

RED RIVER RESOURCES LIMITED-(RVR)

QUARTERLY REPORT (Second Quarter) OCTOBER-DECEMBER 2005.

OPERATIONS

- Wongan Hills Drilling
- Karratha Region Soil Sampling

WONGAN HILLS DRILLING

During the quarter, Red River Resources continued its extensive drilling program over the northeastern sector of the Mount Rupert Anomaly at Wongan Hills. Eighteen reverse circulation (RC) drill holes for a total footage of 3,190m as well as three diamond drill hole tails (to RC holes) for a total of 735.1m were put down. Drill hole locations are shown in Figure 1.

Intercepts of >0.1% Cu and/or >0.1 g/t Au were encountered as follows:

Hole No.	Depth (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)
MRRC 1	43-44	1	0.14	0.04	0.6
MRRC 7	12-16	4	0.05	0.29	<0.2
MRRC 11	92-96	4	0.04	0.12	0.2
MRRC 12	48-52	4	0.12	0.03	0.8
	84-88	4	0.14	0.02	0.4
	includes 88-89	1	0.23	0.09	0.8
	108-112	4	0.14	0.02	0.7
	includes 108-109	1	0.31	0.03	1.5
MRRC 19	16-20	4	0.04	0.17	0.4
MRRC 23 DT1	310-313	3	0.32	0.02	3.5
	318-321	3	0.15	0.03	1.5

The drill holes encountered widespread rock alteration indicative of a major hydrothermal system. Low grade copper mineralisation, in the form of disseminated chalcopyrite in unweathered rocks as well as native copper, enargite and rare malachite in the weathered zone, is widespread. There is also some evidence of the deposition of native copper in primary zone rocks. The best copper intercepts were obtained in chalcopyrite-pyrrhotite-arsenopyrite mineralisation in strongly sheared and veined rocks in diamond drill tail MRRC 23 DT1 where the interval 310-313m returned 3m @ 0.35% Cu and 3.5 g/t Ag and interval 318-321m returned 3m @ 0.15% Cu and 1.5 g/t Ag. The best gold intercept of 4m @ 0.29 g/t Au was returned from interval 12-16m in RC drill hole MRRC 7. Subsequent to the end of the quarter, diamond drill hole tail MRRC 24 DT1 was drilled from 132-270.6m and was targeted to intersect rocks down-dip from a promising soil gold-copper-palladium anomaly. The drill hole penetrated a number of thin quartz-chlorite veins between 160-180m with sub-economic copper mineralisation. This drill hole terminates the current round of drilling at the company's Wongan Hills tenements.

Logging of the diamond drill core is currently underway and should lead to improvements in our understanding of the hydrothermal systems that mineralised the Archaean rocks of the Wongan Hills greenstone belt. During the current quarter, the East Maitland Prospect will be soil and rock chip sampled. This Prospect contains a granite dome mantled by shale and banded iron formation, rocks which can act as permeability barriers to fluid flow, and which have the potential to have forced fluids to precipitate mineralisation out of solution. The western side of the East Maitland Prospect appears to be flanked by a strong shear zone.

KARRATHA REGION SOIL SAMPLING

Preliminary MMI (Mobile Metal Ion) and Lag soil sampling were carried out over the Miaree East Prospect which lies close to a major flexure point on the Sholl Shear Zone, a major crustal suture (see Figure 2). Reconnaissance soil sample lines, 250m apart, and with sample spacings of 50m, were designed to test for potential nickel mineralisation.

The sampling was successful in delineating three excellent nickel exploration targets which are indicated by high levels of MMI nickel (see Figure 2). Two of these soil anomalies are on the southern (footwall) margins of outcrops of serpentinised peridotite; they are accompanied by high levels of MMI-indicated Ce, probably indicative of sulphides in sub-surface, and are thus regarded as komatiite-type targets. The third soil anomaly lies over a chert ridge, 800m long, that is interpreted to contain good geological analogy to the Sherlock Bay nickel deposit, 100 km to the east and also on the Sholl Shear Zone, as well as the Highway Nickel Prospect lying on the Pardoo Fault Zone east of Port Hedland. Infill sampling on these promising soil nickel anomalies is planned for after the cessation of the current cyclone season as is reconnaissance soil sampling over subcropping portions of the Sholl Shear zone further to the west.

Fortuitously, lag sampling also returned two distinctly anomalous gold samples of 0.23 g/t and 0.16 g/t Au over a sinuous fault trace, approximately 2 km long, which is indicated on colour aerial photography. Figure 2 shows that only one reconnaissance soil line crossed over the structure (this being the location of the 0.16 g/t sample). Other lines failed to reach the structure or terminated on it (the location of the 0.23 g/t sample). Further lag sampling is also planned for after the cessation of the cyclone season.

FINANCIALS – APPENDIX 5B

At December 31st 2005, the company had available funds of approximately \$1,758,000. The attached 5B highlights the quarter's cash activities and other relevant financial information.



J. Karajas
Managing Director

30 January 2006.

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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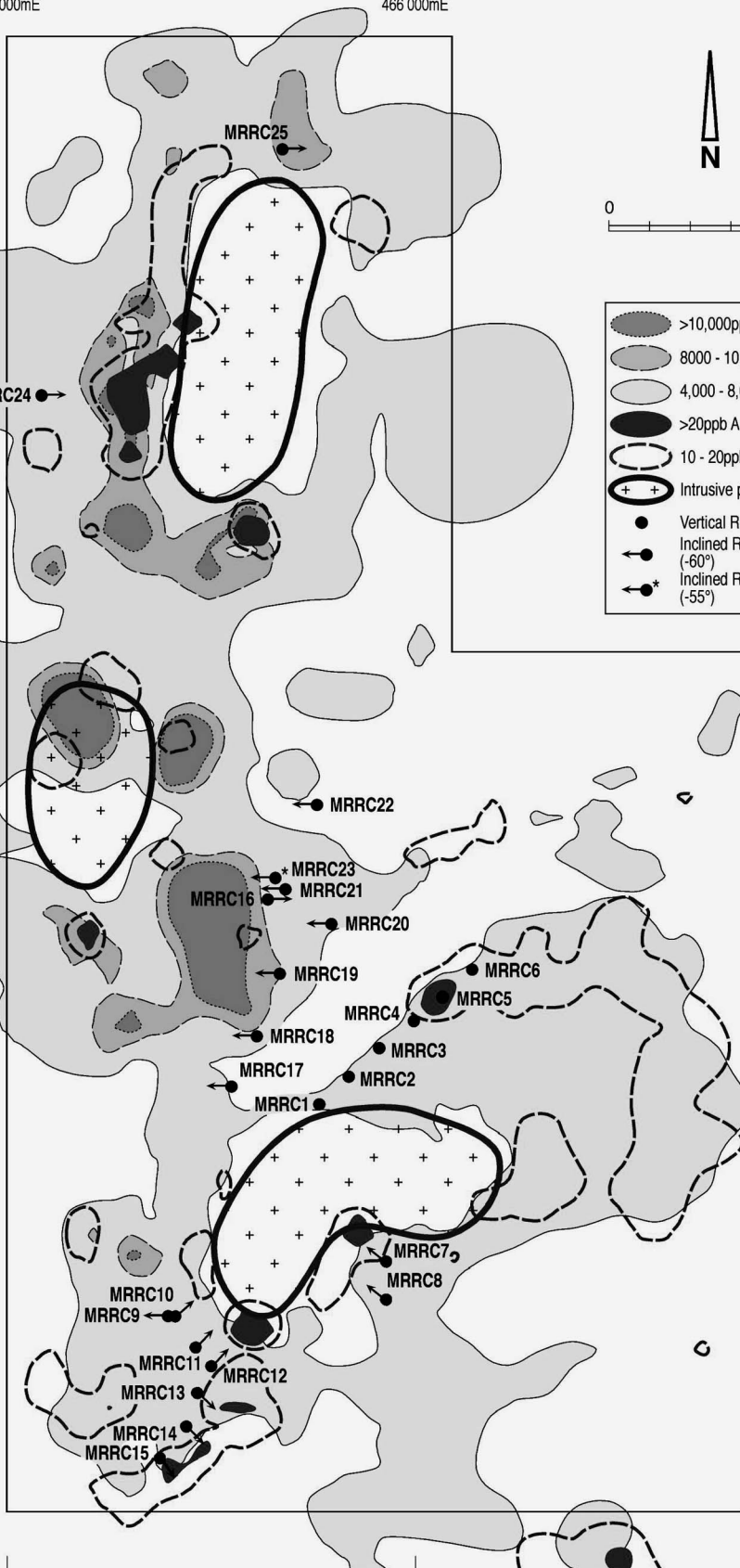
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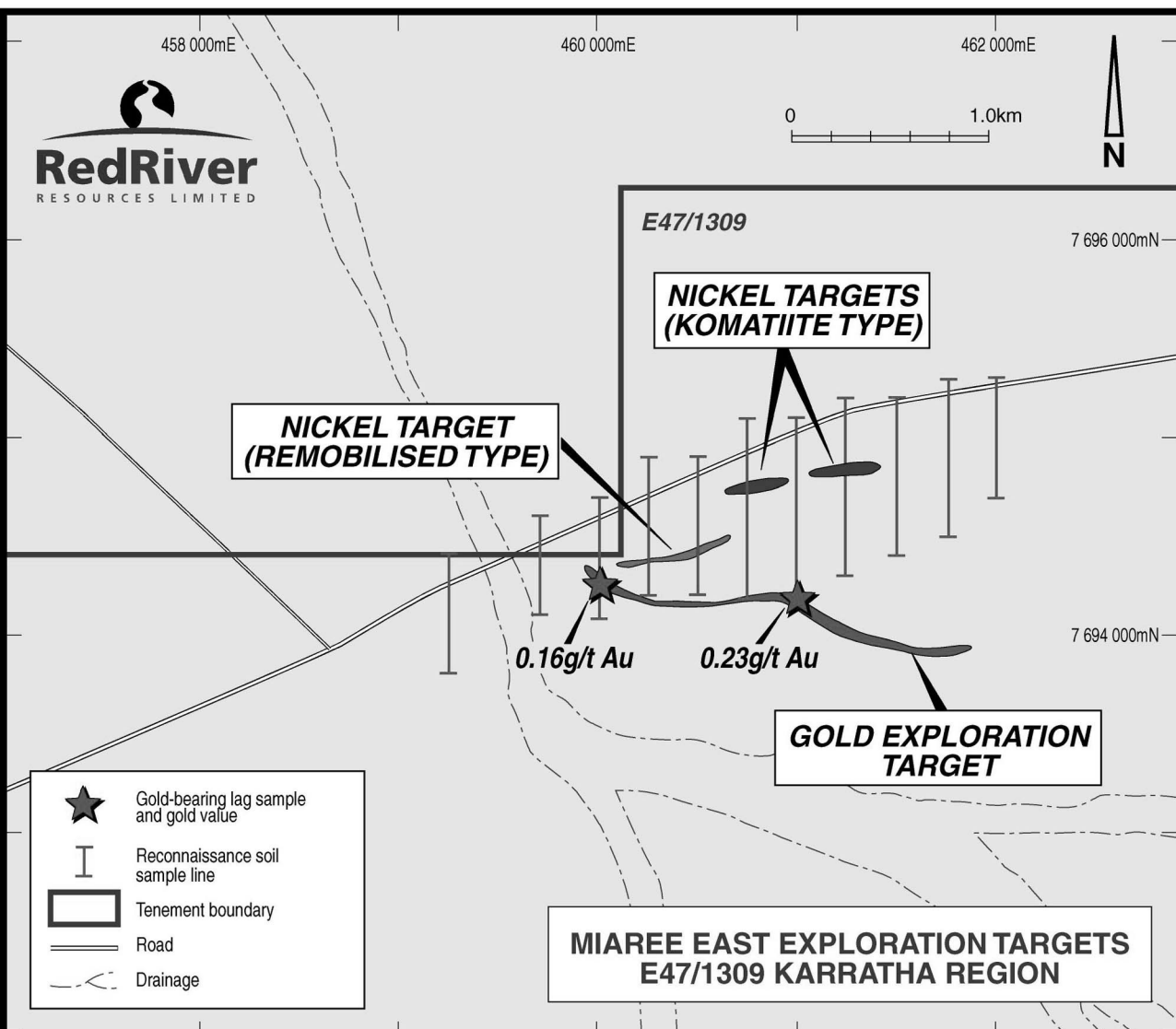
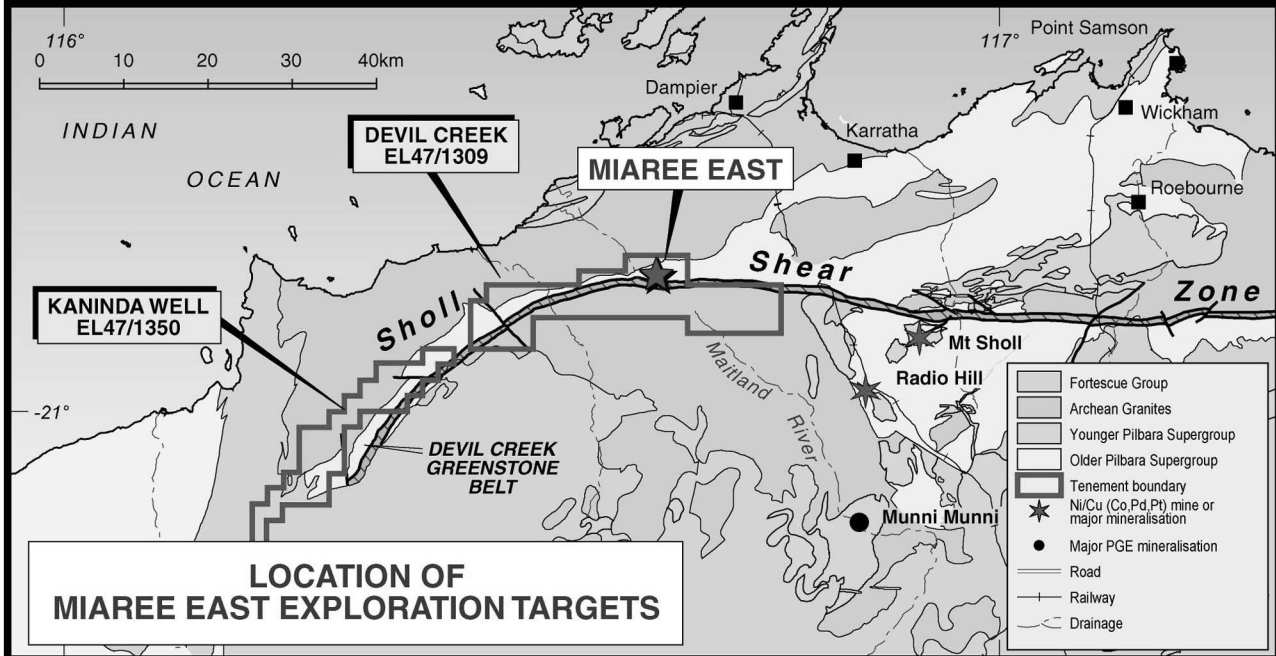
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Red River Resources Limited
Wongan Hills Area

**North Eastern Sector of Mount Rupert Anomaly
December 2005 Exploration Status Summary**



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")

31 DECEMBER 2005

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 ... months) \$A'000
1.1	Receipts from product sales and related debtors	0	0
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(475) 0 0 (181)	(664) (347)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	34	56
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)-		
	Net Operating Cash Flows	(622)	(955)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(3)	(3)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other –Loans repaid to director entity	0	(45)
	Net investing cash flows	(3)	(48)
1.13	Total operating and investing cash flows (carried forward)	(625)	(1,003)

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1.13	Total operating and investing cash flows (brought forward)	(625)	(1,003)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4	653
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other- Capital Raising Costs	30	(172)
	Net financing cash flows	34	481
	Net increase (decrease) in cash held	591	522
1.20	Cash at beginning of quarter/year to date	2,349	2,280
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,758	1,758

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	89
1.24 Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

Salaries and director fees

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		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	0
Total	250

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	258	139
5.2 Deposits at call	1,500	2,210
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,758	2,349

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			
6.2	Interests in mining tenements acquired or increased			

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>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	45,723,503	25,213,503	20 cents	20 cents
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,000	20,000	20 cents	20- cents
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	23,723,000	8,073,000	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 31 March 2010
7.8 Issued during quarter	0	0		
7.9 Exercised during quarter	20,000		20 cents	31 March 2010
7.10 Expired during quarter	0			
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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: 30 January 2006.....



(Company secretary)

Print name: ...JOHN VAN DIEREN.....

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.

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