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September 2008 Quarterly Review

EXTRACT

Global economies enter recessionary phase

Contents

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Red River Resources Limited (RVR)



Sector Materials	Industry Group Materials	Industry Metals & Mining	Sub Industry Diversified Metals & Mining
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Company Overview

RVR has two key projects. In TAS, RVR has a 50% interest in the Blythe project where magnetite iron ore mineralisation has been intersected at several properties. There are numerous magnetic targets and all prospects are close to rail and port. In the Pilbara, will retain at least 30% equity in the Miaree Magnetite Trend where magnetite-rich rocks have a strike length of 36km. Infrastructure in the Pilbara is excellent. RVR has applied for exploration leases for U, Au, and base metals in the NT.

Strategy

The current company strategy is to 1) evaluate the Feral prospect for direct shipping-grade hematite ore and magnetite iron ore; 2) explore for iron ore at the Blythe project in northern Tasmania; 3) explore for iron ore in the Miaree magnetite trend, Kaninda Well tenements near Karratha; 4) explore for iron ore at Wongan Hills; 5) explore for tantalite-tin at East Kirup; and 6) explore for uranium at Bungalow Well (when tenement is granted).

Aegis Comments as at November 2008

Outlook: Initial positive results from Feral are encouraging. At Blythe identification of economic magnetite deposits can swiftly lead to production and shipment out of Burnie Port with the availability of labour in Tasmania. Follow-up drill targets have been identified from similar intensity aeromagnetic data. Discovery of DSO at Miaree, close to the future Cape Preston port, allows for rapid production and is economically feasible.

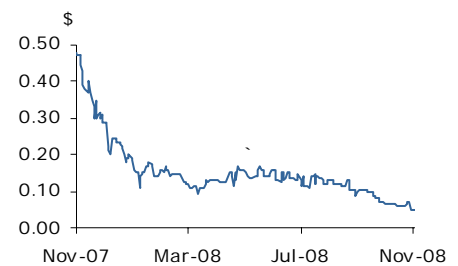
Catalysts: Investors seem to already believe that drilling at the Feral Iron Project will yield economic grades of iron ore. However, if drilling confirms economic grades at depth, then there will be another re-rating. Iron Mountain Mining Limited executed its exclusive option to earn up to a 70% interest in the Miaree Magnetite Trend project. This is another catalyst for re-rating. To earn its interest, Iron Mountain will spend \$4.75M on exploration.

Risks: Development of magnetite deposits is capital intensive. The access to infrastructure is a critical issue. There is no guarantee that government will build infrastructure in a timely manner. Cape Preston is hoped to be built by 2013/15. Oakajee Port won't be completed until 2013 and is to service the Mid-West. Financial support from a third party is needed to develop a large iron ore mine. Agreements with Native Title claimants have to be reached, without which projects will not move forward.

Key investment information

Price:	\$0.05
Price as at:	17-Nov-08
Market Cap (\$M):	3.6
Equiv. Shares (M):	69.33
% All Ords:	0.00
12Mth Range (\$):	0.05 - 0.48
Shares Traded (\$M pa):	3.4
Listed since:	15 Jul 05
Index:	n/a

Share price performance



Company contact



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Earnings Summary

Yr to Jun	NPAT Rep \$M	NPAT ¹ Adj \$M	EPS ¹ c	EPS chg %	PER x	PER rel All Ords x	PER rel Sector x	DPS c	Yield %	Franking %	ROE %
2005A	(0.4)	(0.4)	(1.3)	n/a	(3.7)	(0.3)	(0.3)	0.0	0.0	0	>1000
2006A	(1.4)	(1.4)	(3.1)	n/a	(1.6)	(0.1)	(0.2)	0.0	0.0	0	(446.8)
2007A	(0.9)	(0.9)	(2.0)	n/a	(2.5)	(0.2)	(0.3)	0.0	0.0	0	(206.4)
2008A	(1.3)	(1.3)	(2.2)	n/a	(2.2)	(0.2)	(0.3)	0.0	0.0	0	(123.1)

¹ NPAT and EPS are adjusted by removing non-recurring items. All the above statistics are derived from normalised earnings.

Financial Stability

Balance Sheet (Y/E Jun)

	07A	08A
Net debt (cash) (\$M)	(0.5)	(3.6)
Total assets (\$M)	0.5	3.9
Net debt/equity (%)	(106.2)	(97.8)
Net interest cover (x)	n/a	n/a
NTA per share (\$)	0.01	0.05
Current ratio (x)	7.2	18.0

As at 30-Jun-08

Net debt (cash) (\$M)	(3.6)
Net debt (cash) / shr (\$)	(0.05)
Net debt (cash) / MktCap (%)	(101.2)

Substantial Shareholders

Kurraba Investments Pty Ltd	10.1%
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Board

J Karajas (Managing Director)
D Zohar (Director)
R Gillon (Non-Executive Director)

Differentiating Factors

Red River is an iron ore play with potentially two very large magnetite accumulations in its tenement portfolio, as well as direct shipping-grade hematite targets. Red River's focus on iron ore prospectivity close to infrastructure will help in marketing potential mining projects to Chinese investors such as steel mills.

Achievements

RVR has interests in three iron ore projects. The Feral project is the most advanced. Feral is 20km south of the historical Koolanooka mine. Fieldwork has found hematite that may be suitable for direct shipping. There is potential for a large magnetite deposit below surface. The Miaree magnetite project in WA and the Blythe iron project in TAS are also potentially value creative. Other JVs and options over Ta-Sn-Li, Pb-Zn and Au-U plays in TAS, WA and NT provide other opportunities for growth.

Recent Events

30 October 2008 – Quarterly Report: Assay results from the first round of drilling from the Hampshire Prospect and from the initial drilling at the Kara North Prospect were received during the quarter. Analyses from the initial drilling at Kara North have confirmed substantial thicknesses of magnetite mineralisation. Drilling at Miaree Project commenced with an 8,000m program. At Feral Prospect a 13-hole program of 600m was carried out. Available funds stood at \$3.2M at the end of the quarter.

22 October 2008 – Nickel Exploration JV with Eagle Nickel : RVR has reached an agreement with Eagle Nickel to farm into two of Eagle Nickel's nickel projects. Under the terms, RVR can carry out exploration at: the Hooley Well, 320km east of the township of Carnarvon, in the central west of Western Australia; Imagi Well, 240km east southeast of Carnarvon. RVR can earn up to 50% equity in the mineral tenements, holding these prospects for a total expenditure of \$500,000. Exploration will focus on nickel and related mineralisation.

26 September 2008 – Blythe Project Drilling Analytical Results Update: The first two batches of assay results from drilling completed at the Hampshire and Kara North Prospects have been received. RVR has a 50% interest; Iron Mountain holds the other 50% interest and is the operator of the project. Analysis from initial drilling at Kara North has confirmed substantial thickness of magnetite mineralisation. Results are still largely pending. Metallurgical testing is planned in the near future and results will enable the calculation of a JORC-compliant resource.

Capital Structure

RVR has 69.3M ordinary shares on issue plus 34.7M listed options (20 cents, expiring 31.03.10).



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