



ACN 100 796 754

29 July 2010

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

RED RIVER RESOURCES LIMITED (RVR)

QUARTERLY REPORT (Fourth Quarter) APRIL-JUNE 2010

Activities carried out during the quarter were as follows:

MIAREE GOLD PROSPECTS, KARRATHA AREA, PILBARA REGION, WESTERN AUSTRALIA

In conjunction with Iron Mountain Mining Limited (ASX:IRM, "Iron Mountain"), Red River Resources completed a program of stream sediment and soil geochemistry in the Miaree project area southwest of Karratha in the Pilbara region of Western Australia during September to December 2009. The location of the project area is shown in Figure 1 and the geochemical sampling resulted in the delineation of numerous spotty gold anomalies with individual sample values ranging up to 0.6 g/t. The sampling was undertaken subsequent to a metal detector gold rush which occurred further to the east (see Figure 1) in late 2008/early 2009 and which is reputed to have resulted in the discovery of over 1,000 ounces of gold. The area encompassing these recent discoveries occurs in a favourable geological setting at the western end of the Karratha Granodiorite: it contains numerous faults which are likely to have acted as strong fluid migrating pathways, and it also contains a number of associated electromagnetic (EM) anomalies detected by an airborne survey flown for Dragon Mining in 1994. Similar EM anomalies extend westwards into E47/1309 lying within the Miaree project area.

During the June quarter of 2010 focus of exploration moved to the northeastern corner of E47/1309 (see Napier's Prospect in Figure 1) where there is an abundance of vein quartz float as well as gossanous pisolite and where prospector activity has located fresh occurrence of gold nuggets. As this location lies within the Sholl Shear Zone, a major transpressional geological structure, the outcropping field signs may be indicative of a significant mineralised system. A recent round of pisolitic soil sampling has been carried out over the Napier Prospect and analytical results are expected to be received during the September 2010 quarter.

Address Level 7/231 • Adelaide Terrace • Perth • Western Australia • 6000

Mailing address PO Box 3235 • 256 Adelaide Terrace • Perth • Western Australia • 6832

T +61 (8) 9225 4917 **F** +61 (8) 9225 6474 **E** info@redriverresources.com.au

www.redriverresources.com.au

HOOLEY WELL PROSPECT, MID WEST REGION, WESTERN AUSTRALIA

The Hooley Well nickel prospect contains a large IP chargeability anomaly, 3 km long, delineated during mid 2009. An Aboriginal Heritage Survey was carried out over proposed drilling sites and there are no significant sites there.

PROPOSED PROJECTS

TAABINGA UNDERGROUND COAL GASIFICATION PROJECT, QUEENSLAND: EPC 1181 and EPC 1921

On 17th May 2010 Red River announced that it had entered into a Heads of Agreement (HOA) with Black Gold Resources Limited (“Black Gold”), an unlisted company, whereby it can earn a 50% interest in EPC 1181 and EPC 1921 (the Taabinga Project) for the expenditure of \$2million. The tenements are situated at Kingaroy, 150 km northwest of Brisbane, Queensland. Independent consultants have calculated that EPC 1181 contains JORC-compliant indicated and inferred resources of 82.1 million tonnes of coal and there is further exploration potential in EPC 1181 lying to the north (see Figure 2).

The coal deposits in EPC 1181 lie between 3-9 km northwest of the Cougar Energy Limited Kingaroy Underground Coal Gasification (UCG) project which initiated firing of a coal seam and successfully started producing syngas during March 2010. The current JORC resource in ground held by Cougar is 73 million tonnes and this resource is estimated to sustain a UCG project life of 30 years. The coal in the Cougar Energy project area is contained within three seams: the Kunioon, Swain and Googer seams and these three seams extend northwestwards into EPC 1181. Figure 3 shows the locations of coal drillholes in EPC 1181 and Figures 4 and 5 are cross-sections showing the distribution of these coal seams within the permit.

UCG is at the forefront of the trend for alternative energy and it contains significant environmental and economic advantages over coal seam methane and natural gas. The Kingaroy area contains the Tarong Power Station which is powered by coal from the Meandu open cut mine and new sources of energy around Kingaroy are optimally placed to provide power to the Queensland electricity grid.

Currently three companies are trialling UCG in Queensland where the government has placed a moratorium on further UCG evaluation programs until about 2011/12 when a report will be presented to cabinet with its findings on UCG technology. UCG potentially poses conflicting use of coal resources (in the case of underground coal mining) or of the methane contained within the coal seams (in the case of coal seam gas). However the coal seams within EPC 1181 are thermally immature for methane generation so they are not prospective for coal seam gas. Additionally, they have high ash content and they are deep, so not really prospective for underground coal mining. However, the seams within EPC 1181 appear to be eminently suitable for UCG in that they occur between 100-500 metres below surface and have thicknesses ranging up to 15 metres in places. The coal deposits around Kingaroy are suitable for the application of this alternative technology and are unlikely to be declared off-limits to UCG exploitation beyond 2012/13.

TERMS OF THE HOA

The agreement is subject to shareholder approval by both companies. (Mr David Zohar is a director and major shareholder of both Red River and Black Gold. Therefore the proposed JV between the two companies is a “Related Party Transaction”. The companies are required to have prepared reports by independent experts stating that the Proposed JV is “fair and reasonable” and then distributed to shareholders prior to voting).

Red River is to be the manager of the JV and is to earn a maximum of 50% by spending \$2 million on exploration/development on the exploration licences EPC 1181 and EPC 1921 to earn 50%. The earn-in will be staged with the first tranche of 12.5% earned by expending \$500,000 then a further 37.5% earned by spending \$1.5 million.

Red River must spend a minimum of \$200,000 before any withdrawal. Until any withdrawal Red River is required to keep the tenement in good standing including all legal, government and exploration obligations.

Upon shareholder approval, a full JV agreement will be finalised.

FINANCIALS – APPENDIX 5B

At 30th June 2010, the company had available funds of approximately \$1.7 million. The company’s 5B highlights the quarter’s cash activities and other relevant financial information.



J. Karajas
Managing Director

29 July 2010

The information within this report as it relates to geology and mineral resources was compiled by the Managing Director Mr John Karajas. Mr Karajas is a Member of the Australian Institute of Geoscientists. Mr Karajas has sufficient experience which is relevant to the style of mineralization and the type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code”. Mr Karajas consents to the inclusion in the report of the matters based on information in the form and context which it appears.

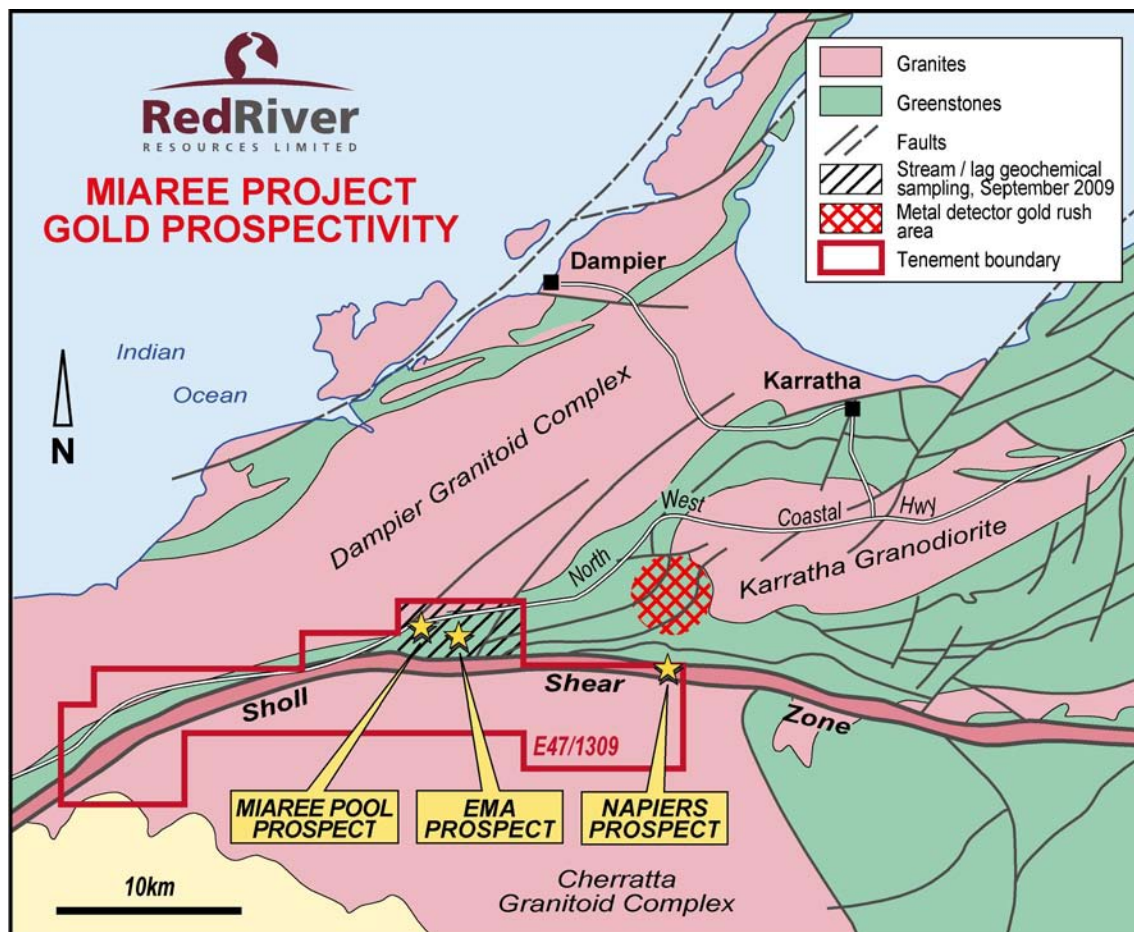


Figure 1

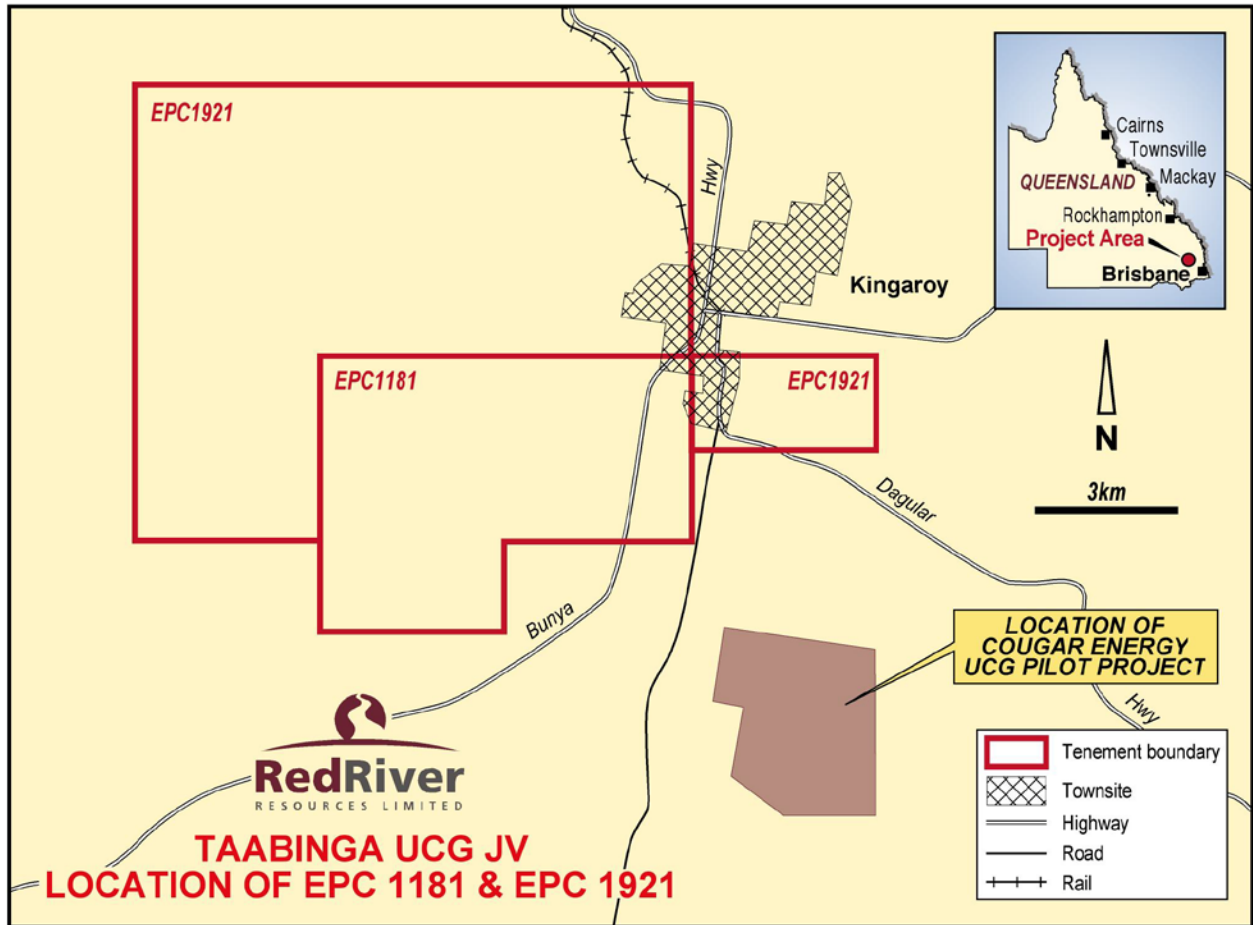


Figure 2

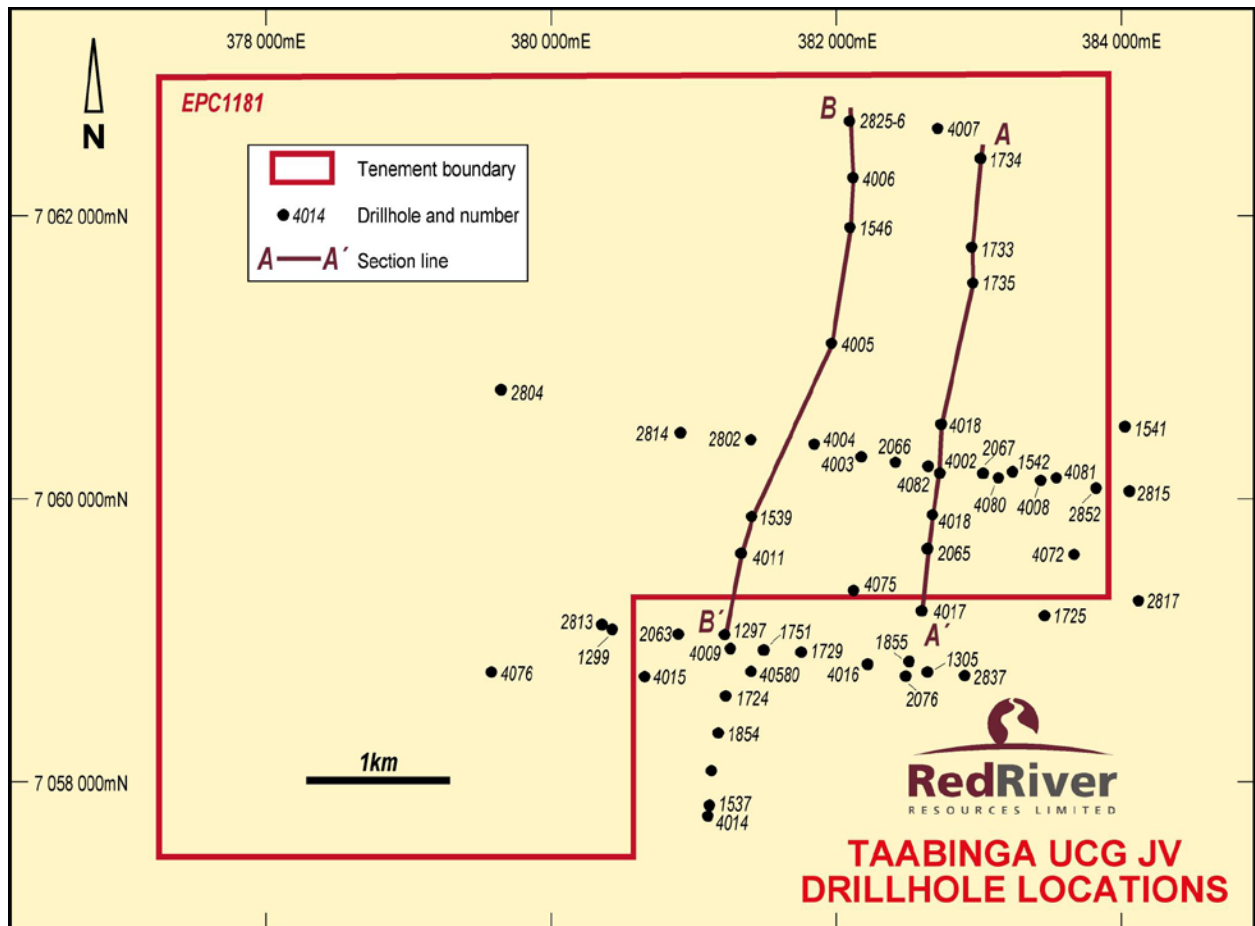


Figure 3

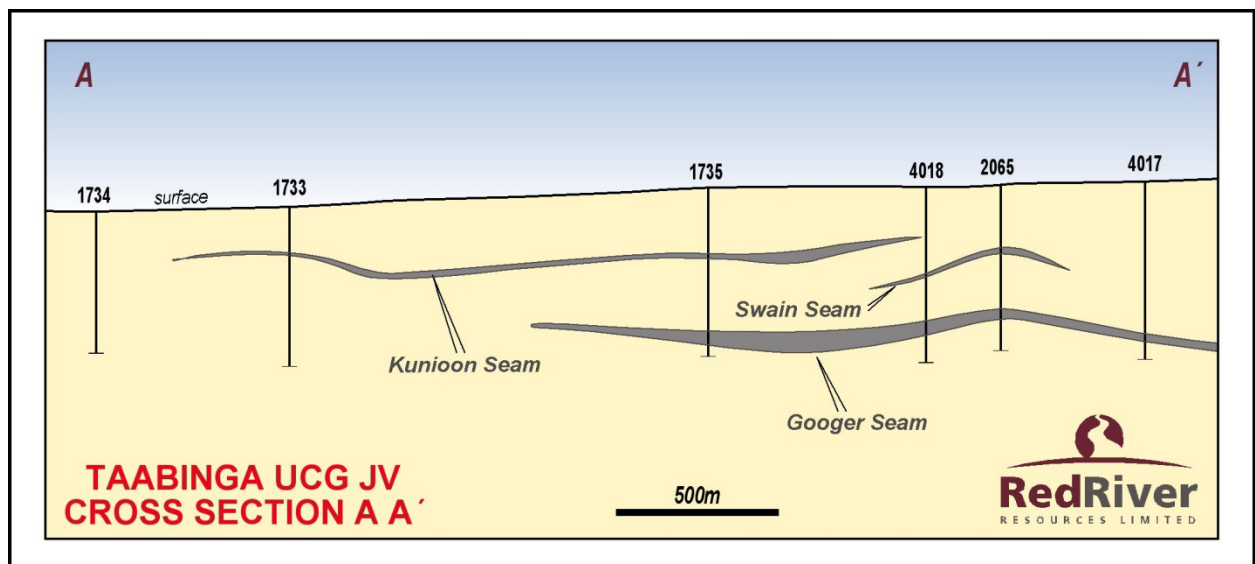


Figure 4

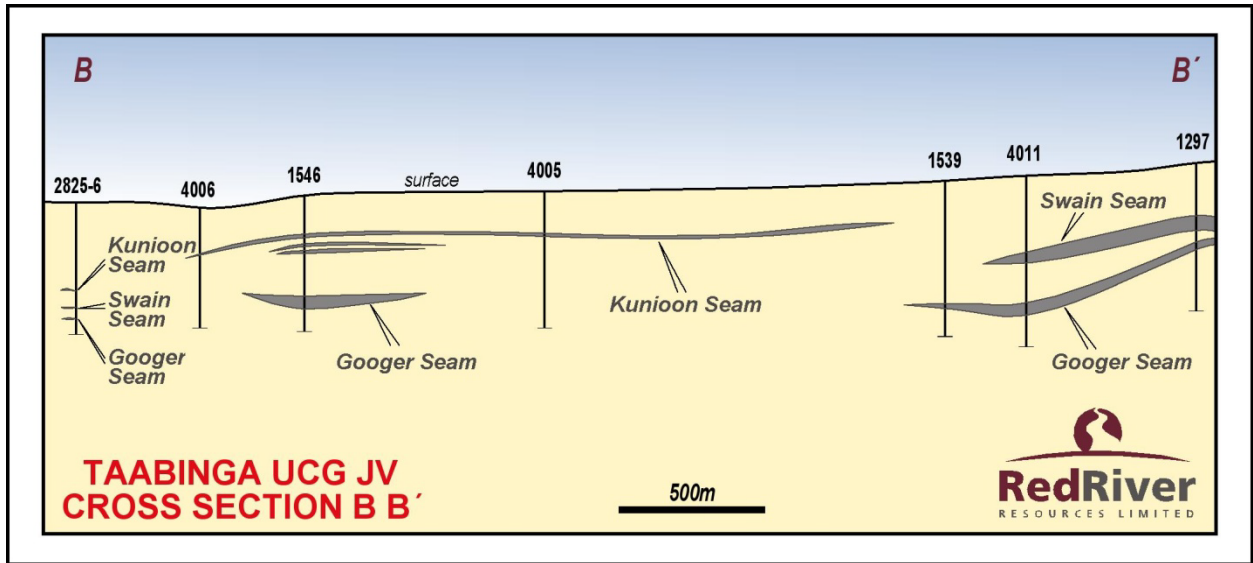


Figure 5

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

RED RIVER RESOURCES LIMITED

ABN

35 100 796 754

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	NIL	NIL
1.2	Payments for (a) exploration and evaluation	(112)	(598)
	(b) development	NIL	NIL
	(c) production	NIL	NIL
	(d) administration	(86)	(258)
1.3	Dividends received	NIL	NIL
1.4	Interest and other items of a similar nature received	19	75
1.5	Interest and other costs of finance paid	NIL	NIL
1.6	Income taxes paid & GST	NIL	NIL
1.7	Other – Option Fee	NIL	NIL
		(179)	(781)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	NIL	NIL
	(b)equity investments	NIL	NIL
	(c) other fixed assets	(2)	(2)
	(d) security deposits	NIL	(4)
1.9	Proceeds from sale of: (a)prospects	NIL	NIL
	(b)equity investments	30	30
	(c)other fixed assets	4	4
1.10	Loans to other entities	NIL	NIL
1.11	Loans repaid by other entities	NIL	NIL
1.12	Other – Capital	NIL	NIL
		32	28
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(147)	(753)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(147)	(753)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	NIL	1
1.15	Proceeds from sale of forfeited shares	NIL	NIL
1.16	Proceeds from borrowings	NIL	NIL
1.17	Repayment of borrowings	NIL	NIL
1.18	Dividends paid	NIL	NIL
1.19	Other – Capital Raising Costs	NIL	NIL
	Net financing cash flows	NIL	NIL
	Net increase (decrease) in cash held	(147)	(752)
1.20	Cash at beginning of quarter/year to date	1,860	2,465
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,713	1,713

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	76
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

1.23 Directors' Fees paid to Directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	NIL
3.2	Credit standby arrangements	NIL

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	NIL
4.3 Production	NIL
4.4 Administration	120
Total	170

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	172	135
5.2 Deposits at call	1,541	1,722
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,713	1,857

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E08/1350	Compulsory 50% Surrender 22/06/2010	75%	75%
	E47/1309	Compulsory 50% Surrender 23/06/2010	75%	75%
	E52/2331	Surrendered 11/05/2010	100%	0%
	E70/2435	Compulsory 50% Surrender 22/04/2010	100%	100%
	E70/2516	Compulsory 50% Surrender 13/05/2010	100%	100%
	E70/2522	Compulsory 50% Surrender 13/05/2010	100%	100%
6.2 Interests in mining tenements acquired or increased	EL25/2009	Granted 25/05/2010	50%	50%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	NIL			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL			
7.3	+Ordinary securities	69,330,005	69,330,005	20 cents	20 cents
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	NIL			
7.5	+Convertible debt securities <i>(description)</i>	NIL			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL			
7.7	Options <i>(description and conversion factor)</i>	NIL	NIL	<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter	NIL	NIL		
7.9	Exercised during quarter	NIL			
7.10	Expired during quarter	NIL	NIL		
7.11	Debentures <i>(totals only)</i>	NIL			
7.12	Unsecured notes <i>(totals only)</i>	NIL			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 29 July 2010

(Company secretary)

Print name: MARK KILLMIER

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** [ASX](#) will accept, for example, the use of [International Accounting Standards](#) for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==