RedRiver
RESOURCES LIMITED
ACN 100 796 754

28 March 2011

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

# OPTION TO ACQUIRE BLYTHE PROJECT IN TASMANIA SIGNED BY FORWARD MINING LTD

Red River Resources Limited ("Red River", ASX:RVR), together with joint venture partner Iron Mountain Mining Limited ("Iron Mountain", ASX: IRM), is pleased to announce that Forward Mining Ltd has signed an Option to Acquire the Blythe Project in Tasmania for inclusion as the cornerstone project in their forthcoming Initial Public Offering targeted for the second half of 2011.

Under the general terms and conditions of the Option to Acquire, the following consideration is payable and to be split equally between Red River/Iron Mountain subject to the satisfactory completion of negotiated milestones:

- Payment of A$50,000 which grants Forward Mining Ltd the sole and exclusive right to exercise the Option by 31 July 2011
- The right to extend the exercise date of the Option to 31 December 2011 with the payment of an additional A$50,000
- Payment of A$1,500,000 in cash and the issue of 5 million ordinary shares in Forward Mining Ltd following admission to the Official List of the ASX
- Payment of A$2,000,000 upon a Decision to Mine from within the Blythe tenements
- Payment of A$2,000,000 upon the first shipment of iron ore extracted from the Blythe tenements
- A royalty of 1.5% payable on the gross Free on Board revenue from all shipments of iron ore from the Blythe tenements

The Blythe Project area is comprised of 6 granted exploration licences covering 324km$^2$ and is currently held under a 50:50 joint venture agreement between Iron Mountain and Red River. Exploration has been ongoing at Blythe since 2008 and a significant amount of drilling and sampling data has been accumulated. The tenement package surrounds the Kara scheelite/magnetite mine operated by Tasmania Mines Ltd (ASX: TMM). The project area is located 27 kilometres south of the port of Burnie and only 7 kilometres from railway access connecting western Tasmania with the coast. The existing infrastructure in the immediate region is conducive to the rapid development of mining, beneficiation and shipping facilities required for the production and export of magnetite ore to foreign markets.

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As announced in previous company releases, continually increasing demands on time and resources from priority projects such as Miaree and East Kirup have relegated Blythe to non-core status and it was resolved to seek expressions of interest for the sale of the project. Following the evaluation of several expressions of interest, the boards of Iron Mountain and Red River unanimously selected the proposal from Forward Mining Ltd as having the best potential for rapid progress and the ultimate development of a mine.

Terry Ward, Chairman of Forward Mining Limited (FML) commented "the quantity and quality of the exploration activities undertaken on the Blythe Project to date should assist in enabling FML to estimate a JORC Inferred Resource and carry out additional metallurgical test work prior to the Initial Public Offering. The location of Blythe, in addition to the proximity of existing infrastructure including rail, port and power, all indicate the potential for accelerated advancement to operational status."

The company is confident that Forward Mining Ltd has the capabilities to achieve negotiated milestones and deliver an optimised outcome for all stakeholders.

**J. Karajas**
Managing Director 28 March 2011

*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.*

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