0%
J. Black ³	6,088	-	578	-	6,666	0.0%
M. Hanlon	36,529	-	3,470	-	39,999	0.0%
	135,745	-	10,989	-	146,734	
Total Directors	563,483	47,754	55,236	155,723	822,196	
Executives						
R. Lovelady	200,587	21,058	19,521	53,087	294,252	18.0%
K. Spaleck	247,896	26,205	24,292	66,064	364,458	18.1%
Total Executives	448,483	47,263	43,813	119,152	658,710	
Total	1,011,966	95,017	99,048	274,874	1,480,906	

¹ Accounting and tax values are not the same.² The Company paid Bronstat Pty Ltd consultancy fees during the 2019 period for corporate consulting services provided by Mr. Fletcher. Refer Note 33 for further information.³ Mr. James Black resigned as a director effective 23 August 2018.⁴ Mr Randy McMahon commenced as General Manager - Thalanga Operations on the 30th of March 2020.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Securitisation Policy

Red River Resources Limited's security trading policy provides guidance on acceptable transactions in dealing in the company's various securities, including shares, debt notes and options. Red River Resources Limited's security trading policy defines dealing in company securities to include:

- (a) Subscribing for, purchasing or selling company securities or entering into an agreement to do any of those things;
- (b) Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in company securities; and
- (c) Entering into agreements or transactions which operate to limit the economic risk of a person's holdings in company securities.

The securities trading policy details acceptable and unacceptable times for trading in company securities including detailing potential civil and criminal penalties for misuse of 'inside information'. The directors must not deal in company securities without providing written notification to the Chairman. The Chairman must not deal in company securities without the prior approval of the Chief Executive Officer. The directors are responsible for disclosure to the market of all transactions or contracts involving the Company's shares.

Voting and comments made at the Company's 2019 Annual General Meeting

The Remuneration Report passed via a show of hands at the 2019 Annual General Meeting held in November 2019. The Company did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

END OF AUDITED REMUNERATION REPORT

Environmental Regulation

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

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 2020 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.

Indemnity and Insurance of Officers

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Directors' Report (continued)

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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.

Non-audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.


Auditors' Independence Declaration

A copy of the Auditors Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 39.

This declaration is made in accordance with a resolution of the Board of Directors:

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Brett Fletcher

Non-executive Chairman

31 August 2020

Melbourne, Victoria

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Red River Resources Limited and its controlled entities for the year ended 30 June 2020, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink, appearing to be 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in dark ink, appearing to be 'RJM'.

R J MORILLO MALDONADO
Partner

Dated: 31 August 2020
Melbourne, Victoria

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	30 June 2020 \$'000	30 June 2019 \$'000
Revenue from continuing operations			
Revenue	5.	63,212	96,508
Other income	5.	1,315	871
Total revenue and other income		64,527	97,379
Expenses			
Sales realisation expenses	6.	(18,496)	(23,720)
Employment benefits expense	7.	(11,078)	(9,774)
Production costs	8.	(33,814)	(41,971)
Corporate costs	9.	(2,229)	(1,844)
General and administration costs	10.	(1,276)	(647)
Total expenses		(66,892)	(77,957)
Profit / (loss) before interest, tax and depreciation		(2,365)	19,422
Depreciation and amortisation	17, 18, 19. & 20.	(9,497)	(12,410)
Impairment - exploration and evaluation costs	21.	(176)	(957)
Interest expense and other finance costs	11.	(924)	(590)
Profit / (loss) before income tax (expense) / benefit		(12,963)	5,465
Income tax benefit / (expense)	12.	6,111	(1,707)
Profit / (loss) after income tax (expense) / benefit for the year		(6,852)	3,758
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		(6,852)	3,758
Earnings per share for continuing operations			
Basic (loss) / earnings per share (\$'s)	36.	(0.0134)	0.0077
Diluted (loss) / earnings per share (\$'s)	36.	(0.0134)	0.0076

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes on pages 44 to 81.

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	30 June 2020 \$,000	30 June 2019 \$,000
Current assets			
Cash and cash equivalents	13.	8,007	25,618
Financial assets at amortised cost	13.	74	300
Trade and other receivables	14.	3,312	2,169
Inventories	15.	6,444	3,856
Other	16.	684	455
Total current assets		18,522	32,398
Non-current assets			
Other	16.	13,225	8,471
Deferred tax	12.	7,572	1,461
Property, plant and equipment	17.	9,392	6,191
Right-of-use assets	20.	151	-
Mine properties and development	18.	33,905	21,952
Intangibles	19.	412	317
Exploration and evaluation	21.	9,693	11,164
Total non-current assets		74,349	49,556
Total assets		92,871	81,954
Current liabilities			
Trade and other payables	22.	17,737	16,975
Borrowings	23.	7,368	134
Lease liabilities		75	-
Provisions	24.	804	654
Total current liabilities		25,984	17,762
Non-current liabilities			
Lease liabilities		61	-
Provisions	24.	12,973	7,856
Total non-current liabilities		13,034	7,856
Total liabilities		39,018	25,618
Net assets		53,852	56,336
Equity			
Issued capital	25.	67,770	63,788
Reserves	26.	5,673	5,287
Accumulated losses	27.	(19,590)	(12,738)
Total equity		53,852	56,336

The above Consolidated Statement of Financial Position should be read in conjunction with the notes on pages 44 to 81.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

30 June 2020	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 year		-	-	(6,852)	(6,852)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	(6,852)	(6,852)
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares	25.	4,000	-	-	4,000
- Cost of issue of shares	25.	(18)	-	-	(18)
- Employee performance rights	26.	-	345	-	345
- Employee share options	26.	-	41	-	41
		3,982	387	-	4,368
Balance at 30 June 2020		67,770	5,673	(19,590)	53,852
30 June 2019		Issued capital \$,000	Reserves \$,000	Accumulated losses \$,000	Total equity \$,000
Balance at 1 July 2018		63,698	5,027	(16,496)	52,229
Profit / (loss) after income tax expense for the year		-	-	3,758	3,758
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	3,758	3,758
<i>Transactions with shareholders in their capacities as shareholders</i>					
- Issue of shares		90	-	-	90
- Employee performance rights		-	227	-	227
- Employee share options		-	32	-	32
		90	260	-	350
Balance at 30 June 2019		63,788	5,287	(12,738)	56,336

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes on pages 44 to 81.

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Note	30 June 2020 \$'000	30 June 2019 \$'000
Cash flows from operating activities			
Receipts from customers		66,436	99,898
Payments to suppliers and employees		(75,006)	(76,980)
Interest received / (paid)		(60)	60
Net cash from / (used in) operating activities	35.	(8,630)	22,977
Cash flows from investing activities			
Payment for property, plant and equipment		(405)	(460)
Proceeds from release / (payments) in respect of security deposits		(98)	294
Payment for intangibles		(35)	(233)
Payment for mine properties		(13,130)	(12,666)
Payment for exploration and evaluation		(2,451)	(4,278)
Cash received on acquisition of Hillgrove Mines PL		9	-
Net cash used in investing activities		(16,110)	(17,343)
Cash flows from financing activities			
Proceeds from exercise of options		-	90
Share issue transaction costs		(18)	-
Proceeds from borrowings		9,514	668
Repayment of borrowings		(2,280)	(653)
Borrowing costs		(245)	-
Repayment of lease liabilities		(69)	-
Net cash flows from financing activities		6,902	105
Net increase / (decrease) in cash and cash equivalents		(17,838)	5,740
Cash and cash equivalents at the beginning of the financial year		25,918	20,178
Cash and cash equivalents at the end of the financial year	13.	8,080	25,918

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes on pages 44 to 81.

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 subsidiaries which together are referred to as the 'consolidate entity' for the financial year ended 30 June 2020.

The financial statements were authorised for issue by the Directors of Red River Resources Limited (Directors) on 27 August 2020.

The financial statements are general purpose financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board;
- Have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value;
- Are presented in Australian dollars, which is the Company's functional and presentation currency, with all amounts in the financial report being rounded off in accordance with Corporations Instrument 2016/191 to the nearest thousand dollars, unless otherwise indicated;
- Foreign currency monetary assets and liabilities are translated into the functional currency of the concerned entity of the consolidated entity using the exchange rates at the reporting date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss;
- Where necessary, comparative information has been restated to conform with changes in presentation in the current year;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the consolidated entity that are mandatory for the current reporting period; and
- In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 39.

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.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$6,852,000 and had net cash outflows from operating activities of \$8,630,000 for the year ended 30 June 2020. As at that date the consolidated entity had net current liabilities of \$7,462,000.

Despite these factors, the Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern, and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following matters:

- At 30 June 2020 the consolidated entity had US\$ 5.0 million (AU\$ 7.3 million) available to it through its working capital facility. Subsequent to year end, USD 1.0 million has been repaid on this facility. Total funds available for drawing at the time of this report are USD 6.0 million (AUD 8.4 million) and the entity expects to replace the facility term agreement when it expires at the end of September 2020;
- FY20 production and sales were adversely impacted by the closure of the West 45 Mine. Production at the new Far West Mine is now a significant area of focus and increased production is expected to improve sales and revenue received for FY21;
- The consolidated entity achieved a positive \$2.0 million in net cash from operating activities for the quarter ended June 2020, with net cash from operating activities remaining positive in July 2020;
- The Directors have reviewed the cash forecast for the forthcoming 12 months which shows the consolidated entity will continue to generate positive cash flows from operating activities; and
- Should it be considered necessary, the Company has the ability to raise funds through the issue of equity on the capital markets.

2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements have been outlined in the relevant note. The policies below are applied by the consolidated entity in addition to those policies. These policies have been consistently applied to all the years presented, unless otherwise stated.

Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries of Red River Resources Limited (the 'Company') as at 30 June 2020. Red River Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the profit or loss.

Foreign Currency Translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Tax Office.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

2. Significant Accounting Policies (continued)

Current and non-current classification (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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 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.

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	(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	-

2. Significant Accounting Policies (continued)

New or amended Accounting Standards and Interpretations adopted (continued)

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to the consolidated entity's annual reporting period commencing 1 July 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

AASB3 Business Combination

The AASB has issued an amendment which changes and narrows the definition of a business under AASB 3 Business Combinations. Under the new definition a business must be a complete set of inputs, processes and outputs which can either provide goods or services to customers or generate investment income. The amendment also introduces a "concentration test" where, if all of the fair value acquired is concentrated in a single asset, or a group of similar assets, then the transaction can be treated as an asset acquisition, rather than as a business combination. This distinction is important in acquisition transactions, because goodwill is only recognised where a business is acquired. At this time, the application of the amendment is not expected to have a material impact on the consolidated entity's financial statements.

3. Financial Risk Management

The Board has the overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Management Committee is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board on its activities.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated entity's activities.

The Company's Audit and Risk Management Committee oversees how management monitors compliance with the consolidated entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the consolidated entity.

The consolidated entity's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk that could affect the consolidated entity's financial position and performance.

The consolidated entity holds the following financial instruments:

	30 June 2020 \$'000	30 June 2019 \$'000
<i>Financial Assets</i>		
Cash, cash equivalents and current financial assets at amortised cost	8,080	25,918
Other assets - restricted term and security deposits	12,929	8,471
Trade receivables	2,521	2,169
Other receivables	296	-
	23,827	36,558
<i>Financial Liabilities</i>		
Trade and other payables	17,737	16,719
Borrowings	7,368	134
Lease liabilities	136	-
	25,241	16,853

Market Risk

(i) Foreign exchange risk

Sales revenues are recognised in Australian Dollar (AUD), however they are based on commodity price of base and precious metals which are denominated in United States dollars (USD). The borrowings are also denominated in USD. The majority of operating costs are denominated in Australian dollars (AUD), the consolidated entity's cash flow is significantly exposed to movements in the AUD:USD exchange rate.

The consolidated entity maintains a balance of USD to pay USD denominated expenses such as sea freight, reagents and assay charges. During the financial year the consolidated entity has not undertaken any foreign exchange hedging activities and as such remains exposed to fluctuations in the AUD:USD exchange rate.

Consolidated entity sensitivity

During the financial year the consolidated entity recognised revenue from the sale of zinc, lead and copper concentrate of AUD 63.2 million (USD 43.3 million) (2019: AUD 96.5 million / USD 67.8 million). Based on this, had the Australian dollar weakened / strengthened by 10% against the actual foreign currency, with all other variables held constant, the consolidated entity's revenue would have been AUD 7.0 million higher / AUD 5.7 million lower (2019: AUD 9.5 million higher / 8.6 million lower).

During the financial year the consolidated entity drew down USD 6.0 million (FY19: Nil) against its debt facility. Based on this, had the Australian dollar weakened / strengthened by 10% against the actual foreign currency, with all other variables held constant, the consolidated entity's operating result would have been impacted by a foreign exchange loss / gain of AUD 1.0 million (2019: Nil).

3. Financial Risk Management (continued)

Market Risk (continued)

(ii) Commodity price risk

The consolidated entity's sales revenue are generated from the sale of zinc, lead, copper, gold and silver metal contained in its zinc, lead and copper concentrate. Accordingly the consolidated entity's revenues and trade receivables are exposed to commodity price risk fluctuations.

The consolidated entity has implemented a short term price fixing program over the quotation period (QP) for sales of zinc and lead metal already produced. Typically between 80 and 90% of the payable zinc and lead metal for each shipment of zinc and lead concentrates will be fixed for the period from the issue of the first provisional sales invoice to the final settlement of the sale, which may occur between one and four months later.

During the financial year the consolidated entity has not undertaken any hedging activities on zinc or lead metal not already produced or on any copper, gold or silver metal and as such remains exposed to fluctuations in commodity price on these metals beyond the QP.

The consolidated entity values its ore and zinc, lead and copper concentrate inventories at the lower of cost or net realisable value. The consolidated entity is exposed to commodity price risk as it would need to value these inventories at net realisable value if this was lower than their cost of production.

Consolidated entity sensitivity

The table below shows the revenue in AUD for each metal sold during the financial year. Based on these revenues, had commodity prices weakened / strengthened by 10% against the actual commodity prices realised, with all other variables held constant, the consolidated entity's operating result (after payment of revenue based royalties) would have been impacted as shown in the table below.

Metal	Revenue (AUD) \$'000	Impact on operating result	
		-10%	10%
Zinc	26,945	(2,560)	2,560
Lead	9,348	(888)	888
Copper	15,220	(1,446)	1,446
Gold	3,122	(297)	297
Silver	8,576	(815)	815

(iii) Interest rate risk

The consolidated entity's exposure to interest rate arises as a result of the interest bearing deposits held and interest paid on the advanced sales of zinc and lead concentrates under the respective concentrate sales agreements.

The exposure is affected by a number of factors including; interest rates (current and forward) and the currencies that the investments and borrowings are denominated in; level of cash, liquid investments and borrowings; maturity dates of investments and borrowings; and proportion of investments and borrowings that are fixed rate or floating rate.

As at the reporting date, the consolidated entity had the following variable rate funds:

Fund type	30 June 2020		30 June 2019	
	Weighted Ave. Interest Rate %	Balance \$'000	Weighted Ave. Interest Rate	Balance \$'000
Funds on deposit	1.42	12,487	2.41	16,993
Funds borrowed	5.45	7,368	-	-

3. Financial Risk Management (continued)

Market Risk (continued)

Consolidated entity sensitivity

The sensitivity analysis below determines the exposure to interest rates at the reporting date with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

Sensitivity of interest revenue and interest expense to interest rate movement:

	Impact on pre-tax profit	
	2020	2019
	\$'000	\$'000
<i>Interest Revenue</i>		
Increase 0.5% (2019: 0.5%)	72	67
Decrease 0.5% (2019: 0.5%)	(72)	(67)
<i>Interest Expense</i>		
Increase 0.5% (2019: 0.5%)	(34)	(22)
Decrease 0.5% (2019: 0.5%)	34	22

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated entity. Credit risk is managed on a consolidated entity basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposure to trade customers, including outstanding receivables and committed transactions.

The consolidated entity has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The consolidated entity is exposed to two large customers who have offtake agreements for the Thalanga zinc, lead and copper concentrate. The credit risk is considered low as the customers are perceived as reliable, and during the Coronavirus (COVID-19) pandemic, all payments continue to be received within the contractual payment terms.

The directors believe that there is negligible credit risk with the cash and cash equivalents, as cash and cash equivalents are held at call and short term deposit with a reputable Australian Banking institution with a long term S&P credit rating of AA-.

The consolidated entity's maximum exposure to credit risk at the reporting date was:

	30 June	30 June
	2020	2019
	\$'000	\$'000
<i>Financial Assets</i>		
Cash and cash equivalents	8,080	25,918
Other assets - restricted term and security deposits	12,929	8,471
Trade and other debtors	2,760	2,169
Other receivables	296	-
	24,065	36,558

Liquidity risk

The consolidated entity manages liquidity risk by monitoring immediate and forecasted cash requirements and ensures adequate cash reserves are maintained to pay debts as and when due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the consolidated entity held deposits at call and restricted cash on deposit totalling \$21.0 million (2019: \$34.4 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the consolidated entity maintains flexibility in funding by maintaining availability under a committed debt facility.

3. Financial Risk Management (continued)

Liquidity risk (continued)

Management monitors rolling forecasts of the consolidated entity's available cash reserve (comprising the undrawn borrowing facilities below and cash and cash equivalents) on the basis of expected cash flows.

Financing arrangements

The consolidated entity maintains a USD 10 million debt facility with Trafigura Pte Ltd. During the financial year the consolidated entity drew down USD 6.0 million (FY19: Nil) against this facility. A facility fee of USD 150,000 became payable at the time of the drawdown. As at 30 June 2020, USD 5.0 million remained drawn at an interest rate based on the 12 month LIBOR rate plus a margin, with a maturity date of 30 September 2020. The debt is secured by a charge over the consolidated entity's unsold ore, zinc and lead concentrate stocks. The consolidated entity's exposure to market risk is discussed in the '*foreign exchange risk*' section above.

Maturities of financial liabilities

The following table details the consolidated entity's contractual maturity for its financial liabilities:

	Weighted average interest rate %	Less than 6 months \$'000	6 - 12 months \$'000	From 1 to 5 years \$'000	Total \$'000	Carrying amount \$'000
As at 30 June 2020						
Trade and other payables		17,737	-	-	17,737	17,737
Insurance premium funding	2.03	77	-	-	77	77
Working Capital facility	5.45	7,291	-	-	7,291	7,291
Lease Liabilities	5.70	31	45	61	136	136
		25,136	45	61	25,241	25,241
As at 30 June 2019						
Trade and other payables		16,719	-	-	16,719	16,719
Insurance premium funding	2.30	134	-	-	134	134
		16,853	-	-	16,853	16,853

Fair Value Measurements

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

4. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The areas involving a higher degree of judgement complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

- Note 12 - Income Tax Expense
- Note 15 - Inventory
- Note 17 - Property, plant and equipment
- Note 18 - Mine properties and development
- Note 20 - Right-of-use assets
- Note 21 - Exploration and evaluation expenditure
- Note 24 - Provisions
- Note 37 - Share-based payments

4. Critical Accounting Estimates and Judgements (continued)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to customers, supply chain, staffing and geographic regions in which the consolidated entity operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

5. Revenue and Other Income

	30 June 2020 \$'000	30 June 2019 \$'000
Revenue from contracts with customers		
Contained zinc metal in concentrate	26,945	54,955
Contained lead metal in concentrate	9,348	20,648
Contained copper metal in concentrate	15,220	9,703
Contained precious metals in concentrate	11,699	11,202
Total revenue	63,212	96,508
Other income		
Interest income	284	303
Realised and unrealised foreign exchange gain / (loss)	380	434
Diesel rebates	71	114
Government grants	561	19
Rental and other income	20	-
	1,315	871
	64,527	97,379

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. All revenue is recognised at a point in time.

Accounting policy

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of concentrate

Revenue from the sale of concentrate is recognised when there is evidence indicating that there has been a transfer of risks and rewards to the customer under a valid sales contract. Sales revenue comprises gross revenue earned, net of treatment and refining charges where applicable, from the provision of concentrate to customers. Sales are initially recognised at estimated sales value when the product is sold. Adjustments are made for variations in metals price, assay, weight and currency between the time of sale and the time of final settlement of sales proceeds.

5. Revenue and Other Income (continued)

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grants

Revenue from Government Grants is recognised when it is received or when the conditions have been met that establish the right to receive payment.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Risk exposure

The consolidated entity's exposure to market risk is discussed in Note 3.

6. Sales Realisation Expenses

		30 June 2020 \$'000	30 June 2019 \$'000
	Note		
Mineral and net smelter return royalty	(a)	2,552	5,329
Land and sea freight		3,205	4,835
Port and loading charges		316	318
Treatment and refining charges		12,422	13,239
		18,496	23,720

(a) Mineral and net smelter return royalty

Mineral royalty is payable to the Queensland Government under the *Queensland Mineral Resources Regulation 2013*. A Net Smelter Royalty was payable to Thalanga Copper Mines Pty Ltd until 28 December 2018. This royalty was payable under an agreement previous owners of the Thalanga Operation entered into with Thalanga Copper Mine Pty Ltd at the time of purchasing Thalanga, and was payable until Thalanga Copper Mines Pty Ltd terminated this agreement on 28 December 2018. Refer to the contingent liability section included in Note 40 for further information.

7. Employment Benefits Expense

		30 June 2020 \$'000	30 June 2019 \$'000
	Note		
Salary and fees		9,215	7,989
Retirement benefits	(a)	806	707
Share based payments - Performance Rights	37.	345	227
Share based payments - Options	37.	41	32
Other employment costs	(b)	670	818
		11,078	9,774

(a) Salary and fees

During the financial year, a further \$1.0 million (2019: \$1.1 million) in salary and wages was incurred and capitalised to Exploration and Evaluation costs on the consolidated statement of financial position.

(b) Other employment costs

Other employment costs include: payroll tax \$292,000 (FY19: \$426,000); workers compensation insurance \$230,000 (FY19: \$163,000); and staff recruitment and relocation \$144,000 (FY19: \$209,000).

8. Production Costs

		30 June 2020 \$'000	30 June 2019 \$'000
	Note		
Ore mining cost		22,769	27,630
Ore processing cost		7,005	9,561
Shared operating cost	(a)	4,041	4,780
		33,814	41,971

(a) Leases

During the financial year, short-term lease payments of \$839,000 (2019: \$713,000) and low-value lease payment of \$12,000 (2019: \$10,340) were made. These payments are included in share operating costs.

9. Corporate Costs

		30 June 2020 \$'000	30 June 2019 \$'000
	Note		
Audit fees	29.	82	87
Insurance		818	708
Legal and professional fees		770	397
Hillgrove acquisition costs		302	421
Other		256	232
		2,229	1,844

10. General and Administration Costs

		30 June 2020 \$'000	30 June 2019 \$'000
Bank fees and charges		142	99
Thalanga site		504	459
Hillgrove site		594	-
Other		35	89
		1,276	647

11. Interest Expense and Other Finance Costs

		30 June 2020 \$'000	30 June 2019 \$'000
Interest paid on advanced concentrate sales		252	324
Interest and fees paid on debt and insurance premium funding		386	15
Unwind of right-of-use assets and non-current rehabilitation liability		287	251
		924	590

12. Income Tax

Income tax expense / (benefit)

	30 June 2020 \$'000	30 June 2019 \$'000
Deferred tax expense / (benefit)	(5,706)	1,773
Current tax expense / (benefit)	-	-
Adjustment recognised for prior year	(404)	(65)
	(6,111)	1,707

Numerical reconciliation on income tax benefit / (expense) to prima facie tax receivable / (payable)

	30 June 2020 \$'000	30 June 2019 \$'000
Profit / (Loss) before income tax expense from continuing operations	(12,963)	5,465
Tax at the statutory rate of 30.0% (2019: 30.0%)	(3,889)	1,576
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
- Non-deductible expenses (Share based payments, entertainment & fines)	203	197
- Current year losses for which no deferred tax asset is recognised	-	-
- Adjustment recognised for prior year	(404)	-
- Recognition of previously unrecognised deductible temporary differences	-	(65)
- Formation of tax consolidated group	(2,021)	-
Current tax expense	(6,111)	1,707
Total tax expense/(benefit)	(6,111)	1,707
Deferred tax included in income tax expense comprises:		
(Increase) / decrease in deferred tax assets	(6,406)	(232)
Increase / (decrease) in deferred tax liabilities	296	1,939
	(6,111)	1,707
<i>Tax assets not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	75	79
Temporary differences	(79)	(74)
Potential tax benefit not as yet recognised	(3)	5

The above potential tax benefit for tax losses and temporary differences has not been recognised in the statement of financial position. Tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Deferred tax assets comprises temporary differences attributable to:

Amounts recognised in profit or loss:

Provisions	362	242
Accruals	1,408	804
Interest	97	97
Unrealised foreign exchange losses	-	74
Mine Development	3,260	-
Leases (right-of-use asset)	19	-
Formation of tax consolidated group	83	-
Unused income tax losses	6,032	3,467
	11,261	4,684

12. Income Tax (continued)

	30 June 2020 \$'000	30 June 2019 \$'000
Amounts recognised in equity:		
Transaction costs on share issue, not reflected in carried forward losses	152	324
	152	324
Deferred tax asset	11,414	5,007
<i>Movements:</i>		
Opening balance	5,007	4,775
Credit/(Debit) to profit or loss	6,406	232
Credit/(Debit) to equity	-	-
	11,414	5,007
Deferred tax liabilities comprise temporary differences attributable to:		
Amounts recognised in profit or loss:		
Exploration and evaluation	1,397	2,894
Mine development	-	588
Prepayments	74	51
Receivables	114	13
Formation of tax consolidated group	2,256	-
	3,842	3,546
<i>Movements:</i>		
Opening balance	3,546	1,607
Debit/(Credit) to profit or loss	296	1,939
Debit/(Credit) to equity	-	-
	3,842	3,546
Net deferred tax asset / (liability)	7,572	1,461

Accounting policy

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

12. Income Tax (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Effective 1 August 2019, Red River Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Significant estimates and judgements

The consolidated entity is subject to income taxes in Australia and does not operate in any foreign jurisdictions.

Significant judgement is required in determining the provision for income taxes. The consolidated entity recognises liabilities of anticipated tax based on estimates of taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Significant judgement is required in determining deferred tax assets and liabilities. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future forecast taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the relevant tax legislation associated with their recoupment. The Company believes this amount to be recoverable based on taxable income projections.

13. Cash and Cash Equivalents

		30 June 2020 \$'000	30 June 2019 \$'000
	Note		
Cash and cash equivalents per Consolidated Statement of Financial Position	35.	8,007	18,618
Financial assets at amortised cost per Consolidated Statement of Financial Position		74	300
Cash on deposit	35.	-	7,000
Cash and cash equivalents at the end of the period as per Consolidated Statement of Cash Flows		8,080	25,918

Accounting policy

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

Risk exposure

The consolidated entity's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

14. Trade and Other Receivables

	30 June 2020 \$'000	30 June 2019 \$'000
Trade receivables	2,521	2,125
GST receivable	552	-
Other debtors	239	43
	3,312	2,169

Accounting policy

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit loss. Trade receivables are generally due for settlement within 5 to 10 days and settlement of 5% retention is due within 3 to 4 months. Trade receivables are revalued by the marking-to-market of open sales using spot prices at the end of each period end for zinc, lead and copper concentrate.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any applicable allowance for expected credit losses.

The consolidated entity has not impaired any receivables in the 2020 year (2019: nil). Customers with balances past due by without provision for impairment of receivables were nil as at 30 June 2020 (2019: nil). The consolidated entity did not consider there is a significant credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

Risk exposure

The consolidated entity's exposure to credit risk and liquidity risk is discussed in Note 3. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

15. Inventory

	30 June 2020 \$'000	30 June 2019 \$'000
Ore	831	221
Zinc, lead and copper concentrates	3,483	1,875
Consumables	2,131	1,760
	6,444	3,856

Accounting policy

Ore and Concentrate Inventories

Inventories, comprising zinc, lead and copper concentrate and ore stockpiles, are physically measured or estimated and valued at the lower of weighted average cost and net realisable value. Costs include fixed direct costs, variable direct costs and an appropriate portion of fixed overhead costs. A portion of the related depreciation, depletion and amortisation charge is included in the cost of inventory.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Consumables

Materials and supplies are valued at the lower of cost and net realisable value. Any allowance for obsolescence is determined by reference to specific stock items identified. A regular and on-going review is undertaken to establish the extent of surplus items and an allowance is made for any potential loss on their disposal.

Significant estimates and judgements

The Company reviews the carrying value of inventories regularly to ensure that their cost does not exceed net realisable value. In determining net realisable value various factors are taken into account, including estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale.

Ore stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, zinc and lead concentrate produced is estimated at the time of production and then confirmed, usually within a week of being produced, by weighing for trucking to Townsville Port, usually within a week of being produced.

16. Other Assets

		30 June 2020 \$'000	30 June 2019 \$'000
Current	Note		
Prepayments		677	448
Residential housing tenancy bonds		8	6
		684	455
Non-current			
Security deposits		515	83
Term deposits - restricted cash	(a)	12,413	8,388
Other receivables		296	-
		13,225	8,471

(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. 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 32).

17. Property, Plant and Equipment

	Office furniture & equip't \$'000	Motor vehicles \$'000	Freehold Land \$'000	Plant & equipment \$'000	Total \$'000
Year ended 30 June 2020					
Cost	63	343	3,226	9,276	12,908
Accumulated depreciation	(59)	(174)	-	(3,283)	(3,515)
	4	169	3,226	5,993	9,392
Movements					
Balance at 1 July 2019	17	224	-	5,950	6,191
Hillgrove acquisition at fair value	-	-	3,226	865	4,091
Additions	-	14	-	391	405
Depreciation	(13)	(69)	-	(1,212)	(1,294)
Balance at 30 June 2020	4	169	3,226	5,993	9,392
Year ended 30 June 2019					
Cost	63	329	-	8,020	8,412
Accumulated depreciation	(46)	(105)	-	(2,071)	(2,221)
Net book value	17	224	-	5,950	6,191
Movements					
Balance at 1 July 2018	36	183	-	6,856	7,075
Additions	-	99	-	236	335
Depreciation	(19)	(58)	-	(1,142)	(1,219)
Balance at 30 June 2019	17	224	-	5,950	6,191

As at 30 June 2020, no property, plant and equipment is pledged as security against any borrowings.

Accounting policy

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

- Office furniture and equipment 3 - 5 years
- Motor vehicles 3 - 5 years
- Leasehold improvements on a time basis over the life of the lease or improvement
- Plant & equipment 3 - 8 years

Assets are depreciated from the date the asset is ready for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date with the effect of any changes in estimate being accounted for on a prospective basis. An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of profit and loss and other comprehensive income.

17. Property, Plant and Equipment (continued)

Significant estimates and judgements

Asset lives

The estimations of useful lives, residual values and depreciation methods require significant management judgements and are regularly reviewed. The useful lives could change significantly as a result of a change in mine life or some other event. If they need to be modified, the depreciation and amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).

Impairment of property, plant and equipment, mine properties and development and capitalised exploration costs

The consolidated entity reviews for impairment of property, plant and equipment, deferred exploration and development expenditure and mine properties in accordance with accounting policy. With the exception of deferred exploration, the recoverable amount of these assets has been determined based on the lower of the assets' fair value less costs of disposal and value in use. Recoverable amount assessments are principally based on discounted cashflow analysis. This requires the use of estimates and judgements in relation to a range of inputs including: commodity prices; exchange rates; reserves and mine planning scheduling; production costs; and discount rates.

The consolidated entity has regard to external forecasts of key assumptions where available (e.g. commodity price and exchange rates). The recoverable amount is particularly sensitive to fluctuations in the AUD commodity price.

No impairment to property, plant and equipment or mine properties occurred for the year ended 30 June 2020 (FY19: Nil). Deferred exploration was impaired for the year ended 30 June 2020 as outlined in Note 21.

18. Mine Properties and Development

	Mine properties in development \$'000	Mine properties in production \$'000	Total mine properties \$'000
Year ended 30 June 2020			
Cost	359	39,855	40,214
Accumulated amortisation	-	(6,309)	(6,309)
	359	33,546	33,905
Movements			
Balance at 1 July 2019	14,410	7,543	21,952
Transfers	(20,419)	20,419	-
Transfers - exploration and evaluation	-	3,664	3,664
Additions	6,368	9,909	16,277
Disposals - West 45 Mine completed - reverse out costs	-	(20,810)	(20,810)
Disposals - West 45 Mine completed - reverse out amortisation	-	20,810	20,810
Writeup on adjustment of provision for rehabilitation	-	80	80
Amortisation	-	(8,068)	(8,068)
Balance at 30 June 2020	359	33,546	33,905
Year ended 30 June 2019			
Cost	14,410	26,593	41,003
Accumulated amortisation	-	(19,050)	(19,050)
	14,410	7,543	21,952
Movements			
Balance at 1 July 2018	1,200	14,464	15,665
Transfers - exploration and evaluation	-	3,242	3,242
Additions	13,209	177	13,386
Writeup on adjustment of provision for rehabilitation	-	769	769
Amortisation	-	(11,110)	(11,110)
Balance at 30 June 2019	14,410	7,543	21,952

18. Mine Properties and Development (continued)

Accounting policy

Mine properties includes aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests.

The cost of mine properties in development is accumulated separately for each area of interest in which economically recoverable reserves and resources have been identified. This expenditure includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Mine properties in production represents expenditure in respect of exploration and evaluation, overburden removal based on underlying mining activities and related mining data and construction costs and development incurred or previously accumulated and carried forward in relation to properties in which mining has now commenced. Such expenditure comprises direct costs and an appropriate allocation of directly related overhead expenditure.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured. When further development expenditure is incurred in respect of a mine property after commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

The accounting policy adopted for Mine Properties and Development is consistent with that of the previous financial year, 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. West 45 Mine is no longer operational and is fully amortised as at 30 June 2020.

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.

Significant estimates and judgements

Ore Reserve Estimates

Ore Reserves are estimates of the amount of product that can be economically and legally extracted from the consolidated entity's properties. In order to calculate Ore Reserves, estimates and assumptions are required about a range of geological, technical and economic factors. Estimating the quality and/or grade of the Ore Reserves requires the size, shape and depth of ore bodies to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements and calculations to interpret the data. The consolidated entity is required to determine and report Ore Reserves in Australia under the principles incorporated in the 2012 Edition of the Australasian Code, known as the JORC Code. The JORC Code requires the use of reasonable investment assumptions to calculate Ore Reserves.

As the economic assumptions used to estimate Ore Reserves change from period to period, and as additional geological data is generated during the course of operations, estimates of Ore Reserves may change from period to period. Changes in reported Ore Reserves may affect the consolidated entity's financial results and financial position in a number of ways, including the following:

- recognition of deferred tax on mineral rights and exploration recognised on acquisitions;
- recoverable amount of deferred mining expenditure and capitalisation of development costs; and
- units of time method of depreciation and amortisation.

19. Intangibles

	Goodwill \$'000	Software \$'000	Website \$'000	Total \$'000
Year ended 30 June 2020				
Cost	141	559	21	721
Accumulated amortisation	-	(290)	(19)	(309)
	141	270	1	412
Movements				
Balance at 1 July 2019	-	314	2	317
Additions	141	35	-	176
Disposals	-	-	-	-
Amortisation	-	(80)	(1)	(81)
Balance at 30 June 2020	141	270	1	412
Year ended 30 June 2019				
Cost	-	524	21	545
Accumulated amortisation	-	(210)	(18)	(228)
	-	314	2	317
Movements				
Balance at 1 July 2018	-	160	4	164
Additions	-	233	-	233
Disposals	-	-	-	-
Amortisation	-	(79)	(2)	(80)
Balance at 30 June 2019	-	314	2	317

Accounting policy

The accounting policy used to account for intangibles is the same as the accounting policy for property, plant and equipment - refer to Note 17 for details. Intangibles, other than goodwill, are amortised over two to five years.

20. Right-of-use Assets

	30 June 2020 \$'000	30 June 2019 \$'000
Corporate office - right-of-use asset	205	-
Accumulated amortisation	(54)	-
	151	-

There were no additions to the right-of-use assets during the year.

21. Exploration and evaluation

	30 June 2020 \$'000	30 June 2019 \$'000
Exploration and evaluation at cost	11,522	12,816
Impairment	(1,828)	(1,652)
	9,693	11,164

21. Exploration and evaluation (continued)

	30 June 2020 \$'000	30 June 2019 \$'000
Movements		
Opening balance at 1 July	11,164	11,474
Transfers - mine properties in production	(3,664)	(3,242)
Hillgrove acquisition at fair value	2	-
Additions	2,367	3,890
Impairments	(176)	(957)
	9,693	11,164

Accounting policy

Exploration and evaluation expenditure is carried forward in the financial statements, in respect of areas of interest for which the rights of tenure are current and where:

- (i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- (ii) exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable ore reserves and while active and significant operations in, or in relation to, the area are continuing.

Capitalised exploration and evaluation costs have been included in the statement of cash flows as an investing activity.

Exploration expenditure incurred that does not satisfy the policy stated above is expensed in the period in which it is incurred. Exploration expenditure that has been capitalised which no longer satisfies the policy stated above is written off in the period in which that decision is made.

Upon commencement of mining activities, deferred exploration and development expenditure is reclassified to mine properties and then amortised in accordance with the accounting policy for mine properties.

The net carrying value of each area of interest is reviewed regularly and, to the extent to which this value exceeds its recoverable value, that excess is provided for or written off in the year in which this is determined.

Significant estimates and judgements

The consolidated entity reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount.

Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

22. Trade and Other Payables

	30 June 2020 \$'000	30 June 2019 \$'000
Trade and other payables	1,954	965
GST payable	-	255
Accruals - Operating cost	9,346	8,859
Accruals - Development and capital cost	4,365	1,330
Accruals - Royalties	1,771	5,313
Employment liabilities	301	252
	17,737	16,975

22. Trade and Other Payables (continued)

Accounting policy

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Risk exposure

The Company's exposure to liquidity risk is discussed in Note 3.

23. Borrowings

	30 June 2020 \$'000	30 June 2019 \$'000
Premium Funding	77	134
Trafigura PTE. Working Capital Facility	7,291	-
	7,368	134

Accounting policy

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.

Risk exposure

The Company's exposure to interest rate and liquidity risk is discussed in Note 3.

The financing facilities available to the consolidated entity are outlined in Note 35.

24. Provisions

	30 June 2020 \$'000	30 June 2019 \$'000
Current		
Provision for employee entitlements	782	513
Provision for rehabilitation and restoration costs	22	141
	804	654
Non-current		
Provision for employee entitlements	122	68
Provision for rehabilitation and restoration costs	12,851	7,788
	12,973	7,856

Movements

Movement in provision for rehabilitation and restoration costs for the financial year is set out below:

	30 June 2020 \$'000	30 June 2019 \$'000
Current		
Opening balance at July 1	141	920
Transfer (to) / from non-current provision	(119)	(779)
Closing balance at 30 June	22	141

24. Provisions (continued)

	30 June 2020 \$'000	30 June 2019 \$'000
Non-current		
Opening balance at July 1	7,788	5,988
Increase in provision due to discount unwind	277	251
Transfer (from) / to current provision	119	779
Other - increase in provision on acquisition of Hillgrove Mines Pty Ltd	4,587	-
Other - reassessment of rehabilitation plan	80	769
Closing balance at 30 June	12,851	7,788

Accounting policy

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Rehabilitation and restoration

Long-term environmental obligations are based on the consolidated entity's environmental management plans, in compliance with current environmental and regulatory requirements. These plans are audited and endorsed by an appropriate independent environmental rehabilitation expert.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. To the extent that future economic benefits are expected to arise, these costs are capitalised and amortised over the remaining lives of the mines.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

Employee benefits

The provision for employee benefits represents annual leave and long service leave entitlements accrued by employees.

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the appropriate Group of 100 published discount rates, that match, as closely as possible, the estimated future cash outflows.

Significant estimates and judgements

Provision for rehabilitation and restoration

Provision for rehabilitation and dismantling property, plant and equipment is estimated taking into consideration facts and circumstances available at the reporting date. This estimate is based on management's best estimate on the expenditure required to undertake the rehabilitation and dismantling of asset for retirement obligations and site rehabilitations in the period in which they are expected to be incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

24. Provisions (continued)

Long service leave

Long service leave is measured at the present value of benefits accumulated up to the end of the reporting period. The liability is discounted using an appropriate discount rate. Management requires judgement to determine key assumptions used in the calculation, including future increases in salaries and wages, future on-costs rates and future settlement dates of employees' departures.

25. Issued Capital

	Note	30 June 2020 \$'000	30 June 2019 \$'000
Ordinary share capital - fully paid	(a)	67,770	63,788
		67,770	63,788

Accounting policy

Ordinary shares are classified as equity. They entitle the holder to participate in dividends and have no par value.

Ordinary issued share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

(a) Movement in ordinary share capital

	30 June 2020 \$'000	30 June 2020 No.	30 June 2019 \$'000	30 June 2019 No.
<i>Balance at the beginning of the financial year</i>	63,788	490,682,000	63,698	489,932,000
Issue of shares on vesting of performance rights	-	2,532,061	-	-
Issue of shares on the exercise of options	-	-	90	750,000
Issue of shares on acquisition of Hillgrove Mines Pty Ltd.	3,700	21,297,944	-	-
Issue of shares on accession of United States Antimony Corporation Loan	300	1,726,860	-	-
Less transaction costs	(18)	-	-	-
<i>Balance at the end of the financial year</i>	67,770	516,238,865	63,788	490,682,000

Ordinary shares

The Company did not issue any ordinary shares under placement during the 2020 financial year (2019: Nil).

Exercise of Options

No options were exercised during the 2020 financial year.

During the 2019 financial year 750,000 options previously issued to Key Management Personnel at the company's Annual General Meeting on the 27 October 2016 were exercised.

25. Issued Capital (continued)

Option and Share Plan

Information relating to the Employee Option Plan, Employee Share Plan and LTI Incentive Plan including details of options issued, exercised and lapsed during the financial year, options outstanding at the end of the financial year and shares issued during the year, is set out in Note 26 and the Remuneration Report.

Terms and conditions of issued capital

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

Capital Risk Management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern so that the consolidated entity can provide returns to shareholders and benefits for other stakeholders whilst maintaining an optimal capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The consolidated entity monitors its working capital position against expenditure requirements to undertake its planned exploration program and maintain its ongoing development operations. Where required the company will sell assets, issue new securities, raise debt or modify its exploration or mine development program to ensure the consolidated entity's working capital requirements are met.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

26. Reserves

	Note	30 June 2020 \$'000	30 June 2019 \$'000
Option reserve	(a)	4,808	4,767
Performance rights reserve	(b)	865	520
		5,673	5,287

Accounting policy

The option reserve is used to recognise the grant date fair value of options issued to employees and suppliers.

The performance rights reserve is used to recognise the grant date fair value of performance rights issued to employees.

(a) Movements in options reserve	30 June 2020 \$'000	30 June 2020 No.	30 June 2019 \$'000	30 June 2019 No.
<i>Balance at the beginning of the financial year</i>	4,767	3,300,000	4,735	8,150,000
Share-based payment expense	41	-	32	-
Options converted	-	-	-	(750,000)
Options lapsed	-	-	-	(1,500,000)
Options forfeited	-	(800,000)	-	(2,600,000)
<i>Balance at the end of the financial year</i>	4,808	2,500,000	4,767	3,300,000

See the Remuneration Report contained in the Director's Report for further information on options reserve.

26. Reserves (continued)

(b) Movements in performance rights reserve	30 June 2020 \$'000	30 June 2020 No.	30 June 2019 \$'000	30 June 2019 No.
<i>Balance at the beginning of the financial year</i>	520	8,229,907	292	5,910,129
Share-based payment expense - LTIP 1	30	-	72	-
Share-based payment expense - LTIP 2	178	-	108	-
Share-based payment expense - LTIP 3	89	-	48	2,655,057
Share-based payment expense - LTIP 4	49	3,705,993	-	-
Performance rights vested - LTIP 1	-	(2,532,061)	-	-
Market conditions not met - LTIP 1	-	(552,683)	-	-
Performance rights forfeited	-	(418,859)	-	(335,279)
<i>Balance at the end of the financial year</i>	865	8,432,297	520	8,229,907

See the Remuneration Report contained in the Director's Report for further information on the performance rights reserve.

27. Accumulated Losses

	30 June 2020 \$'000	30 June 2019 \$'000
Accumulated losses	19,590	12,738
	19,590	12,738
Movements		
Balance at the beginning of the financial year	12,738	16,496
Net (profit) / loss after income tax expense for the year	6,852	(3,758)
	19,590	12,738

28. Key Management Personnel Disclosures

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	30 June 2020 \$'000	30 June 2019 \$'000
Short-term	1,072	1,012
Annual leave and long service leave	102	95
Post employment	105	99
Share-based payment	311	275
	1,589	1,481

The remuneration disclosures are provided in the Remuneration Report on pages 27 to 37.

29. Remuneration of Auditor

During the year the following fees were paid or payable for services provided by the auditor of the consolidated entity, its related practices and non-related audit firms.

	30 June 2020 \$'000	30 June 2019 \$'000
Audit and review of financial statements of the entity by RSM Australia Partners	82	87
Other services by RSM Australia		
Tax services	16	11
Assistance with due diligence on the acquisition of Hillgrove Mining Pty Ltd	-	25
	97	123

30. Events Subsequent to Balance Date

30 July 2020 - The Company announced that it had secured two new polymetallic projects hosting the highest grade known indium deposits in Australia.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had limited impact on the consolidated entity up to the day of signing this financial report, it is not practicable to estimate the potential impact, positive or negative, 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.

31. 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 and amortisation).

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 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. 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 year ended 30 June 2020

Profit / (Loss) of reportable segments

	Thalanga Operation	Hillgrove Gold Mine	Other	Total
Year ended 30 June 2020	\$'000	\$'000	\$'000	\$'000
Revenue				
Contained zinc metal in concentrate	26,945	-	-	26,945
Contained lead metal in concentrate	9,348	-	-	9,348
Contained copper metal in concentrate	15,220	-	-	15,220
Contained precious metal in concentrate	11,699	-	-	11,699
Total revenue	63,212			63,212
Other Income	1,187	51	1,802	3,041
Total segment revenue	64,399	51	1,802	66,253
Intersegment eliminations				(1,726)
Total revenue				64,527
Earnings / (loss) before interest, tax and depreciation	2,161	(1,346)	(3,181)	(2,365)
<i>Reconciliation of profit / (loss) after income tax</i>				
Depreciation and amortisation				(9,497)
Impairment - exploration and evaluation costs				(176)
Net interest expense				(924)
Profit / (loss) before income tax benefit				(12,963)
Income tax benefit / (expense)				6,111
Profit / (loss) after income tax benefit				(6,852)

31. 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 30 June 2020				
Total Assets	80,408	8,030	4,432	92,871
Total Liabilities	(32,559)	(4,938)	(1,521)	(39,018)

Operating Segment Information for year ended 30 June 2019

Profit / (Loss) of reportable segments

	Thalanga Operation \$'000	Hillgrove Gold Mine \$'000	Other \$'000	Total \$'000
Year ended 30 June 2019				
Revenue				
Contained zinc metal in concentrate	54,955	-	-	54,955
Contained lead metal in concentrate	20,648	-	-	20,648
Contained copper metal in concentrate	9,703	-	-	9,703
Contained precious metal in concentrate	11,202	-	-	11,202
Total revenue	96,508	-	-	96,508
Other Income	765	-	3,727	4,491
Total segment revenue	97,273	-	3,727	101,000
Intersegment eliminations				(3,620)
Total revenue				97,379
Earnings / (loss) before interest, tax and depreciation	22,111	-	(2,689)	19,422
<i>Reconciliation of profit / (loss) after income tax</i>				
Depreciation and amortisation				(12,410)
Impairment - exploration and evaluation costs				(957)
Net interest expense				(590)
Profit / (loss) before income tax expense				5,465
Income tax benefit / (expense)				(1,707)
Profit / (loss) after income tax expense				3,758

32. 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. 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 \$51,200 and loss after tax of \$2,080,000 to the consolidated entity for the period from 27 August 2019 to 30 June 2020. If the acquisition occurred on 1 July 2019, the full year contributions would have been revenues of \$53,500 and loss after tax of \$2,255,000. The values identified in relation to the acquisition of Hillgrove Mines Proprietary Limited are final as at 30 June 2020.

Details of the acquisition of Hillgrove Mines Proprietary Limited are as follows:

	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, buildings and exploration assets	4,093
Trade and other payables	(253)
Employee benefits	(139)
Rehabilitation liabilities	(4,587)
Net assets acquired	3,559
Goodwill on acquisition	141
Acquisition-date fair value of total consideration transferred	3,700
Representing:	
Value of ordinary shares in Red River Resources Ltd transferred as total consideration	3,700
Acquisition costs expensed to profit or loss in FY19	421
Acquisition costs expensed to profit or loss in FY20	302

Accounting Policy

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets acquired, equity instruments issued or liabilities assumed by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

32. Business combinations (continued)

Accounting Policy (continued)

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

33. Related Party Transactions

Parent entity

Red River Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 38.

Joint ventures

The consolidated entity has no interests in joint ventures.

Key management personnel

Disclosures relating to key management personnel are set out in Note 28 and the Remuneration Report.

Related party transaction during the year

Administration and consulting services related transactions

Director related entities paid for expenses on behalf of Red River Resources Limited throughout the year. The following table details the company, total services provided and expenses paid for the year and balance owing at 30 June 2020 and 30 June 2019:

Related Party	Value of services for the year ended 30 June 2020 (excl. GST)	Value of services for the year ended 30 June 2019 (excl. GST)	Balance owing at 30 June 2020 (excl. GST)	Balance owing at 30 June 2019 (excl. GST)
Bronstat Pty Ltd	-	\$18,426	-	-

Bronstat Pty Ltd is a related party of Mr. Brett Fletcher. Bronstat Pty Ltd provided consulting services and expertise related to policies, procedures, board and committee charters and offtake and facility agreements. The services were provided up to 13 July 2019 on normal arms length commercial terms.

33. Related Party Transactions (continued)

Loans to / from related parties

The consolidated entity did not have any related party loans during the 2020 or 2019 financial years.

34. Commitments

Operating commitments at the reporting date but not recognised as liabilities, payable:

The consolidated entity has certain obligations to perform minimum exploration work on exploration tenements held and to pay rental on all tenements. As at balance date, total commitments on tenements held by the consolidated entity have not been provided for in the financial statements, however the expenditure required to maintain the tenements over which the consolidated entity has an interest in at 30 June 2020 are listed in the table below:

	30 June 2020 \$'000	30 June 2019 \$'000
Within one year	1,301	2,294
Two to five years	5,719	2,876
	7,019	5,171

Lease commitment committed at the reporting date and recognised as liabilities, payable:

The Company has a lease commitment on its corporate office space. This commitment has been provided for in the financial statements. Amounts payable under this lease are listed in the table below:

	30 June 2020 \$'000	30 June 2019 \$'000
Within one year	-	79
Two to five years	-	139
	-	218

There are no other commitments for expenditure.

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

	30 June 2020 \$'000	30 June 2019 \$'000
Operating profit / (loss) after income tax	(6,852)	3,758
Adjustments to reconcile loss after income tax to net operating cash flows.		
Depreciation, amortisation and impairment	9,673	13,367
Share based payments expensed	387	260
Borrowing costs	245	-
Changes in Assets and Liabilities		
(Decrease)/increase in payables	(2,556)	3,357
(Decrease)/increase in provisions	462	258
(Increase)/decrease in prepayments	(208)	(13)
(Increase)/decrease in inventory	(2,588)	458
(Increase)/decrease in receivables	(1,081)	(174)
(Increase)/decrease in net deferred tax assets	(6,111)	1,707
Net cash from / (used) in operating activities	(8,630)	22,977

Reconciliation of Cash

	30 June 2020 \$'000	30 June 2019 \$'000
Cash at bank and on hand	8,007	18,618
Cash at call	-	7,000
13.	8,007	25,618

Financing Facilities Available

	30 June 2020 \$'000	30 June 2019 \$'000
<i>Total facilities at reporting date</i>	12,383	8,358
Bank guarantee facilities	30	30
Credit facilities	77	134
Macquarie premium funding (group insurance premium)	14,582	14,238
Working capital facility - USD 10 million	27,072	22,760
<i>Facilities used at reporting date</i>	12,383	8,358
Bank guarantee facilities	12	22
Credit facilities	77	134
Macquarie premium funding (group insurance premium)	7,291	-
Working capital facility - USD 10 million	19,763	8,514
<i>Facilities unused at reporting date</i>	-	-
Bank guarantee facilities	18	8
Credit facilities	-	-
Macquarie premium funding (group insurance premium)	7,291	14,238
Working capital facility - USD 10 million	7,309	14,246

36. Earnings Per Share

	30 June 2020 \$	30 June 2019 \$
<i>Earnings per share from continuing operations</i>		
Loss after income tax attributable to the owners of Red River Resources Limited	(6,852,000)	3,758,000
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	511,762,192	489,932,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	516,238,865	497,435,571
	\$	\$
Basic earnings / (loss) per share	(0.0134)	0.0077
Diluted earnings / (loss) per share	(0.0134)	0.0076

Accounting policy

Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

37. Share-based Payments

The following share based payments existed at 30 June 2020:

	30 June 2020		30 June 2019	
	Number of options	Weighted Ave. Exe. Price	Number of options	Weighted Ave. Exe. price
Outstanding at the beginning of the year	3,300,000	30 cents	8,150,000	25 cents
Granted	-	-	-	-
Forfeited	(800,000)	30 cents	(2,600,000)	30 cents
Exercised	-	-	(750,000)	12 cents
Lapsed	-	-	(1,500,000)	12 cents
Outstanding at the end of the year	2,500,000	30 cents	3,300,000	30 cents
Exercisable at the end of the year	-	-	-	-

37. Share-based Payments (continued)

During the 2020 and 2019 financial year, no options were granted.

Options issued under the plan contain no dividend or voting rights.

When exercised, each option is converted into one ordinary share.

The assessed fair value of the options at grant date is calculated in accordance with AASB 2 Share Based payments, the values are determined using a Black – Scholes pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The details of calculation for, and terms and conditions of the grant of options affecting remuneration in the reporting period are as follows:

Option series	Granted 2018 Thalanga Management
Exercise price	\$0.30
Number granted	7,100,000
Grant date	01-Sep-17
Expiry	30-Jun-22
Share price at grant	\$0.25
Expected volatility	69.62%
Risk free interest rate	3.50%
Value of option at grant date	\$0.14

Employee long term incentive plan (LTIP)

Under the LTIP, participants are granted share rights which will only vest if certain performance conditions are met and the employees are still employed by the consolidated entity at the end of the vesting period. Participation in the LTIP is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Equity settled awards outstanding

Set out below are summaries of share rights granted under the LTIP:

	30 June 2020		30 June 2019	
	Number of performance rights	Weighted average fair value (cents)	Number of performance rights	Weighted average fair value (cents)
Outstanding at the beginning of the year	8,229,907	13.9	5,821,890	13.6
Rights issued during the year	3,705,993	11.3	2,655,057	15.1
Performance rights vested - LTIP 1	(2,532,061)	11.9	-	-
Market conditions not met - LTIP 1	(552,683)	11.9	(247,040)	19.8
Rights forfeited during the year	(418,859)	17.1	-	-
Outstanding at the end of the year	8,432,297	13.3	8,229,907	13.9

37. Share-based Payments (continued)

The fair value of the performance rights granted during the 2020 financial year is calculated in accordance with AASB 2 Share Based payments, the values are determined using a monte carlo pricing model with the following inputs:

	Granted 2020 LTIP 4
LTIP series	
Grant date	06-Nov-19
Number of rights granted	3,705,993
Vesting date	28-Oct-22
Share price at grant date	\$0.145
Fair value at grant date	\$0.113
Expected share price volatility (%)	61.7%
Expected dividend yield (%)	0.00%
Expected risk-free rate (%)	0.88%

Expenses arising from ordinary share payment transactions

Total expenses arising from share based payment transactions during the year were as follows:

	30 June 2020 \$'000	30 June 2019 \$'000
Options issued as employee compensation	41	32
Performance rights issued as employee compensation	345	227
	387	260

Accounting policy

The consolidated entity provides benefits to employees (including directors) of the consolidated entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model for options and by an external valuation using a Monte Carlo fair value estimation model for performance rights. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

37. Share-based Payments (continued)

Accounting policy (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Significant estimates and judgements

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes or Monte Carlo methodology.

The estimation of the achievement of vesting conditions, other than market conditions, used to adjust the number of equity instruments ultimately likely to eventually vest requires significant management judgement. These estimates are reviewed on a semi-annual basis to determine if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates.

38. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the Company's accounting policy as described in the Notes.

Name of entity	Country of incorporation	Equity Holding 30 June 2020	Equity Holding 30 June 2019
<i>Parent Entity:</i>			
Red River Resources Ltd	Australia		
<i>Subsidiaries:</i>			
Hillgrove Mines Pty Ltd	Australia	100%	0%
Forth Resources Pty Ltd	Australia	100%	100%
Cromarty Resources Pty Ltd	Australia	100%	100%
Hebrides Resources Pty Ltd	Australia	100%	100%

39. Parent Entity Information

Set out below is the supplementary information about the parent entity:

Statement of Profit or Loss and Other Comprehensive Income	30 June 2020 \$'000	30 June 2019 \$'000
Profit / (Loss) after income tax	(1,196)	912
Total Comprehensive Income	(1,196)	912

39. Parent Entity Information (continued)

Statement of Financial Position	30 June 2020 \$'000	30 June 2019 \$'000
Current assets	57,191	57,926
Non-current assets	4,225	38
Total assets	61,417	57,964
Current liabilities	1,397	868
Non-current liabilities	125	372
Total liabilities	1,522	1,241
Net assets	59,895	56,723
Issued capital	67,770	63,788
Reserves	5,673	5,287
Accumulated losses	(13,548)	(12,351)
Total equity	59,895	56,723

Guarantees entered into by the parent entity in relation to the

The parent entity has entered into a Parent Company Guarantee with Trafigura in relation to the facility agreement between Cromarty Pty Ltd and Trafigura (Refer to Note 3 for further information on this facility).

Significant accounting policies - parent entity

Significant accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2 except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment. Dividends received from subsidiaries are recognized as other income by the parent entity.
- Equity settled awards by the parent to employees of subsidiaries are recognized as an increase in investment in the subsidiary with a corresponding credit to equity and not as a change to profit or loss. The investment in subsidiary is reduced by any contribution by the subsidiary.

40. Contingent Liabilities

The consolidated entity's 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. 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 under trade and other payables in the attached audited 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.

Directors' Declaration

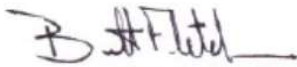
The directors of Red River Resources Limited ('the Company') declare that:

1. the financial statements and notes set out on pages 40 to 81 are in accordance with the Corporations Act 2001, including:
 - a) complying with the Accounting Standards and the Corporations Act 2001 and other mandatory professional reporting requirements;
 - b) giving a true and fair view of the consolidated entity's financial position at 30 June 2020 and of its performance for the year ended on that date; and
 - c) complying with IFRS and interpretations adopted by the International Accounting Standards Board.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declaration by the Managing Director, Melkon Palancian, as required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors:

On behalf of the Board.

RED RIVER RESOURCES LIMITED



Mr. Brett Fletcher

Non-executive Chairman

31 August 2020
Melbourne, Victoria

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INDEPENDENT AUDITOR'S REPORT

To the Members of Red River Resources Limited

Opinion

We have audited the 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 30 June 2020, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Consolidated entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE POWER OF BEING UNDERSTOOD

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Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed this matter
<p>Going Concern Refer to Note 1 in the financial statements</p> <p>For the year ended 30 June 2020, the Consolidated entity incurred in a loss after income tax of \$6.9 million and net cash outflows from operating activities of \$8.6 million. In addition, as at that date the Consolidated entity's current liabilities exceeded current assets by \$7.4 million.</p> <p>The directors have prepared the financial report on the going concern basis. The directors' assessment of the Consolidated entity's ability to continue as a going concern is based on a cash flow budget which includes an improvement in sales for the financial year 2021, resulting from the continued increase in production at the company's Far West Mine.</p> <p>We determined this assessment of going concern to be a key audit matter due to the significant judgments involved in preparing the cashflow budget, and the potential material impact of the results of management's assessment.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • Critically assessing the directors' reasons as to why they believe it is appropriate to prepare the financial report on a going concern basis, including assessing the reasonableness of the assumptions used in the cash flow forecasts and budgets prepared; • Reviewing the mathematical accuracy of the cash flow forecasts and budgets prepared by management; • Reviewing the financial position and financial performance of the Consolidated entity since year-end; • Enquiring with management regarding the planned changes to the facility term in place and confirming the existing discussions to confirm an extension of the repayment terms; and • Assessing the adequacy of the going concern disclosures in the financial report.
<p>Revenue Recognition Refer to Note 5 in the financial statements</p> <p>Revenue recognition was considered a key audit matter because it is the most significant account balance in the consolidated statement of profit or loss and other comprehensive income, and because the process of revenue recognition involves complex and significant management judgements.</p> <p>These include:</p> <ul style="list-style-type: none"> • determination of the timing of meeting the performance obligations under the different sales contracts. • the estimation of variation in the final sale prices. 	<p>Our audit procedures in relation to revenue recognition included:</p> <ul style="list-style-type: none"> • Assessing whether the Consolidated entity's revenue recognition policies were in compliance with Australian Accounting Standards; • Evaluating and testing the operating effectiveness of the internal controls related to revenue recognition; • Reviewing customer contracts to understand terms and conditions of sale and the timing of meeting the performance obligations; • Reviewing the effect of the variable consideration within the sales, including management estimates involving the sales revaluation calculation. We compared estimates to actual assay results (where available) and assessed the reasonableness of the estimate against the average change in the assay results; • Performing substantive analytics and test of details over a sample of revenue transactions; • Reviewing sales transactions before and after year-end to corroborate that revenue was recognised in the correct period; and • Reviewing large or unusual transactions during the financial year.

Key Audit Matters (Continued)

Business combinations Refer to Note 32 in the financial statements	
<p>On the 27 August 2019, Red River acquired 100% of the ordinary shares of Hillgrove Mines Pty Ltd.</p> <p>Accounting for an acquisition is a complex and judgemental exercise, requiring management to determine the fair value of acquired assets and liabilities.</p> <p>Due to the material of the assets acquired and liabilities assumed from the acquisition, we deemed this to be a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • Obtaining the share purchase agreement and other associated documents, and understanding the nature of the transaction to confirm that Hillgrove Mines Pty Ltd met the definition of a business under AASB 3 <i>Business combinations</i> (AASB 3); • Confirming the identity of the accounting acquirer and acquiree in line with AASB 3; • Assessing the accuracy and completeness of the fair values of the identified assets and liabilities acquired; • Reviewing the fair value determination of assets acquired and liabilities assumed, including reviewing the work performed by the management's expert for value of Property, plant and equipment at acquisition date; • Corroborating the consideration paid for the business acquired against the relevant information; and • Reviewing the adequacy of the relevant disclosures, including the disclosures in respect of judgments made, in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 30 June 2020; but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Red River Resources Limited., for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Dated: 31 August 2020
Melbourne, Victoria

Corporate Governance Statement

The Board and management of Red River Resources Limited are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) (**Recommendations**) to the extent appropriate for the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

The Corporate Governance Statement is accurate and up to date as at 31 August 2020 has been approved by the Board.

In accordance with ASX Listing Rules 4.10.3 and 4.7.4 the Corporate Governance Statement is available for review on the Company's website (www.redriverresources.com.au) and will be lodged together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will identify each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on the Company's website (www.redriverresources.com.au).

Shareholder Information

ASX Information

The substantial Shareholders of the Company as at 21 August 2020 were:

Substantial Shareholder	Number Held	Percentage
-------------------------	-------------	------------

Distribution of Shareholders as at x August 2020

Range of Holding	Holders	Shares
1 - 1,000	114	19,825
1,001 - 5,000	586	2,023,833
5,001 - 10,000	676	5,749,989
10,001 - 100,000	2,042	82,455,720
100,001 - over	688	425,989,498
	4,106	516,238,865

Voting Rights

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

Top twenty largest Shareholders as at 21 August 2020.

Shareholder	Number of shares	% of capital held
MERIDIAN CAPITAL CIS FUND	23,024,804	4.46%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	16,961,990	3.29%
MRS NARELLE FAY	9,840,000	1.91%
BRAHAM CONSOLIDATED PTY LTD	9,802,963	1.90%
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	9,801,916	1.90%
3RD WAVE INVESTORS PTY LTD	8,500,000	1.65%
MR DONALD GARNER	8,215,923	1.59%
WYMOND INVESTMENTS PTY LTD <DEE WHY SALES P/L S/F A/C>	6,250,000	1.21%
CITICORP NOMINEES PTY LIMITED	6,241,673	1.21%
BNP PARIBAS NOMS PTY LTD <DRP>	6,162,404	1.19%
GURRAVEMBI INVESTMENTS PTY LTD	6,000,000	1.16%
MR DAVID ROTHWELL	5,869,112	1.14%
MR ANDREW FAY	5,750,000	1.11%
ZENITH PACIFIC LIMITED	5,200,000	1.01%
BRAHAM INVESTMENTS PTY LTD <BRAHAM STAFF SUPER FUND A/C>	5,095,656	0.99%
R J MUFFET PTY LTD <R J MUFFET SUPER FUND A/C>	5,000,000	0.97%
MR ANDREW FAY <ANDREW FAY SUPER A/C>	4,830,000	0.94%
LODDY PTY LTD <HALL FAMILY SUPER FUND A/C>	3,920,000	0.76%
MR RICHARD THOMAS HAYWARD DALY + MRS SARAH KAY DALY <THE DALY FAMILY S/F RTH A/C>	3,786,681	0.73%
BUPRESTID PTY LTD <HANLON FAMILY S/F A/C>	3,300,000	0.64%
Total top twenty Shareholders	153,553,122	29.74%
Total other Shareholders	362,685,743	70.26%
Total Shareholders	516,238,865	100.00%

Unmarketable Parcel

Minimum parcel size of \$500 equates to approx. 3,449 shares at \$0.145 per share of which there are 395 holders with a total of 700,614 shares.

Interest in Mining Tenements

Interest in tenements held at 30 June 2020.

Tenement Name	Holder	Grant Date	Expiry Date	Beneficial Interest
QUEENSLAND				
Thalanga				
EPM 10582	Cromarty Resources Pty Ltd	28/07/1995	31/12/2020	100%
EPM 12766	Cromarty Resources Pty Ltd	22/04/2004	21/04/2021	100%
EPM 14161	Cromarty Resources Pty Ltd	15/06/2004	14/06/2022	100%
EPM 16929	Cromarty Resources Pty Ltd	23/02/2010	22/02/2023	100%
EPM 18470	Hebrides Resources Pty Ltd	19/04/2011	18/04/2021	100%
EPM 18471	Hebrides Resources Pty Ltd	19/04/2011	18/04/2021	100%
EPM 18713	Hebrides Resources Pty Ltd	2/07/2012	1/07/2022	100%
EPM 25815	Hebrides Resources Pty Ltd	30/06/2015	29/06/2020	100%
EPM 25895	Hebrides Resources Pty Ltd	7/09/2015	6/09/2020	100%
EPM 26718	Cromarty Resources Pty Ltd	9/08/2018	8/08/2023	100%
EPM27357	Cromarty Resources Pty Ltd	29/04/2020	28/04/2025	100%
ML 1392	Cromarty Resources Pty Ltd	17/03/1977	30/06/2020	100%
ML 1531	Cromarty Resources Pty Ltd	29/01/1987	30/04/2021	100%
ML 10137	Cromarty Resources Pty Ltd	14/12/1995	31/12/2027	100%
ML 10185	Cromarty Resources Pty Ltd	6/10/1994	30/04/2021	100%
ML 10186	Cromarty Resources Pty Ltd	6/10/1994	30/04/2021	100%
ML 10277	Cromarty Resources Pty Ltd	24/02/2005	28/02/2025	100%
Herberton				
EPM27168	Cromarty Resources Pty Ltd	20/02/2020	19/02/2025	100%
EPM27221	Cromarty Resources Pty Ltd	14/04/2020	13/04/2025	100%
EPM27223	Cromarty Resources Pty Ltd	31/03/2020	30/03/2025	100%
NEW SOUTH WALES				
Hillgrove				
EL 3326	Hillgrove Mines Pty Ltd	23/08/1989	Renewal Pending	100%
EL 5973	Hillgrove Mines Pty Ltd	19/08/2002	19/08/2025	100%
EL 5997	Hillgrove Mines Pty Ltd	27/09/2002	27/09/2025	100%
EL 6419	Hillgrove Mines Pty Ltd	17/05/2005	17/05/2021	100%
EL 8914	Forth Resources Pty Ltd	8/11/2019	8/11/2025	100%
ML 205	Hillgrove Mines Pty Ltd	21/05/1976	Renewal Pending	100%
ML 219	Hillgrove Mines Pty Ltd	16/06/1976	Renewal Pending	100%
ML 231	Hillgrove Mines Pty Ltd	21/07/1976	Renewal Pending	100%
ML 391	Hillgrove Mines Pty Ltd	16/02/1977	Renewal Pending	100%
ML 392	Hillgrove Mines Pty Ltd	16/02/1977	Renewal Pending	100%
ML 592	Hillgrove Mines Pty Ltd	3/05/1978	Renewal Pending	100%
ML 600	Hillgrove Mines Pty Ltd	10/05/1978	Renewal Pending	100%
ML 649	Hillgrove Mines Pty Ltd	4/10/1978	Renewal Pending	100%
ML 655	Hillgrove Mines Pty Ltd	4/10/1978	Renewal Pending	100%
ML 714	Hillgrove Mines Pty Ltd	21/03/1979	Renewal Pending	100%
ML 749	Hillgrove Mines Pty Ltd	4/07/1979	Renewal Pending	100%
ML 772	Hillgrove Mines Pty Ltd	5/09/1979	Renewal Pending	100%
ML 810	Hillgrove Mines Pty Ltd	5/03/1980	Renewal Pending	100%
ML 945	Hillgrove Mines Pty Ltd	8/07/1981	Renewal Pending	100%
ML 961	Hillgrove Mines Pty Ltd	9/12/1981	Renewal Pending	100%

Interest in Mining Tenements (continued)

Interest in tenements held at 30 June 2020.

Tenement Name	Holder	Grant Date	Expiry Date	Beneficial Interest
NEW SOUTH WALES				
Hillgrove				
ML 972	Hillgrove Mines Pty Ltd	6/01/1982	Renewal Pending	100%
ML 1020	Hillgrove Mines Pty Ltd	3/11/1982	11/02/2041	100%
ML 1026	Hillgrove Mines Pty Ltd	8/12/1982	Renewal Pending	100%
ML 1100	Hillgrove Mines Pty Ltd	9/11/1983	Renewal Pending	100%
ML 1101	Hillgrove Mines Pty Ltd	9/11/1983	Renewal Pending	100%
ML 1332	Hillgrove Mines Pty Ltd	7/10/1993	11/02/2041	100%
ML 1440	Hillgrove Mines Pty Ltd	12/02/1999	Renewal Pending	100%
ML 1441	Hillgrove Mines Pty Ltd	12/02/1999	Renewal Pending	100%
ML 1442	Hillgrove Mines Pty Ltd	12/02/1999	Renewal Pending	100%
ML 1598	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1599	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1600	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1601	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1602	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1603	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 1604	Hillgrove Mines Pty Ltd	4/12/2007	Renewal Pending	100%
ML 5643	Hillgrove Mines Pty Ltd	14/11/1958	Renewal Pending	100%
ML 6282	Hillgrove Mines Pty Ltd	12/03/1971	Renewal Pending	100%
GL 3959	Hillgrove Mines Pty Ltd	8/02/1933	Renewal Pending	100%
GL 3980	Hillgrove Mines Pty Ltd	29/03/1933	Renewal Pending	100%
GL 5845	Hillgrove Mines Pty Ltd	16/02/1968	16/02/2030	100%
MPL 146	Hillgrove Mines Pty Ltd	9/08/1978	Renewal Pending	100%
MPL 220	Hillgrove Mines Pty Ltd	7/12/1983	Renewal Pending	100%
MPL 745	Hillgrove Mines Pty Ltd	29/03/1933	Renewal Pending	100%
MPL 919	Hillgrove Mines Pty Ltd	31/08/1938	Renewal Pending	100%
MPL 1427	Hillgrove Mines Pty Ltd	6/07/1973	Renewal Pending	100%
PLL 350	Hillgrove Mines Pty Ltd	28/05/1932	Renewal Pending	100%
PLL 416	Hillgrove Mines Pty Ltd	20/12/1935	Renewal Pending	100%
PLL 661	Hillgrove Mines Pty Ltd	27/07/1943	Renewal Pending	100%
PLL 804	Hillgrove Mines Pty Ltd	22/07/1949	22/07/2032	100%
PLL 1252	Hillgrove Mines Pty Ltd	23/12/1969	Renewal Pending	100%
PLL 3827	Hillgrove Mines Pty Ltd	21/08/1973	Renewal Pending	100%