

AUSTRALIAN

RESEARCH

BLUE BOOK SERIES

Junior Resources

March 2009 Quarterly Review

EXTRACT

Juniors outperform the market

Contents

This is an extract from the March 2009 Junior Resources Quarterly Review.

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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 many properties. There are several magnetic targets and all prospects are close to rail and port. In the Pilbara, it will retain at least 30% equity in the Miaree Magnetite Trend where magnetite-rich rocks have a strike length of 25km. Infrastructure in the Pilbara is excellent.

Strategy

The company's main strategy is to explore and evaluate iron ore mineralisation at the Miaree project, near Karratha in the Pilbara and the Blythe project in Northern Tasmania, near the port of Burnie. RVR's secondary focus is on its other exploration tenements, including tantalite-tin at East Kirup, tungsten/copper/lead/zinc at Wongan Hills and nickel/copper at the Hooley Well and Imagi Well Prospects, Mid West Region, Western Australia.

Aegis Comments as at March 2009.

Outlook: After intersecting substantial magnetite and tin mineralisation at Kara North (Blythe project), RVR is investigating the prospect further. Identification of economic deposits in this region could swiftly lead to production and shipment out of Burnie Port with the availability of labour in Tasmania. RVR completed the 5,800m drilling program at Miaree during the December quarter and analytical results have confirmed the presence of extensive magnetite mineralisation.

Catalysts: The data gathered during drilling at the Miaree Magnetite Trend, including chemical analysis of samples, geological logging and aeromagnetic profiles, will be subjected to geophysical modelling with the ultimate aim of establishing a JORC-compliant resource. RVR has entered into an agreement with Eagle Nickel to carry out exploration at Eagles tenements with the potential to earn up to a 50% interest. Exploration at the Blythe Prospect has the potential for the discovery of high-grade tin.

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 2011. 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.

Earnings Summary

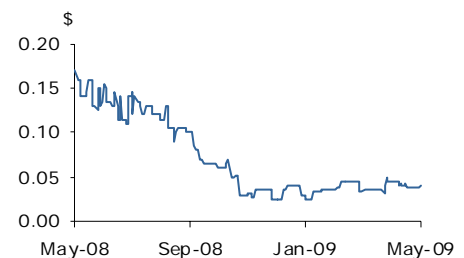
Yr to Jun	NPAT Rep \$M	NPAT ¹ Adj \$M	EPS ¹ c	EPS chg %	PER x	PER rel All Ords x	PER rel Sector x	DPS c	Yield %	Franking %	ROE %
2005A	(0.4)	(0.4)	(1.3)	n/a	(3.0)	(0.2)	(0.2)	0.0	0.0	0	>1000
2006A	(1.4)	(1.4)	(3.1)	n/a	(1.3)	(0.1)	(0.1)	0.0	0.0	0	(446.8)
2007A	(0.9)	(0.9)	(2.0)	n/a	(2.0)	(0.1)	(0.2)	0.0	0.0	0	(206.4)
2008A	(1.3)	(1.3)	(2.2)	n/a	(1.8)	(0.1)	(0.2)	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.

Key investment information

Price:	\$0.04
Price as at:	01-Jun-09
Market Cap (\$M):	2.8
Equiv. Shares (M):	69.33
% All Ords:	0.00
12Mth Range (\$):	0.03 - 0.16
Shares Traded (\$M pa):	0.9
Listed since:	15 Jul 05
Index:	n/a

Share price performance



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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 (%)	(131.5)

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 two iron ore projects: Mairee and Blythe. Recent exploration at Blythe has also delineated extensive tin mineralisation.

Recent Events

30 April 2009 – Quarterly Report: Total cash outflows, including expenses for exploration, were modest, and left RVR with a cash balance of \$2.6M by the end of the quarter. The first diamond hole at Kara North confirmed a broad envelope of tin at grades in excess of 0.1% Sn, including 6m @ 0.47% Sn between 19.4m and 25.4m. A second diamond drill hole has confirmed the presence of thick magnetite-tin mineralisation zones and samples have been submitted for preliminary metallurgical testwork.

9 March 2009 – Kara North update: Drilling at the Kara North magnetite deposit in Northern Tasmania encountered significant tin mineralisation, including widespread intersections of around 0.1% tin, including a 41m thickness @ 0.22% Sn and 51m @ 0.15% Sn. With the structural geology of the prospect yet to be properly delineated, particularly on the western flank, the joint venture partners commenced a diamond drilling program on 5 March 2009, with four holes planned for a total of 700m of drilling.

24 February 2009 – Miaree drilling results: 58 RC holes for a total of 5,800m were drilled across the Miaree Magnetite Trend during the December 2008 quarter, with analytical results now received. The results have confirmed the presence of extensive magnetite mineralisation and the results will be utilised to calibrate aeromagnetic responses to subsurface geology. In the recent drilling program, drillholes that targeted aeromagnetic peaks, encountered magnetite beds with true widths ranging from 50m to 85m at grades of around 30% Fe.

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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