

Dear Fellow Shareholder,

On 3 July 2014, Red River Resources Limited ("Red River" or "the Company") announced that it had entered into a binding exclusivity agreement with Kagara Ltd (in Liquidation) (Kagara) and its wholly owned subsidiary Kagara Copper Pty Ltd (in Liquidation) (Kagara Copper) under which certain assets in Queensland owned by Kagara and Kagara Copper (Southern Region Project) would be sold to Red River for a total consideration payable of \$6.5 million (Southern Region Transaction). I am pleased to enclose an Explanatory Statement containing information regarding this proposed transaction and associated fundraising.

Southern Region Project

The Southern Region Project is located some 65km west-southwest of Charters Towers in Queensland and comprises a Processing Plant and associated infrastructure located at Thalanga, plus a tenement package covering 190km² which hosts the Thalanga, Lione town and Waterloo base metal (copper-lead-zinc) projects.

Southern Region Transaction Funding

Red River intends to raise \$7.5 million in funds by an issue of up to 75,000,000 new Shares at an issue price of \$0.10 each to sophisticated investors that are clients of Triple C Consulting Pty Ltd, on the terms and conditions set out in the Explanatory Statement.

Successful completion of the Southern Region Transaction is subject to the satisfaction or waiver of a number of conditions and the approval of Resolutions 7, 8 and 9 by shareholders at the Extraordinary General Meeting of shareholders to be held on 17 September 2014 at the Institute of Chartered Accountants Australia, Level 3, Bourke Place, 600 Bourke Street, Melbourne, Victoria, 3000.

Other Resolutions

The Explanatory Statement also contains a number of Resolutions (1, 2, 3, 4, 5 and 6) seeking the ratification of allotment and issue of Shares (Resolution 1), the ratification of allotment and issue of Consultant options (Resolution 2), the approval of issue of Placement Options (Resolution 3) and the approval of issue of Director Options to Mr. Paul Hart (Resolution 4), Mr. Cameron Bodley (Resolution 5) and Mr. Donald Garner (Resolution 6).

Red River Board Recommendation

The Board unanimously support all Resolutions and believe that the Southern Region Transaction represents a transformational event for Red River.

The Red River Directors recommend that shareholders vote in favour of all resolutions as they intend to do for the shares they own and control (unless they are specifically excluded to do so).



Donald Garner
Managing Director

Red River Resources Limited

RED RIVER RESOURCES LIMITED

ACN 100 796 754

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY STATEMENT

Date of Meeting

Wednesday 17 September 2014

Time of Meeting

10:00 am AEST

Place of Meeting

Institute of Chartered Accountants Australia
Level 3 Bourke Place
600 Bourke Street
MELBOURNE VIC 3000

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

TABLE OF CONTENTS

NOTICE OF EXTRAORDINARY GENERAL MEETING.....	3
1. BUSINESS OF MEETING.....	3
2. VOTING EXCLUSION STATEMENT.....	5
3. PROXY VOTING.....	6
4. VOTING.....	8
EXPLANATORY STATEMENT.....	9
1. RESOLUTION 1 – RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES.....	9
2. RESOLUTION 2 – RATIFICATION OF ISSUE AND ALLOTMENT OF OPTIONS.....	10
3. RESOLUTION 3 - APPROVAL OF ISSUE OF PLACEMENT OPTIONS.....	11
4. RESOLUTIONS 4 to 6 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO DIRECTORS.....	12
5. RESOLUTION 7 – APPROVAL TO CHANGE SCALE OF ACTIVITIES.....	18
6. RESOLUTION 8 – APPROVAL OF PLACEMENT.....	30
7. RESOLUTION 9 – APPROVAL OF ISSUE OF OPTIONS TO TRIPLE C CONSULTING.....	31
8. CONSEQUENCES OF RESOLUTIONS NOT BEING PASSED.....	32
9. FORWARD LOOKING STATEMENTS.....	33
10. OTHER BUSINESS.....	33
11. GLOSSARY.....	34
Annexure A - Placement Options.....	36
Annexure B – Consultant Options.....	37
Annexure C – Director Options (Series 1).....	38
Annexure D – Director Options (Series 2).....	39
Annexure E - Director Options (Series 3).....	40
Annexure F – Triple C Options.....	41
Annexure G – Director Option Valuation.....	42
Schedule 1 – Tenements.....	43

RED RIVER RESOURCES LIMITED
ACN 100 796 754

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Red River Resources Limited (**Company**) will be held at the Institute of Chartered Accountants Australia, Level 3 Bourke Place, 600 Bourke Street, Melbourne Victoria on Wednesday 17 September 2014 at 10:00am AEST for the purposes of transacting the business set out in this Notice.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Statement.

1. BUSINESS OF MEETING

RESOLUTION 1 – RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES

To consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,899,500 Shares (at an issue price of \$0.045 each) on 5 June 2014 to various s708A sophisticated investors on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 2 – RATIFICATION OF ALLOTMENT AND ISSUE OF OPTIONS

To consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,500,000 Consultant Options to consultants of the Company on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 3 – APPROVAL OF ISSUE OF PLACEMENT OPTIONS

To consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 4,449,750 Placement Options to those s708A sophisticated investors that were issued and allotted Shares on 5 June 2014 on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 4 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MR. PAUL HART

To consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

“That for the purpose of Section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 3,000,000 Director Options to Mr. Paul Hart (and or nominee/s) as Director of the Company on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 5 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MR. CAMERON BODLEY

To consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

“That for the purpose of Section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 3,000,000 Director Options to Mr. Cameron Bodley (and or nominee/s) as Director of the Company on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 6 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MR. DONALD GARNER

To consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

“That for the purpose of Section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 3,000,000 Director Options to Mr. Donald Garner (and or nominee/s) as Director of the Company on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 7 – APPROVAL TO CHANGE OF SCALE OF ACTIVITIES

To consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

“That, subject to Resolutions 8 and 9 being passed, for the purposes of Listing Rule 11.1.2 and for all other purposes, Shareholders approve the Company to undertake a change in the scale of its activities by undertaking the Southern Region Transaction on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 8 – APPROVAL TO PLACE SHARES TO CLIENTS OF TRIPLE C CONSULTING

To consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

“That, subject to Resolutions 7 and 9 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 75,000,000 new Shares at an issue price of \$0.10 each to s708A sophisticated investors that are clients of Triple C Consulting Pty Ltd, on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 9 – APPROVAL OF ISSUE OF OPTIONS TO TRIPLE C CONSULTING PTY LTD

To consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

“That, subject to Resolutions 7 and 8 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 7,500,000 Triple C Options to Triple C Consulting Pty Ltd (and or nominee/s) on the terms and conditions set out in the Explanatory Statement.”

2. VOTING EXCLUSION STATEMENT

2.1 Resolution 1 – Ratification of allotment and issue of shares

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue and any associates of those persons.

2.2 Resolution 2 – Ratification of allotment and issue of options

The Company will disregard any votes cast on Resolution 2 by any person who participated in the issue and any associates of those persons.

2.3 Resolution 3 – Approval of issue of Placement Options

The Company will disregard any votes cast on Resolution 3 by those s708A sophisticated investors that were issued and allotted Shares on 5 June 2014 and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 3 is passed or any associates of those persons.

2.4 Resolution 4 – Approval of issue of Director Options to Mr. Paul Hart

The Company will disregard any votes cast on Resolution 4 by Mr. Paul Hart and his nominee and any votes cast by any associate of Mr. Paul Hart or his nominee.

2.5 Resolution 5 – Approval of issue of Director Options to Mr. Cameron Bodley

The Company will disregard any votes cast on Resolution 5 by Mr. Cameron Bodley and his nominee and any votes cast by any associate of Mr. Cameron Bodley or his nominee.

2.6 Resolution 6 – Approval of issue of Director Options to Mr. Donald Garner

The Company will disregard any votes cast on Resolution 6 by Mr. Donald Garner and his nominee and any votes cast by any associate of Mr. Donald Garner or his nominee.

2.7 Resolution 7 – Approval to change of scale of activities

The Company will, in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 7 by any person and any associates of those persons who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if Resolution 7 is passed.

2.8 Resolution 8 – Approval to place shares to clients of Triple C Consulting Pty Ltd

The Company will disregard any votes cast on Resolution 8 by s708A sophisticated investors that are clients of Triple C Consulting Pty Ltd who will be participating in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 8 is passed or any associates of those persons.

2.9 Resolution 9 – Approval of issue of options to Triple C Consulting Pty Ltd

The Company will disregard any votes cast on Resolution 9 by Triple C Consulting Pty Ltd, its nominee and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 9 is passed or any associates of those persons.

2.10 Resolutions 1 – 9

In respect of the voting exclusions for Resolutions 1 to 9 listed above, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2.11 Resolutions 4 – 6

Resolutions 4 to 6 involve the proposed issue of Director Options to Directors of the Company.

In addition to the voting exclusions for Resolutions 4, 5 and 6 listed in paragraphs 2.4, 2.5, 2.6 and 2.10 above, in accordance with section 250BD of the Corporations Act, a vote on Resolution 4, Resolution 5 and Resolution 6 must not be cast by a person appointed as a proxy if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a closely related party of a member of the Key Management Personnel; and
- (c) the appointment does not specify the way the proxy is to vote on Resolution 4, Resolution 5 or Resolution 6.

However, the above prohibition does not apply if:

- (d) the proxy is the Chair of the Meeting; and
- (e) the appointment expressly authorises the Chair to exercise the proxy even if the relevant Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

2.12 Definitions

associate has the meaning given in the Corporations Act.

closely related party as defined in the Corporations Act and includes certain family members, dependants and companies controlled by key management personnel.

Key Management Personnel of the Company are Directors and all other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

3. PROXY VOTING**3.1 Important information concerning proxy votes on Resolutions 4 to 6**

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their closely related parties to vote on the Resolutions connected directly or indirectly with the remuneration of the Key Management Personnel.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Company's Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on all Resolutions.

If the Chairman of the Meeting is appointed, or taken to be appointed, as your proxy, you can direct the Chairman to vote for, against or abstain from voting on Resolutions 4 to 6 by marking the box opposite the respective Resolution on the Proxy Form. You should direct the Chairman how to vote on these Resolutions.

However, if the Chairman of the Meeting is your proxy and you do not direct the Chairman how to vote in respect of Resolutions 4 to 6 on the Proxy Form, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy in favour of the relevant Resolution(s). This express authorisation acknowledged that the Chairman may vote your proxy even if:

- (a) Resolutions 4 to 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company; and
- (b) the Chairman has an interest in the outcome of Resolutions 4 to 6 and that votes cast by the Chairman for this Resolution, other than as authorised proxy holder, will be disregarded because of that interest.

3.2 Proxies

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing a proxy must be in writing, executed by the appointer or his attorney duly authorised in writing, if such appointer is a corporation, either under seal or under hand of an officer duly authorised.

The instrument appointing (and the power of attorney or other authority, if any, under which is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the General Meeting. For the convenience of Shareholders a Proxy Form is enclosed.

If you return your Proxy Form by do not nominate a representative, the Chairman of the General Meeting will be your proxy and will vote on your behalf as you direct on the Proxy Form. If your nominated representative does not attend the meeting then your proxy will revert to the Chairman of the General Meeting and he will vote on your behalf as you direct on the form.

The Chairman will vote undirected proxies in favour of Resolutions 1 to 3 and 7 to 9. In respect of Resolutions 4 to 6, Shareholders should refer to the important information in paragraph 3.1 above.

3.3 Proxy forms

A Proxy Form is attached.

To be properly completed Proxy Forms must be received by the Company no later than 10:00am (AEST) on Monday 15 September 2014:

Shareholders should send their properly completed Proxy Forms by post to:

Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE VIC 3001

or by facsimile on +61 3 9473 2555 or 1800 783 447

4. VOTING

4.1 How to vote

A Shareholder can vote by either:

- (a) attending the General Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- (b) appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instruction in person, by post or by facsimile.

4.2 Entitlement to vote

For the purposes of regulation 7.11.37 of the Corporations Act, the Company determines that members holding Shares at 7:00pm AEST on Monday 15 September 2014 will be entitled to attend and vote at the General Meeting.

4.3 Corporations

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act, in which case the Company will require written proof of the representatives appointment, which must be lodged with, or be presented to the Company before the meeting.

By order of the Board.



CAMERON BODLEY
Director and Company Secretary
Red River Resources Limited
Date: 15 August 2014

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting and should be read in conjunction with, and forms part of, the Notice of Meeting to which it accompanies.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decisions in relation to the Resolutions set out in the Notice of Meeting.

Terms used in this Explanatory Statement will, unless the context otherwise requires, have the same meaning given to them in the glossary which appears at the end of this Explanatory Statement.

If any Shareholder is in doubt as to how they should vote, they should seek advice from their legal, financial or other professional adviser prior to voting.

1. RESOLUTION 1 – RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES

1.1 Background

On 28 May 2014, the Company announced that it was issuing 8,899,500 Shares (**Placement Shares**) and a further 4,449,750 Placement Options (subject to shareholder approval) to raise a total of \$400,000 (before costs) to s708A sophisticated investors. The Placement Shares were issued and allotted on 5 June 2014 without Shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 1 seeks to ratify the issue of the Placement Shares to s708A sophisticated investors to restore the ability of the Company to issue further shares within the 15% limit under Listing Rule 7.1 during the next 12 months. The Company confirms that that the issue of the Placement Shares, at the time of issue, did not breach Listing Rule 7.1.

1.2 Listing Rule 7.1

Listing Rule 7.1 broadly provides that subject to certain exceptions, a company may issue up to 15% of its issued capital in any 12 month period without shareholder approval. Listing Rule 7.4 permits ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1.

The effect of the passing of Resolution 1 is to restore the Company's discretionary power to issue further securities up to 15% of the issued capital of the Company under Listing Rule 7.1 without Shareholder approval.

1.3 Listing Rule 7.5 information

Listing Rule 7.5 contains certain requirements as to the contents of a Notice sent to Shareholders for the purpose of Listing Rule 7.4 and the following information is included in this Explanatory Statement for that purpose:

- (a) 8,899,500 Shares were issued by the Company to s708A sophisticated investors. None of the s708A sophisticated investors are a related party of the Company;
- (b) the issue price was \$0.045 per Share;

-
- (c) the funds received were used to pursue brownfield opportunities, to expedite evaluation of the Company's tenements and for working capital purposes;
 - (d) the Shares issued were fully paid ordinary shares in the capital of the Company and were issued on the same terms and conditions as the Company's existing Shares; and
 - (e) a voting exclusion statement is included in paragraphs 2.1 and 2.10 of the Notice.

1.4 Recommendation

The Board unanimously recommends Shareholders who are eligible to do so vote in favour of Resolution 1 as it will provide the Company with further flexibility should any issue of securities be considered desirable in the next 12 months.

2. RESOLUTION 2 – RATIFICATION OF ISSUE AND ALLOTMENT OF OPTIONS

2.1 Background

On 7 May 2014, the Company announced that it determined to issue 1,500,000 Consultant Options to various consultants of the Company in exchange for services. The Consultant Options were issued and allotted on 5 June 2014 without Shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 2 seeks Shareholder ratification of the issue of 1,500,000 Consultant Options to restore the ability of the Company to issue further securities within the 15% limit under Listing Rule 7.1 during the next 12 months. The Company confirms that the issue and allotment of the Consultant Options that are subject to Resolution 2 did not breach Listing Rule 7.1.

2.2 Listing Rule 7.1

The application and requirements of Listing Rule 7.1 and Listing Rule 7.4 are explained in paragraph 1.2 above.

2.3 Listing Rule 7.4 information

Listing Rule 7.5 contains certain requirements as to the contents of a Notice sent to Shareholders for the purpose of Listing Rule 7.4 and the following information is included in this Explanatory Statement for that purpose:

- (a) 1,500,000 Consultant Options were issued by the Company to consultants. None of the consultants are a related party of the Company.
- (b) the Consultant Options were issued for no cash consideration;
- (c) the Consultant Options were issued in exchange for services;
- (d) each Consultant Option has an exercise price of \$0.05, expire on 30 June 2015 and are otherwise issued on the terms and conditions described in Annexure B to this Explanatory Statement; and
- (e) a voting exclusion statement is included in paragraphs 2.2 and 2.10 of the Notice.

2.4 Recommendation

The Board unanimously recommends Shareholders who are eligible to do so vote in favour of Resolution 2 as it will provide the Company with further flexibility should any issue of securities be considered desirable in the next 12 months.

3. RESOLUTION 3 - APPROVAL OF ISSUE OF PLACEMENT OPTIONS**3.1 Background**

The s708A sophisticated investors subscribed for the Placement Shares on the basis of receiving one free Placement Option (subject to Shareholder approval) for every two Placement Shares subscribed. As described in paragraph 1.1 above, the Placement Shares were issued under the Company's 15% capacity under Listing Rule 7.1.

After the issue of the Placement Shares the Company had no remaining capacity under Listing Rule 7.1 in which to issue the Placement Options. Therefore, the issue of the Placement Options is subject to Shareholder approval.

Resolution 3 seeks Shareholder approval for the issue in total of 4,449,750 Placement Options to those s708A sophisticated investors who were issued Placement Shares on the basis of one Placement Option for every two Placement Shares subscribed.

3.2 Listing Rule 7.1

Listing Rule 7.1 broadly provides that subject to certain exceptions, a company may issue up to 15% of its issued capital in any 12 month period without shareholder approval. Listing Rule 7.3 permits Shareholders to approve a future issue of securities without the issue of those securities counting toward the Company's 15% limit under Listing Rule 7.1.

The effect of the passing of Resolution 3 is that the issue of the Placement Options will not count toward the Company's 15% limit under Listing Rule 7.1. There will be no changes to the number of Shares on issue as a result of the issue of Options the subject of Resolution 3.

3.3 Listing Rule 7.3 information

The following information is provided in accordance with Listing Rule 7.3:

- (a) the number of securities to be issued is 4,449,750 Placement Options;
- (b) issue and allotment of the Placement Options is likely to occur in one tranche but in any event no later than 3 months after the date of the Meeting, or such later date as approved by the ASX;
- (c) the Placement Options are being issued for no cash consideration and no funds are being raised from the issue of the Placement Options;
- (d) the Placement Options will be issued to those s708A sophisticated investors who were issued the Placement Shares on the basis of one Placement Option for every two Placement Shares issued;

- (e) each Placement Option has an exercise price of \$0.10, expire on 31 December 2015 and are otherwise issued on the terms and conditions described in Annexure A; and
- (f) a voting exclusion statement is included in paragraphs 2.3 and 2.10 of the Notice.

3.4 Recommendation

The Board unanimously recommends Shareholders who are eligible to do so vote in favour of Resolution 3 as it will provide the Company with further flexibility should any issue of securities be considered desirable in the next 12 months.

4. RESOLUTIONS 4 to 6 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO DIRECTORS

4.1 Background

The Company proposes to issue a total of 9,000,000 Director Options to Mr. Paul Hart, Mr. Cameron Bodley and Mr. Donald Garner (or their respective nominee/s), being Directors of the Company. As Directors, each of Mr. Hart, Bodley and Garner are related parties of the Company.

The grant of Director Options is considered to be a cost-effective mechanism to assist in the reward and retention of Directors of the Company. The Board considers the proposed grant of Director Options to Mr Hart, Bodley and Garner reasonable in the circumstances, given the necessity to attract and retain high calibre professionals to the Company, whilst seeking to maintain the Company's cash reserves.

The grant of the Director Options forms part of each Director's remuneration package and is designed to encourage each Director to have a greater involvement in the achievement of the Company's objectives and to provide the Directors with the opportunity to participate in the future growth and prosperity of the Company through share ownership.

The primary purpose of the grant of the Director Options is to form part of each Director's remuneration package – it is not to raise capital.

4.2 Company share price

The Board discussed (but did not finally agree) the issue of equity incentives as part of each Director's remuneration as an incentive to deliver on the Company's Strategy, released on 29 April 2014. At that time, the Company's Shares were trading at or about \$0.01 and the Director Option exercise prices of \$0.05, \$0.10 and \$0.15 was selected as these respective exercise prices were far in excess of the prevailing Company share price at the time.

Since joining the Board, the Directors have collectively increased investor relations activities and have entered into an agreement to purchase the Southern Region Project (refer to Resolution 7) which has led to a dramatic increase in the Company's share price. The Company's share price has regularly traded at levels above the exercise price of the Director Options meaning that the exercise price of the Director Options is less than the prevailing Company share price.

The Board does not consider that there are any significant opportunity costs to the Company, or benefits foregone by the Company, in issuing the Director Options upon the terms proposed.

The total number of Director Options proposed to be issued to the Directors has been determined taking into account the significant contribution that each Director has made to date and is likely to make to the Company's success, and to provide ongoing equity incentives to advance the Company and its assets. Regard has also been given to less tangible issues such as alignment of interests to the Company through an increased equity holding.

The Board considers the number of Director Options issued to each Director will ensure that overall Director emoluments remain competitive with market standards.

4.3 ASX Listing Rules

In respect of securities proposed to be issued to Directors of the Company, ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company.

Resolutions 4 to 6 seek Shareholder approval for the issue of securities to Directors, who are considered related parties of the Company. Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if approval is being obtained pursuant to Listing Rule 10.11.

4.4 Corporations Act 2001 (Cth)

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a related party unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

The granting of the Director Options to the Directors will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act. It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances. Accordingly, Shareholder approval is also being sought for the grant of the Director Options to Mr. Hart, Bodley and Garner, being the subject of the Resolutions 4, 5 and 6 for the purposes of Chapter 2E of the Corporations Act.

Resolutions 4 to 6 seek Shareholder approval for the issue of Director Options to Directors of the Company (or their nominee/s) as follows:

Director Options (Series 1)

Director	No. Options	Exercise Price	Expiry Date
Mr. Donald Garner	750,000	\$0.05	31 December 2014
Mr. Paul Hart	750,000	\$0.05	31 December 2014
Mr. Cameron Bodley	750,000	\$0.05	31 December 2014
Total	2,250,000		

Director Options (Series 2)

Director	No. Options	Exercise Price	Expiry Date
Mr. Donald Garner	750,000	\$0.10	31 December 2015
Mr. Paul Hart	750,000	\$0.10	31 December 2015
Mr. Cameron Bodley	750,000	\$0.10	31 December 2015
Total	2,250,000		

Director Options (Series 3)

Director	No. Options	Exercise Price	Expiry Date
Mr. Donald Garner	1,500,000	\$0.15	31 December 2016
Mr. Paul Hart	1,500,000	\$0.15	31 December 2016
Mr. Cameron Bodley	1,500,000	\$0.15	31 December 2016
Total	4,500,000		

4.5 Information provided for the purpose of obtaining Shareholder approval

In accordance with the requirements of section 219 of the Corporations Act and Listing Rule 10.13, the following information is provided for the purposes of obtaining Shareholder approval for Resolutions 4 to 6:

- (a) the Director Options will be granted to Mr. Paul Hart, Mr. Cameron Bodley and Mr. Donald Garner, or their respective nominee. Each of Hart, Bodley and Garner are Directors and are related parties of the Company;
- (b) the number of Director Options to be granted to each Director (being the nature of the financial benefit being provided) are as follows:

Director	Director Options (Series 1)	Director Options (Series 2)	Director Options (Series 3)	Total number of Director Options
Mr. Donald Garner	750,000	750,000	1,500,000	3,000,000
Mr. Paul Hart	750,000	750,000	1,500,000	3,000,000
Mr. Cameron Bodley	750,000	750,000	1,500,000	3,000,000
Total	2,250,000	2,250,000	4,500,000	9,000,000

- (c) the Director Options will be granted no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver of modification of the ASX Listing Rules) and it is anticipated that all Director Options will be issued on the same date;
- (d) each Director Option will be granted for nil cash consideration. Accordingly no funds will be raised by the grant of the Director Options. Any funds raised from the exercise of the Director Options will be used for general working capital requirements;
- (e) the Director Options will all be issued on the same terms and conditions except for the exercise price and expiry date which will be different for the Director Options (Series 1), Director Options (Series 2) and Director Options (Series 3). The respective exercise price and expiry dates of the Director Options are as follows:

Director Options	Exercise price	Expiry date
Series 1	\$0.05	31 December 2014
Series 2	\$0.10	31 December 2015
Series 3	\$0.15	31 December 2016

- (f) the terms of the Director Options (Series 1) are set out in full in Annexure C. The terms of the Director Options (Series 2) are set out in full in Annexure D. The terms of the Director Options (Series 3) are set out in full in Annexure E;

- (g) the relevant interests of Mr. Hart, Bodley and Garner and their respective associates in securities of the Company, as at the date of this Notice, are set out below;

	Shares	(%)	Options
Mr. Donald Garner	6,844,930	8.75	Nil
Mr. Paul Hart	6,918,729	8.84	Nil
Mr. Cameron Bodley	Nil	Nil	Nil

- (h) the total director fees paid by the Company to each of Mr. Hart, Bodley and Garner for the previous financial year ended 30 June 2014 and the proposed total director's fees for the current financial year ended 30 June 2015 (excluding the value of Options the subject of Resolution 4 to 6) are set out below;

	Other directors fees/remuneration (current per annum) (plus GST if applicable)	
	2013/14 Financial Year	2014/15 Financial Year
Mr. Donald Garner ⁽¹⁾	\$24,167 + \$2,235 super	\$145,000 + \$13,775 super
Mr. Paul Hart ⁽²⁾	\$6,000 + \$555 super	\$24,000 + \$2,280 super
Mr. Cameron Bodley ⁽³⁾	\$26,760 + \$407 super	\$113,000 + \$2,280 super

- (1) Mr. Garner was appointed as a Director of the Company on 31 March 2014 and was subsequently appointed Managing Director on 7 April 2014 with effect on and from 1 May 2014. As Managing Director, Mr Garner is entitled to an annual salary of \$145,000 plus superannuation.
- (2) This amount includes fees payable to Mr. Hart in his capacity as a Director of the Company. Mr. Hart was appointed as a non-executive Director of the Company on 31 March 2014 and is entitled to annual salary of \$24,000 plus superannuation.
- (3) This amount includes fees payable to Mr. Bodley in his capacity as a Director of the Company and amounts paid to Hanson Porter Curzon who provide accounting, company secretarial, taxation and office administration services to the Company on normal commercial terms. Hanson Porter Curzon is an associate of Mr. Bodley. Mr Cameron Bodley was appointed as a non-executive Director of the Company on 24 April 2014 and is entitled to annual salary of \$24,000 plus superannuation.

- (i) the value of the Director Options, using the pricing methodology set out in Annexure G, is as follows:

Director	Director Options (Series 1)	Director Options (Series 2)	Director Options (Series 3)	Total value of Director Options
Mr. Donald Garner	\$112,500	\$112,500	\$225,000	\$450,000
Mr. Paul Hart	\$112,500	\$112,500	\$225,000	\$450,000
Mr. Cameron Bodley	\$112,500	\$112,500	\$225,000	\$450,000

- (j) if all of the Director Options are granted to Mr Hart, Bodley and Garner, then the total number of unlisted Options on issue (including the issue of all Options the subject of this Notice) will be as follows:

Description	Number of Options
Options on issue as at the date of this Notice	3,500,000
Placement Options (Resolution 2)	4,449,750
Paul Hart Director Options (Resolution 4)	3,000,000
Cameron Bodley Director Options (Resolution 5)	3,000,000
Donald Garner Director Options (Resolution 6)	3,000,000
Triple C Placement Options (Resolution 9)	7,500,000
Total	24,449,750

- (k) a total of 9,000,000 Shares would be issued upon exercise of all of the Director Options. If all of the Director Options are exercised, then the individual shareholding of each Director will be as follows:

	Existing Shares	Shares issued on exercise of Director Options	Total Shares
Mr. Donald Garner	6,844,930	3,000,000	9,844,930
Mr. Paul Hart	6,918,729	3,000,000	9,918,729
Mr. Cameron Bodley	Nil	3,000,000	3,000,000

- (l) the exercise of all of the Director Options would have the potential dilutionary effect on Shareholders (assuming that none of the other Options are exercised) of increasing the number of Shares on issue from 153,229,505 to 162,229,505 (assuming approval of Resolution 8) with the effect that the shareholding of existing Shareholders as well as those proposed under Resolution 8, would be diluted by an aggregate of 5.87%;
- (m) the market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on the ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company;
- (n) The trading history of the Shares on the ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.25	25 July 2014
Lowest	\$0.010	31 March 2014 [^]
Last	\$0.20	12 August 2014

[^] Date at which Mr. Hart and Mr. Garner became Directors of the Company and Mr. Bodley became Company Secretary. Mr. Bodley subsequently became a Director of the Company on 24 April 2014.

- (o) The Board acknowledges that the grant of Director Options to Mr. Hart, Bodley and Garner is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to Mr. Hart, Bodley and Garner reasonable in the circumstances for the reasons set out below;
- (1) the primary purpose of the grant of the Director Options is to motivate and reward Mr. Hart, Bodley and Garner for their performance in their respective roles as Directors, not to raise capital;

- (2) the Board considers that the experience and expert knowledge of Mr. Hart, Mr. Bodley and Mr. Garner will be important at this critical time in the development of the Southern Region Project;
 - (3) the Board considers that the grant of Director Options is an effective way to remunerate Directors for the services they provide to the Company whilst preserving the Company's cash resources at a time when significant expenditures are likely to be incurred in the development of the Southern Region Assets;
 - (4) Mr. Hart, Bodley and Garner may derive value from those Options by exercising them, which is only likely to occur if the Company's Share price is higher than the exercise price of the Director Options; and
 - (5) the Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options. Each Director must contribute their own money to the Company to fund the exercise price of the Director Options, being the amount of \$337,500 each should they elect to exercise all of the Director Options issued to them;
- (p) Australian International Financial Reporting Standards require the Director Options to be expensed, which is guided by AASB 2 – Share Based Payments. In accordance with AASB 2, these Director Options will be expensed in the financial year ended 30 June 2015. Expensing the Director Options will have the effect of increasing both the expenses and contributed equity of the Company. Whilst there will be a reduction in profit, there will be no impact on the net assets of the cash position or financial resources of the Company as a result of expensing the Director Options. There are no tax implications for the Company in issuing these Director Options;
- (q) the number of Director Options to be issued to each Director has been determined based on factors such as the significant contribution that each of Mr. Hart, Bodley and Garner have made to the current success of the Company as well as the impact they are likely to have on the future success of the Company. Regard has also been given to issues such as alignment of interests to the Company through an equity holding. The Board considers the number of Director Options issued to Mr. Hart, Bodley and Garner will ensure that overall Director emoluments remain competitive with market standards; and
- (r) voting exclusion statements in respect of Resolutions 4 to 6 are included in paragraphs 2.4, 2.5, 2.6, 2.10 and 2.11 of the Notice of Meeting.

4.6 Director recommendations

Mr. Hart has a material personal interest in the outcome of Resolution 4 because it relates to the issue of Director Options to himself or a nominee. Mr. Hart did not vote on the Board resolution to approve the issue of Director Options to him. Mr. Hart declines to make a recommendation to Shareholders in relation to Resolutions 4 to 6 given his material personal interest in the outcome of Resolution 4 and potential perceived interest in relation to Resolutions 5 and 6.

Mr. Bodley has a material personal interest in the outcome of Resolution 5 because it relates to the issue of Director Options to himself or a nominee. Mr. Bodley did not vote on the Board resolution to approve the issue of Director Options to him. Mr. Bodley declines to make a recommendation to Shareholders in relation to Resolutions 4 to 6 given his material personal interest in the outcome of Resolution 5 and potential perceived interest in relation to Resolutions 4 and 6.

Mr. Garner has a material personal interest in the outcome of Resolution 6 because it relates to the issue of Director Options to himself or a nominee. Mr. Garner did not vote on the Board resolution to approve the issue of Director Options to him. Mr. Garner declines to make a recommendation to Shareholders in relation to Resolutions 4 to 6 given his material personal interest in the outcome of Resolution 6 and potential perceived interest in relation to Resolutions 4 and 5.

5. RESOLUTION 7 – APPROVAL TO CHANGE SCALE OF ACTIVITIES

5.1 Background

On 3 July 2014, the Company announced that it had entered into an Exclusivity Agreement with the Liquidator of Kagara Limited (in Liquidation) and its wholly owned subsidiary Kagara Copper Pty Ltd (in Liquidation) ("**Sellers**") to acquire their interest in the mining projects located near Charters Towers in North Queensland and more particularly described in paragraph 5.5 below (known as the "**Southern Region Projects**").

The proposed purchase of the Southern Region Projects by the Company is referred to in this Notice as the "**Southern Region Transaction**".

The Company's current focus is the exploration and development of the Company's nickel projects located in the Stella Range, near Kalgoorlie, Western Australia. The undertaking of the Southern Region Transaction will result in a significant expansion and a subsequent change to the scale of the Company's activities. Resolution 7 seeks Shareholder approval to undertake the Southern Region Transaction, which is required by the ASX under Listing Rule 11.1.2 (change to the scale of activities).

5.2 Listing Rule Requirements

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the scale of its activities, it must provide full details to ASX as soon as practicable. Listing Rule 11.1.2 provides that, if ASX requires, the entity must get approval of shareholders and must comply with any requirements of ASX in relation to the notice of meeting.

ASX has advised the Company that it must seek Shareholder approval for this change in scale of its activities as a result of the Southern Region Transaction. Accordingly, Resolution 7 seeks Shareholder approval to undertake the Southern Region Transaction under Listing Rule 11.1.2.

ASX has advised the Company that the change in nature and scale of the Company's activities does not require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3.

5.3 Consideration payable by the Company

Under the Exclusivity Agreement between the Company and Sellers, the Company has the exclusive right to enter into an agreement for the purchase of the Southern Region Projects by payment of the purchase price of \$6,500,000 in the form of:

- (a) \$3,500,000 in cash on sale completion;
- (b) the issue of a \$1,500,000 Secured Convertible Note (**SCN**) or a \$1,500,000 cash payment (at the Company's option) on sale completion. The SCN is interest bearing at

7.5% per annum, convertible at 10 cents per share at any time up to 2 years for the date of issue of the instrument. The SCN's are also redeemable at the option of the Company;

- (c) deferred cash consideration of \$1,500,000 payable 3 months after the commencement of commercial production on the Southern Region Projects, and;
- (d) a 1.5% net smelter return (NSR) royalty on production from the Southern Region Projects (excluding production subject to existing royalties payable by Sellers to a third party)

The Company intends to raise money to complete the Southern Region Transaction by a placement to sophisticated investors of up to 75,000,000 new Shares at an issue price of \$0.10 per new Share (refer to Resolution 8).

5.4 Conditions precedent

Completion of the Southern Region Transaction is subject to the satisfaction (or waiver) of a number of conditions precedent by the Company. The conditions precedent that must be satisfied or waived by the Company prior to completion are:

- (a) the Company obtaining all necessary Shareholder approvals to the Southern Region Transaction. By this Notice, the Company seeks Shareholder approval pursuant to Resolution 7;
- (b) the Company obtaining finance to fund the cash component. By this Notice the Company seeks Shareholder approval pursuant to Resolutions 8 and 9;
- (c) the Company completing legal due diligence; and
- (d) the Company receiving in-principle advice from the ASX that the completion of the proposed transaction will not result in the Company having to apply for re-admission to the ASX in accordance with Chapters 1 and 2 of the Listing Rules.

The completion of the sale and purchase of the Southern Region Project is intended to occur by 18 September 2014 or such other date as the parties may agree in writing. All conditions precedent must be satisfied or waived by the completion date.

5.5 Southern Region Project

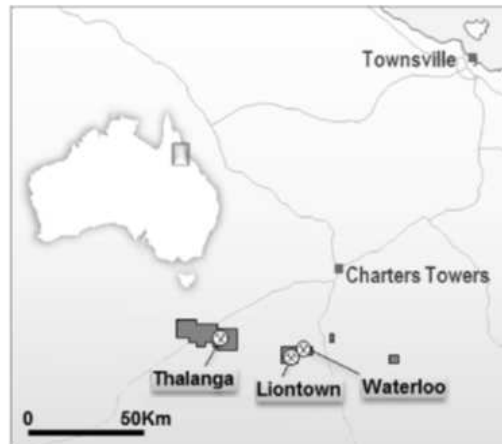
(a) Location, access and historical operations

The Southern Region Project is located approximately 65km west-southwest of Charters Towers in North Queensland. It is accessed via the sealed Flinders Highway (Figure 1).

Charters Towers is a regional mining and agricultural centre with a population of approximately 13,000. It is situated approximately 135km southwest of Townsville along the Flinders Highway and is serviced by daily buses from Townsville, trains (twice weekly) and charter air services to a regional airport.

Regular commercial flights are available through the Townsville Airport. Workers employed at Thalanga have generally resided in Charters Towers or surrounding communities. Facilities within the town include primary and high schools (public and private), a technical college regional campus, an indoor sports centre, a regional health centre incorporating a hospital, and police and ambulance services.

Figure 1: Southern Region Project Location



The Southern Region Project comprises a Processing Plant and associated infrastructure located at Thalanga, plus a tenement package covering 190km² which hosts the Thalanga, Lontown and Waterloo base metal (copper-lead-zinc) projects. Production commenced at Thalanga in May 1989 with open pit mining of supergene ore and progressed to underground extraction of primary sulphide ore in February 1991, accessing the West and East Thalanga areas.

Kagara acquired the Thalanga copper plant, mine site and associated infrastructure in May 2006 and began treatment of copper ore from the Balcooma open cut (Central Region) in December 2006. From late 2009 to April 2010, Kagara undertook a short program of retreating tailings at the site whilst preparing to mine the Vomacka and West 45 project areas.

The Thalanga Processing Plant was subsequently converted to treat polymetallic ore in July 2010, when Kagara commenced the Vomacka open pit. In July 2011, Kagara commenced development of West 45 with the cutting of the boxcut and portal. West 45 was developed from September 2011 to March 2012, with the development reaching the first level.

A total of 640,000 tonnes from the Vomacka open pit grading 5% Zn, 1.6% Pb and 1.6% Cu was treated from late 2010 by Kagara at the Thalanga Processing Plant until the operations were placed onto care and maintenance in April 2012.

Kagara was placed into administration on 29 April 2012.

(b) Processing Plant and associated infrastructure

Site infrastructure at Thalanga includes a site office complex, change rooms, workshop, ROM pad and associated infrastructure (Figure 2 to 4).

There is a nominal 600ktpa processing facility and tailings dams. Site power is provided via regional grid power supplied by ERGON. The Thalanga Processing Plant is capable of producing separate copper, lead and zinc concentrates.

Site water is sourced from five groundwater bores. Water for the processing facility is reclaimed from tailing dams, treated and reused. Mine dewatering water was also reclaimed, treated and used in either the process plant or re-supplied to underground via the mine water tanks.

The Thalanga Processing Plant and associated infrastructure has been well designed and maintained with considerable refurbishment under Kagara management. The facilities were placed on active care and maintenance in April 2012.

Figure 2: Thalanga Processing Plant (July 2014)



Figure 3: Thalanga Processing Plant and associated infrastructure (July 2014)



Figure 4: Thalanga Maintenance Facility (July 2014)



(c) Tenements

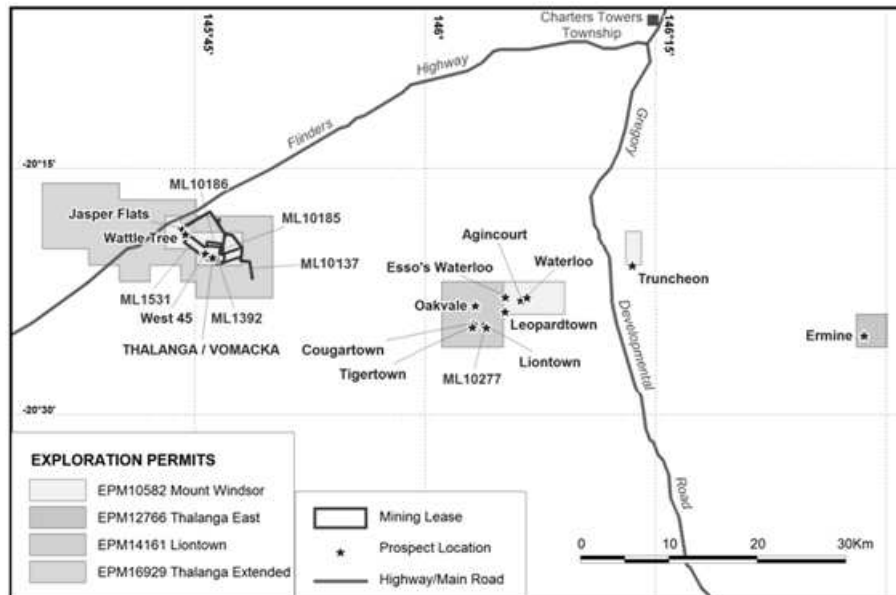
Tenure at the Southern Region project comprises four Exploration Permits and six Mining Leases, illustrated in Renewal has been lodged, awaiting settlement of outstanding compensation agreement with landowner.

Figure 5 and listed in Schedule 1 attached, with a total area of approximately 190km². Tenements are held by Kagara Copper Pty Ltd, and Kagara Limited.

Tenement No	Status	Expiry date	Area (Ha)
EPM10582	Granted	31 Dec 2015	4,830
EPM14161	Granted	14 Jun 2017	5,150
EPM12766	Granted	21 Apr 2016	966
EPM16929	Granted	22 Feb 2015	7,408
ML1531	Granted	30 Apr 2021	670.8
ML10137 ⁽¹⁾	Granted	31 Dec 2011	52.9
ML10185	Granted	30 Apr 2021	30
ML10186	Granted	30 Apr 2021	73
ML10277	Granted	28 Feb 2015	17.96
ML1392	Granted	30 Jun 2020	121.4

- 1) Renewal has been lodged, awaiting settlement of outstanding compensation agreement with landowner.

Figure 5: Exploration Permits and Mining Leases held by Kagara Copper Pty Ltd



(d) Royalty obligations

In addition to Queensland Government State Royalties, the following royalties apply to certain tenements in the project area:

- Thalanga Copper Mines Royalty: a 4% NSR royalty payable on all saleable metals from EPM10582, EPM12766, ML1392, ML1531, ML 10137, ML 10185 and ML 10186; and

- subject to Shareholder approval under this Resolution 7, a 1.5% NSR royalty will be granted to the Sellers and payable on all saleable metals the Southern Region Projects (excluding production subject to the above royalties obligations).

(e) Geology and review of Reserves and Resources

The Southern Region Project is located in the Cambro-Ordovician Mount Windsor Subprovince forms an east-west-trending belt, south of Charters Towers in Northern Queensland, which extends for about 165km from the Leichardt Range, south of Ravenswood in the east, almost to Pentland to the west (Henderson, 1986).

Rocks of the sub-province have been extensively intruded and dismembered along the northern margin by emplacement of the Ordovician to Devonian Ravenswood Batholith and Lolworth Igneous Complex, and are overlain by the Devonian to Carboniferous Drummond Basin succession to the south. A discontinuous cover of Tertiary alluvium, the Campaspe Formation, obscures much of the terrane (Henderson, 1986; Doyle, 1997), particularly in the central and western parts of the belt.

The volcanic and sedimentary rocks of the Mt Windsor Subprovince are assigned to the Seventy Mile Range Group by Henderson (1986) and comprise, from oldest to youngest, the Puddler Creek Formation, Mt Windsor Formation, Trooper Creek Formation and Rollstone Range Formation (Henderson, 1986; Doyle, 1997). The succession has a minimum thickness of 14km (Henderson, 1986) however, according to Doyle (1997) the true thickness of the succession is poorly constrained due to structural complexities, particularly in the Puddler Creek Formation. Regional metamorphism increases from prehnite-pumpellyite facies in the east, to greenschist facies around Highway-Reward, to amphibolite facies in the westernmost parts (Berry et al, 1992). Regional metamorphic assemblages have been overprinted by contact metamorphic aureoles around granitic intrusions.

The Puddler Creek Formation is dominated by clastic sediments and has a minimum thickness of 9km (Henderson, 1986). Rhyolite dykes and sills, mostly in the upper parts of the formation, were interpreted by Berry et al (1992) as possible feeders to the overlying formations, dominated by volcanic rocks.

The Mt Windsor Formation is dominated by rhyolite lavas, domes and volcanoclastic facies with minor dacite and rare andesite and varies in thickness from around 300 to 400 metres in the west, to 5km in the east (Simpson and McPhie, 2001). The formation is absent north of Highway-Reward where the Puddler Creek Formation is conformably overlain by the Trooper Creek Formation (Doyle, 1997).

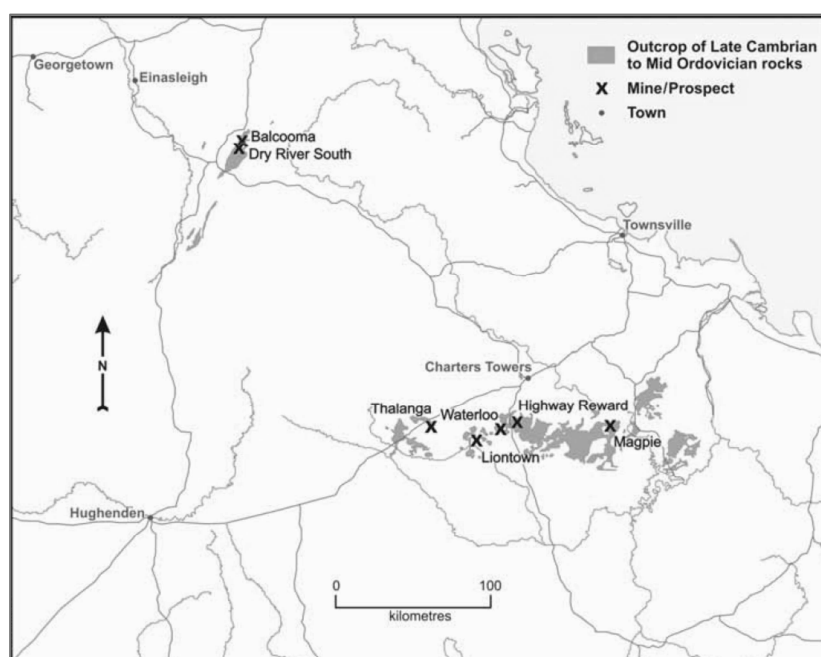
The Trooper Creek Formation mainly comprises basaltic, andesitic, dacitic and rhyolitic lavas, intrusions and volcanoclastic rocks and well-bedded mudstone and ranges in thickness from 500m along the Thalanga Range to the west, to 4km in the central part of the sub-province (Henderson, 1986).

The Rollstone Range Formation conformably overlies the Trooper Creek Formation and the lower boundary is placed at the top of the uppermost substantial volcanoclastic unit dominated by pyroclasts (Henderson, 1986). The formation is composed of volcanic-derived, thinly to moderately bedded siltstone and sandstone with rare lavas and volcanoclastics (Henderson, 1986). The unit is at least 1km thick but is extensively covered by Tertiary alluvium and the true thickness is not known (Henderson, 1986).

The Seventy Mile Range Group records a complex structural history with an early bedding-parallel foliation, ascribed to compaction and diagenesis, overprinted by three main deformation events. The first phase of deformation (D1) involved east-west compression and produced north-south open folds and thrust faults. The second phase of deformation (D2) produced the dominant structures in the province, a regional east-west trending fold and associated axial planar spaced cleavage. Most of the exposure of the Mt Windsor Sub-province lies on the south-facing limb of this fold; the north-facing limb is exposed only in the westernmost part of the province (Simpson and McPhie, 2001). The third phase of deformation (D3) produced local north-east trending slaty cleavage closely associated with north-easterly, steeply dipping faults and southwest plunging folds (Simpson and McPhie, 2001).

This volcano-sedimentary package is the focus of exploration for Volcanic Hosted Massive Sulphide (VHMS). To date, multiple deposits have been discovered in the Subprovince.

Figure 6: Simplified geological map showing the principal geological units, major deposits and locations of Southern Region Project tenements.



The deposits of the Mount Windsor Subprovince can be classified in to two types based on their geophysical characteristics pyrite +/- chalcopyrite-rich deposits and baritic sphalerite-rich deposits. The former type, which includes the Central Thalanga, Reward, and Magpie deposits is a good conductor and produces prominent ground and downhole EM responses.

The latter type of orebody, which includes the Lontown and Waterloo deposits is a poor conductor but it can be explored more effectively using the induced polarization (IP) technique.

5.6 References

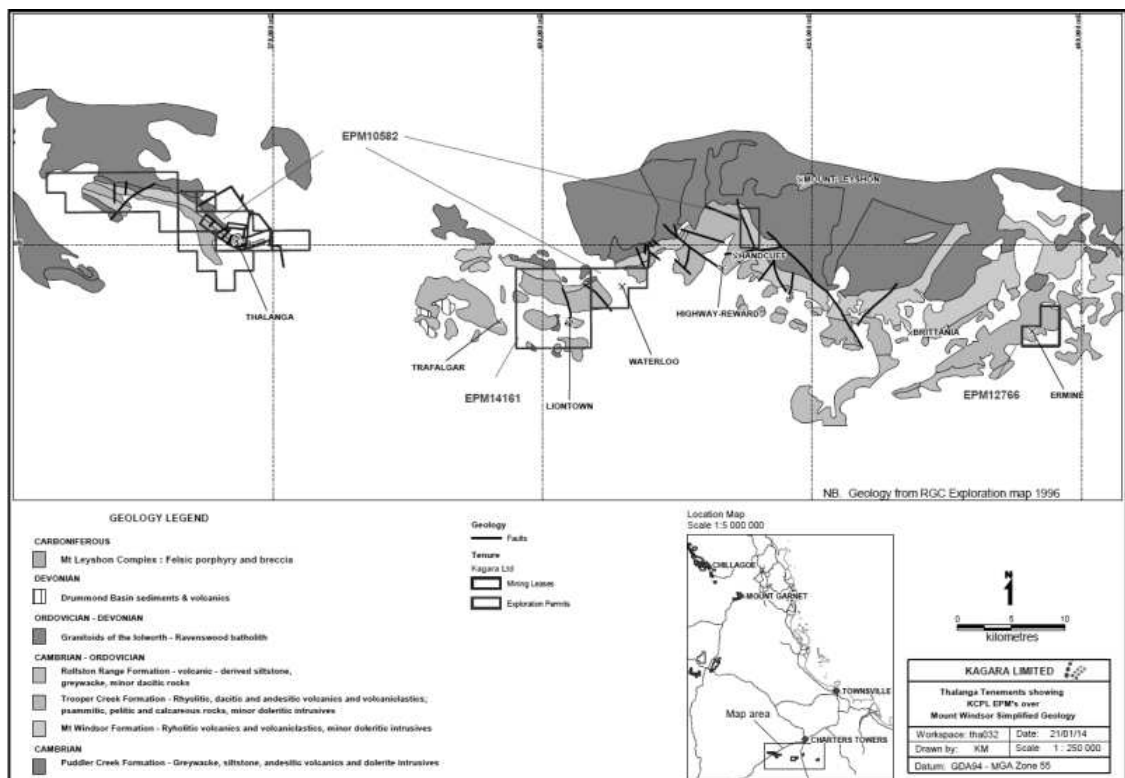
Berry R.F., Huston D.L., Stolz A.J., Hill A.P., Beams S.D., Kuronen U. and Taube A., 1992, Stratigraphy, structure and volcanic-hosted mineralisation of the Mount Windsor Subprovince, north Queensland, Australia. *Econ. Geol.*, 87: 739-763.

Doyle, M.G., 1997, A Cambro-Ordovician submarine volcanic succession hosting massive sulphide mineralisation: Mount Windsor Subprovince, Queensland: unpub. Ph. D. thesis, Univ. Tasmania, 264 pp.

Henderson, R. A., 1986, Geology of the Mount Windsor subprovince – a lower Paleozoic volcano-sedimentary terrane in the northern Tasman orogenic zone: Australian Jour. Earth Sci., v. 33, p. 343-364.

Simpson, K., McPhie, J. 2001 Fluidal-clast breccia generated by submarine fire fountaining, Trooper Creek Formation, Queensland, Australia Journal of Volcanology and Geothermal Research 109 p339-355

Figure 7: Regional geological map of the Thalanga Tenements



Kagara is an ASX listed entity and has disclosed ore reserves and mineral resources on some of the tenements comprising the Southern Region Project. The Company upon completing the Southern Region Transaction will commence a review of the assumptions underlying the ore reserves and mineral resources and will not be in a position to confirm or advise upon these estimates without undertaking this verification.

5.7 Resources and reserves

The Company will initially review the current resource block models and examine the current mining economics. The Company realises that the longevity of the Southern Region Project is reliant on future exploration success. Kagara conducted extensive exploration programs in the area, and a large volume of historic and current exploration data, core samples and literature is now available to the Company. It will take several months to review and assess the current exploration database.

5.8 Planned exploration activities

The historical Kagara exploration program delineated numerous targets and these will be incorporated into the Company's exploration program. The Company intends to compile a list of targets for follow-up exploration work across the Southern Region Project. The Company will consider using the following exploration techniques:

- XRF soil sampling and mapping
- Regional IP surveying to confirm and identify potential conductors; and
- Detailed review of all previous exploration drilling data and related studies at the Thalanga, Liontown and Waterloo project areas.

Historical exploration also targeted gold in the general area, with a strong focus in the 1980's after Mt Leyshon was identified as a large breccia-hosted gold deposit. There are several gold prospects in the western half of the Southern Region Project and as yet the Company has not conducted a detailed review of the gold potential of the project area.

5.9 Capital raising

One of the obligations at the completion of the Southern Region Transaction is for the Company to pay \$3,500,000 to the Sellers. The Company also intends to exercise its option to replace the SCN with a cash payment of \$1,500,000 to the Sellers.

In order to be in a position to have sufficient cash funds, the Company intends to raise funds by an Offer to sophisticated investors (refer to Resolution 8). The Offer will be an offer to sophisticated investors of up to 75,000,000 new Shares at \$0.10 cents per new Share. Assuming full subscription, \$7,500,000 will be raised before costs.

The effect of the Offer and the other transactions the subject of this Notice is set out in paragraph 5.11(a) below.

5.10 Proposed timetable

Set out below is an estimate of the timing of events relevant to undertaking the Southern Region Transaction.

General Meeting of Shareholders to approve the Southern Region Transaction	17 September 2014
Close of Offer (Resolution 8)	24 September 2014
Complete Southern Region Transaction	30 September 2014

5.11 Effect of Thalanga transaction on the Company

(a) Pro-forma capital structure

The proposed capital structure of the Company after completing the Southern Region Transaction and assuming full subscription under the Placement and assuming no Options are exercised before the record date, will be as follows:

	Shares	Options
Existing Shares on issue	78,229,505	3,500,000 ⁽²⁾
Offer (Resolution 8)	75,000,000 ⁽¹⁾	-
Total Options to be issued on approval of all Resolutions	-	20,949,750 ⁽³⁾
Total	153,229,505	24,449,750

- (1) In the event the Offer is fully subscribed, 75,000,000 new Shares will be issued.
- (2) There are currently 2,000,000 options with an exercise price of 10 cents and an expiry date of 28 November 2017 and 1,500,000 options with an exercise price of 5 cents and an expiry date of 30 June 2015.
- (3) Refer to table at paragraph 4.5(j) above.

(b) Pro-forma statement of financial position

An audited pro forma statement of the financial position of the Company is set out below based upon the 30 June 2014 financials and assuming completion of the Southern Region Transaction and full subscription under the Offer and that no Options are exercised before the record date.

	Actual 30 June 2014 Unaudited \$	Pro forma 30 June 2014 \$
CURRENT ASSETS		
Cash	\$425,984	\$1,685,984
Trade and other receivables	\$9,734	\$9,734
Prepayments	\$10,138	\$10,138
TOTAL CURRENT ASSETS	\$445,856	\$1,705,856
NON-CURRENT ASSETS		
Property, plant and equipment	\$2,343	\$6,502,343
Capitalised exploration and evaluation expenditure costs	\$50,361	\$50,361
TOTAL NON-CURRENT ASSETS	\$52,704	\$6,552,704
TOTAL ASSETS	\$498,560	\$8,258,560
CURRENT LIABILITIES		
Creditors and other payables	\$68,007	\$68,007
Provision for annual leave	\$1,884	\$1,884
Deferred consideration	-	\$1,500,000
TOTAL CURRENT LIABILITIES	\$69,891	
TOTAL LIABILITIES	\$69,891	\$1,569,891
NET ASSETS	\$428,669	\$6,688,669
EQUITY		
Issued capital	\$8,418,169	\$14,293,169
Reserves	\$50,502	\$1,175,502
Accumulated losses	(\$8,040,002)	(\$8,780,002)
TOTAL EQUITY	\$428,669	\$6,688,669

The Statement of Financial Position of the Company at 30 June 2014 has been adjusted to allow for the following matters:

- (1) Issue of 75,000,000 new Shares by the Company under the Offer at an issue price of 10 cents per Share to raise gross funds of \$7,500,000 in accordance with the Offer less estimated costs \$500,000 raising a net sum of \$7,000,000 (refer to Resolution 8).
- (2) Issue of 7,500,000 Triple C Options by the Company to Triple C at an exercise price of 10 cents and an expiry of 2 years from grant date as part of non-cash capital raising costs (refer to Resolution 9).
- (3) The payment of \$3,500,000 by the Company as part of the completion of the Southern Region Transaction.
- (4) Should the Offer be fully subscribed, the payment of \$1,500,000 cash by the Company at completion to replace the \$1,500,000 Secured Convertible Note.
- (5) Payment of stamp duty associated with the Southern Region Transaction of approximately \$350,000.
- (6) Payment of exclusivity fees of \$390,000 to the Sellers.

5.12 Board of Directors

Currently there is no proposal to change the Board of Directors as a result of the Southern Region Transaction. The Board of Directors currently comprises:

Mr Paul Hart	Non-executive Director
Mr Cameron Bodley	Non-executive Director and Company Secretary
Mr Donald Garner	Executive Director

5.13 Risks

The Southern Region Transaction and acquisition of the Southern Region Project will provide the Company with an opportunity to significantly expand its base metal interests. The Southern Region Project includes the Processing Plant, associated infrastructure and the Tenements.

A number of the risk factors below are not new to the Company as the Company is an explorer and developer with existing base metal projects primarily located in the Stella Range, near Kalgoorlie, Western Australia. In addition to the general risks applicable to all investments in listed companies, some of the material risks associated with developing the Southern Region Project include:

- (a) Operating and development risks – in the event of the recommencement of mining at the Southern Region Project, the Company's ability to achieve scheduled production, development, operating costs and capital expenditure cannot be assured. The business of base metal mining involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), labour force disruptions, cost overruns, changes in regulatory environment and unforeseen contingencies.

-
- (b) Estimates of ore and mineral resources – estimating ore reserves and mineral resources is a subjective process where the accuracy of estimates is a function of the quantity and quality of available data, the assumptions used and judgments made in interpreting information. As a result, estimates of ore reserves and mineral resources are inherently imprecise and may have to be recalculated based on matters such as changes in the base metal price, production costs or recovery rates and exploration and development activity generally. Kagara as the prior operator of the Southern Region Project previously disclosed ore reserves and mineral resources on some of the Tenements prior to it entering administration. The Company upon completing the Southern Region Transaction will commence a review of the assumptions underlying the ore reserves and mineral resources and will not be in a position to confirm or advise upon these estimates without undertaking this verification.
 - (c) Exploration – the Company intends to conduct further exploration upon the Tenements the subject of the Southern Region Project. Exploration is by its nature a high risk undertaking and there can be no assurance of the success of further exploration such as the discovery of a mineral resource or that existing mineral resources are expanded.
 - (d) Metal price – adverse fluctuations in the copper, lead and zinc price may detrimentally affect the Company developing the Southern Region Project.
 - (e) Future capital and additional funding – the Company will need to raise further capital (equity or debt) in the future. No assurance can be given that future funding will be available to the Company on favourable terms or at all which would prejudice the development of the Southern Region Project.
 - (f) Reliance on key personnel – the Company's success depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry and the Company's ability to retain its key executives.
 - (g) Other risks – there are other risk factors including environmental laws and regulations, title risks, native title risks and foreign exchange rate risk.

5.14 Expenditure budget

The expenditure budget below has been prepared for a 12 month period assuming completion of the Southern Region Transaction and the raising of full subscription under the Placement.

Project	\$
Southern Region Project	500,000
Existing Projects	350,000
Total	850,000

The estimated use of funds is contingent upon positive progress and results from the expenditure in line with the Company's objectives and strategy. The Directors reserve the right to expend the funds of the Company for the above purpose or for related or other purposes in line with the Company's objectives and strategy. The final expenditure of funds may vary from the above depending upon the circumstances in which the business develops and operates.

5.15 Recommendation

Undertaking the Southern Region Transaction will constitute a significant increase in the scale of activities undertaken by the Company.

The Directors do not have a material personal interest in the outcome of Resolution 7 other than as Shareholders of the Company. The Directors consider that undertaking the Southern Region Transaction is in the best interests of the Company and recommend that Shareholders vote in favour of the Resolution.

Each of the Directors intend to vote any Shares held in favour of the Resolution.

6. RESOLUTION 8 – APPROVAL OF PLACEMENT

Resolution 8 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of a minimum of 50,000,000 and a maximum of 75,000,000 new Shares at an issue price of \$0.10 per Share to raise a minimum of \$5,000,000 and a maximum of \$7,500,000 (before costs) (**Offer**). The new Shares under the Offer will be issued and allotted to s708A sophisticated investor clients of Triple C Consulting Pty Ltd.

6.1 Background

The Company intends to raise money under the Offer to complete the Southern Region Transaction by a placement of new Shares to sophisticated investors.

The effect of the proposed Offer (on an undiluted basis) on the capital structure of the Company is outlined below.

	Minimum subscription		Maximum subscription	
	No.	(%)	Number	(%)
Shares currently on issue	78,229,505	61.0%	78,229,505	51.1%
Shares to be issued pursuant to the Placement	50,000,000	39.0%	75,000,000	48.9%
Total	128,229,505	100%	153,229,505	100%

As noted in paragraph 1.2 above, Listing Rule 7.1 broadly provides, subject to certain exemptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are then not required to be included in the 15% limit imposed by Listing Rule 7.1.

6.2 Listing Rule requirements

Listing Rule 7.3 provides that certain information must be included in a notice of meeting when Shareholder approval is sought under Listing Rule 7.1. The following information is provided in accordance with Listing Rule 7.3:

- (a) the minimum number of securities to be issued pursuant to Resolution 8 is 50,000,000 Shares;
- (b) the maximum number of securities to be issued pursuant to Resolution 8 is 75,000,000 Shares;
- (c) issue and allotment of the Shares is likely to occur in one tranche but in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX;

- (d) the Shares are being issued at a price of \$0.10 per Share;
- (e) the Shares are fully paid ordinary shares in the capital of the Company and will rank equally with existing fully paid ordinary shares in the capital of the Company;
- (f) the Shares will be issued to s708A investor clients of Triple C Consulting Pty Ltd. If necessary, the number of Shares issued to an individual s708A investor client of Triple C will be scaled back to ensure that the voting power of any investor and their associates does not exceed 19.9%. None of the investor clients of Triple C are related parties of the Company;
- (g) funds raised from the issue of the Shares under the Offer will be used to pay for the initial cash component of the Southern Region Transaction (\$5.0 million), stamp duty and other costs associated with the Southern Region Transaction, costs of the Offer and general working capital; and
- (h) a voting exclusion statement is included in paragraphs 2.8 and 2.10 of the Notice.

6.3 Recommendation

The Board unanimously recommends Shareholders vote in favour of Resolution 8 as it will provide the Company with the requisite funds to complete the Southern Region Transaction.

7. RESOLUTION 9 – APPROVAL OF ISSUE OF OPTIONS TO TRIPLE C CONSULTING

Resolution 9 seeks Shareholder approval for the issue of up to 7,500,000 Triple C Options to Triple C.

7.1 Background

On 17 July 2014, the Company announced that it had engaged Triple C Consulting Pty Ltd as sole lead manager for the Offer. The key terms of the Placement Mandate Agreement between the Company and Triple C in respect of the Offer are as follows:

- (a) Company is to seek to raise a minimum of \$5.0 million and a maximum of \$7.5 million under the Offer;
- (b) Triple C to act as exclusive broker and manager of the Offer;
- (c) Triple C is not acting as an underwriter and the Offer is not underwritten;
- (d) the Company has agreed to pay Triple C:
 - (1) a management fee equal to 1% of all amounts raised by Triple C under the Offer (**Proceeds**); and
 - (2) a placement fee equal to 5% of the Proceeds; and
 - (3) subject to shareholder approval, a success fee equal to one Triple C Option for every ten new Shares issued and allotted to Triple C clients under the Offer.

The effect of the issue of the Triple C Options on the capital structure of the Company is shown in paragraph 4.5(j) above.

As noted in paragraph 1.2 above, Listing Rule 7.1 broadly provides, subject to certain exemptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are then not required to be included in the 15% limit imposed by Listing Rule 7.1.

7.2 Listing Rule requirements

Listing Rule 7.3 provides that certain information must be included in a notice of meeting when Shareholder approval is sought under Listing Rule 7.1. The following information is provided in accordance with Listing Rule 7.3:

- (a) the maximum number of securities to be issued is 7,500,000 Triple C Options. The actual number of Triple C Options to be issued will be determined by multiplying the number of Shares placed to clients of Triple C by 10%. For example, if the Company issues and allots 50,000,000 new Shares with clients of Triple C, then Triple C will be entitled to receive 5,000,000 Triple C Options;
- (b) issue and allotment of the Triple C Options is likely to occur in one tranche after all new Shares under the Offer have been issued and allotted, but in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX;
- (c) the Triple C Options are being issued at \$0.00 per Triple C Option and no funds will be raised from the issue of the Triple C Options. The Triple C Options are being issued as part consideration for the services provided by Triple C under the Placement Mandate Agreement. Triple C is not a related party of the Company;
- (d) the Triple C Options are exercisable at \$0.10 each, expire on 17 September 2016 and are otherwise issued on the terms set out in Annexure F to this Explanatory Statement;
- (e) the Triple C Options will be issued to Triple C, or its nominees; and
- (f) a voting exclusion statement is included in paragraphs 2.9 and 2.10 of the Notice.

7.3 Recommendation

The Board unanimously recommends Shareholders vote in favour of Resolution 9.

8. CONSEQUENCES OF RESOLUTIONS NOT BEING PASSED

8.1 Resolutions 1 and 2

If Resolutions 1 or 2 are not passed, then it will simply reduce the number of securities that the Company can issue in the next 12 months without Shareholder approval. It will not in itself affect the Southern Region Transaction.

8.2 Resolution 3

The Company currently does not have enough capacity under Listing Rule 7.1 to issue the Placement Options. However, the 15% limit under Listing Rule 7.1 only applies to those securities issued in the past 12 months provided that the securities when issued did not breach Listing Rule 7.1. Therefore, if Resolution 3 is not passed, then it is the Company's intention to wait until it has sufficient capacity under Listing Rule 7.1 to issue the Placement Options.

8.3 Resolution 7

In written advice to the Company, ASX has determined that the Southern Region Transaction will result in an increase in the scale of the Company's activities and that Shareholders must approve the Southern Region Transaction in accordance with Listing Rule 11.2.1. If Shareholders do not approve Resolution 7, then one of the conditions precedent will not be satisfied and the Company will not be able to proceed with the Southern Region Transaction.

8.4 Resolutions 8 and 9

If Resolutions 8 or 9 or both are not passed that would seriously jeopardise the Southern Region Transaction and may result in it not proceeding as the Company would not have the funds required to complete the transaction and one of the conditions precedent would not be satisfied (although the condition precedent could be waived). The Company, in such a case, would endeavour to seek approval from Kagara to waive the condition and find an alternative means of raising the funds required to complete the purchase of the Southern Region Project, which may or may not prove possible. Due the number of Shares required to be issued to pay the purchase price under the Southern Region Transaction being greater than the 15% limit allowable under Listing Rule 7.1, the Company cannot rely on the issue of new Shares under Listing Rule 7.1 to complete the Southern Region Transaction.

8.5 Plans for the Company if the Resolution 7 is not passed

If Resolution 7 is not passed, then the Company will continue to focus on its existing nickel projects and may look for other complementary projects for investment with the potential to enhance Shareholder value.

9. FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact in this Explanatory Statement and Notice of Meeting are forward-looking statements, particularly those statements in respect of future prospects of the Company. Shareholders should note that these forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, share prices, performance or achievements to differ materially from the anticipated values, performance or achievements expressed or implied in such forward-looking statements.

The forward-looking statements in this this Explanatory Statement and Notice of Meeting reflect views held only as at the date of this document. The Company does not give any assurance that anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

10. OTHER BUSINESS

Management is not aware of any business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

11. GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"Asset Sale Agreement" means the asset sale agreement between the Liquidators as seller and Red River as buyer dated on or about 18 September 2014.

"ASX Listing Rules" or **"Listing Rules"** means the Listing Rules of the ASX.

"ASX" means ASX Limited ACN 008 624 691 or the stock exchange operated by ASX (as the context requires).

"Board" means the Board of Directors of the Company.

"Chairman" means the chairman of the Company.

"Company" or **"Red River"** means Red River Resources Limited ACN 100 796 754.

"Consultant Options" mean the Options to be issued on the terms set out in Annexure B.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Directors" mean the directors of the Company from time to time.

"Director Options" mean the Director Options (Series 1), Director Options (Series 2), Director Options (Series 3) or any or all of them (as the context requires).

"Director Options (Series 1)" mean the Options to be issued on the terms set out in Annexure C.

"Director Options (Series 2)" mean the Options to be issued on the terms set out in Annexure D.

"Director Options (Series 3)" mean the Options to be issued on the terms set out in Annexure E.

"Director Options" means Options proposed to be issued to Directors.

"Explanatory Statement" means this Explanatory Statement.

"Hanson Porter Curzon" means Hanson Porter Curzon Pty Ltd ACN 119 032 530

"Investec" means Investec Bank (Australia) Ltd ACN 071 292 594.

"Kagara Copper" means Kagara Copper Pty Ltd (in liquidation) ACN 117 972 353

"Kagara" means Kagara Limited (in liquidation) ACN 008 988 583

"Meeting" and **"General Meeting"** means the meeting convened by this Notice.

"Notice" and **"Notice of Meeting"** means the notice of meeting that accompanies this Explanatory Statement.

"Offer" means the issue of a minimum of 50,000,000 and a maximum of 75,000,000 new Shares at an issue price of \$0.10 per Share to raise a minimum of \$5,000,000 and a maximum of \$7,500,000 (before costs).

"Option" means an option to subscribe for one Share upon exercise of the option.

"Placement Shares" means the 8,899,500 Shares issued to investors by the Company on 5 June 2014.

"Placement Options" means the Options to be issued, on the terms set out in Annexure A, to the recipients of the Placement Shares on the basis of one Placement Option for every two Placement Shares issued.

"Processing Plant" and **"Thalanga Processing Plant"** means the Thalanga processing plant with a nominal throughput capacity of 0.6 million tonnes per annum being a 2 stage crushing, ball milling and associated flotation circuits.

"Proxy Form" means the proxy form attached to this Notice of Meeting.

"Resolution" means a resolution referred to in the Notice.

"Secured Convertible Note" or **"SCN"** means the \$1,500,000 Secured Convertible Note that is interest bearing at 7.5% per annum, convertible at 10 cents per share at any time up to 2 years for the date of issue of the instrument and are also redeemable at the option of the Company.

"Seller" means Kagara Limited (in Liquidation) and Kagara Copper Pty Ltd (in Liquidation)

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a registered holder of Shares in the Company.

"Southern Region Project" or **"Southern Region Assets"** means the Processing Plant, associated infrastructure (including workshops, an assay laboratory, offices and chattels) and the Tenements.

"Southern Region Transaction" means the transaction by which the Company acquires the interests of Kagara and Kagara Copper in the Southern Region Project.

"Tenements" means the tenements listed in Schedule 1.

"Liquidators" means Mark David Englebert, Michael Joseph Patrick Ryan, Quentin James Olde and Stefan Dopking, in their capacity as joint and several liquidators of each of Kagara and Kagara Copper

"Triple C" or **"Triple C Consulting"** means Triple C Consulting Pty Ltd ACN 141 412 106 AFSL 346282.

"Triple C Options" mean the Options to be issued to Triple C on the terms set out in Annexure F.

Annexure A - Placement Options

TERMS AND CONDITIONS OF PLACEMENT OPTIONS EXPIRING 31 DECEMBER 2015

The terms and conditions of the Placement Options are:

- (a) each Option entitles the holder to subscribe for ONE (1) ordinary Share in the Company upon payment of TEN (10) cents per Option;
- (b) the Options will lapse at 5.00 pm AEST on 31 December 2015;
- (c) the Options may be exercised at any time before the expiry date by delivery to the registered office of the Company of notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by the Option certificate and a cheque made payable to the Company for the payment of the sum of TEN (10) cents per Option exercised;
- (d) the Options are NOT transferable;
- (e) application will be made for Official Quotation of the Shares issued upon exercise of the Options;
- (f) there are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options but Option holders will have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least SEVEN (7) business days before the books closing date to exercise the Options;
- (g) the Shares issued on the exercise of the Options will, from the date of allotment, rank equally with the existing ordinary Shares of the Company in all respects;
- (h) in the event of any reorganisation (including reconstructions, consolidations, subdivision or reduction of capital) of the issued capital of the Company, the Options will be reorganised as required by the Listing Rules but in all other respects the terms of exercise will remain unchanged;
- (i) the Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options; and
- (j) the Options are Unlisted Options and will not be quoted on the Australian Securities Exchange (ASX).

Annexure B – Consultant Options

TERMS AND CONDITIONS OF CONSULTANT OPTIONS EXPIRING 30 JUNE 2015

The terms and conditions of the Consultant Options are:

- (a) each Option entitles the holder to subscribe for ONE (1) ordinary Share in the Company upon payment of FIVE (5) cents per Option;
- (b) the Options will lapse at 5.00 pm AEST on 30 June 2015;
- (c) the Options may be exercised at any time before the expiry date by delivery to the registered office of the Company of notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by the Option certificate and a cheque made payable to the Company for the payment of the sum of FIVE (5) cents per Option exercised;
- (d) the Options are NOT transferable;
- (e) application will be made for Official Quotation of the Shares issued upon exercise of the Options;
- (f) there are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options but Option holders will have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least SEVEN (7) business days before the books closing date to exercise the Options;
- (g) the Shares issued on the exercise of the Options will, from the date of allotment, rank equally with the existing ordinary Shares of the Company in all respects;
- (h) in the event of any reorganisation (including reconstructions, consolidations, subdivision or reduction of capital) of the issued capital of the Company, the Options will be reorganised as required by the Listing Rules but in all other respects the terms of exercise will remain unchanged;
- (i) the Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options; and
- (j) the Options are Unlisted Options and will not be quoted on the Australian Securities Exchange (ASX).

Annexure C – Director Options (Series 1)

TERMS AND CONDITIONS OF DIRECTOR OPTIONS EXPIRING 31 DECEMBER 2014

The terms and conditions of the Director Options (Series 1) are:

- (a) each Option entitles the holder to subscribe for ONE (1) ordinary Share in the Company upon payment of FIVE (5) cents per Option;
- (b) the Options will lapse at 5.00 pm AEST on 31 December 2014;
- (c) the Options may be exercised at any time before the expiry date by delivery to the registered office of the Company of notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by the Option certificate and a cheque made payable to the Company for the payment of the sum of FIVE (5) cents per Option exercised;
- (d) the Options are transferable;
- (e) application will be made for Official Quotation of the Shares issued upon exercise of the Options;
- (f) there are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options but Option holders will have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least SEVEN (7) business days before the books closing date to exercise the Options;
- (g) the Shares issued on the exercise of the Options will, from the date of allotment, rank equally with the existing ordinary Shares of the Company in all respects;
- (h) in the event of any reorganisation (including reconstructions, consolidations, subdivision or reduction of capital) of the issued capital of the Company, the Options will be reorganised as required by the Listing Rules but in all other respects the terms of exercise will remain unchanged;
- (i) the Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options; and
- (j) the Options are Unlisted Options and will not be quoted on the Australian Securities Exchange (ASX).

Annexure D – Director Options (Series 2)

TERMS AND CONDITIONS OF DIRECTOR OPTIONS EXPIRING 31 DECEMBER 2015

The terms and conditions of the Director Options (Series 2) are:

- (a) each Option entitles the holder to subscribe for ONE (1) ordinary Share in the Company upon payment of TEN (10) cents per Option;
- (b) the Options will lapse at 5.00 pm AEST on 31 December 2015;
- (c) the Options may be exercised at any time before the expiry date by delivery to the registered office of the Company of notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by the Option certificate and a cheque made payable to the Company for the payment of the sum of TEN (10) cents per Option exercised;
- (d) the Options are transferable;
- (e) application will be made for Official Quotation of the Shares issued upon exercise of the Options;
- (f) there are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options but Option holders will have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least SEVEN (7) business days before the books closing date to exercise the Options;
- (g) the Shares issued on the exercise of the Options will, from the date of allotment, rank equally with the existing ordinary Shares of the Company in all respects;
- (h) in the event of any reorganisation (including reconstructions, consolidations, subdivision or reduction of capital) of the issued capital of the Company, the Options will be reorganised as required by the Listing Rules but in all other respects the terms of exercise will remain unchanged;
- (i) the Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options; and
- (j) the Options are Unlisted Options and will not be quoted on the Australian Securities Exchange (ASX).

Annexure E - Director Options (Series 3)

TERMS AND CONDITIONS OF DIRECTOR OPTIONS EXPIRING 31 DECEMBER 2016

The terms and conditions of the Director Options (Series 3) are:

- (a) each Option entitles the holder to subscribe for ONE (1) ordinary Share in the Company upon payment of FIFTEEN (15) cents per Option;
- (b) the Options will lapse at 5.00 pm AEST on 31 December 2016;
- (c) the Options may be exercised at any time before the expiry date by delivery to the registered office of the Company of notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by the Option certificate and a cheque made payable to the Company for the payment of the sum of FIFTEEN (15) cents per Option exercised;
- (d) the Options are transferable;
- (e) application will be made for Official Quotation of the Shares issued upon exercise of the Options;
- (f) there are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options but Option holders will have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least SEVEN (7) business days before the books closing date to exercise the Options;
- (g) the Shares issued on the exercise of the Options will, from the date of allotment, rank equally with the existing ordinary Shares of the Company in all respects;
- (h) in the event of any reorganisation (including reconstructions, consolidations, subdivision or reduction of capital) of the issued capital of the Company, the Options will be reorganised as required by the Listing Rules but in all other respects the terms of exercise will remain unchanged;
- (i) the Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options; and
- (j) the Options are Unlisted Options and will not be quoted on the Australian Securities Exchange (ASX).

Annexure F – Triple C Options

TERMS AND CONDITIONS OF TRIPLE C OPTIONS EXPIRING 17 SEPTEMBER 2016

The terms and conditions of the Triple C Options are:

- (a) each Option entitles the holder to subscribe for ONE (1) ordinary Share in the Company upon payment of TEN (10) cents per Option;
- (b) the Options will lapse at 5.00 pm AEST on 17 September 2016;
- (c) the Options may be exercised at any time before the expiry date by delivery to the registered office of the Company of notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by the Option certificate and a cheque made payable to the Company for the payment of the sum of TEN (10) cents per Option exercised;
- (d) the Options are NOT transferable;
- (e) application will be made for Official Quotation of the Shares issued upon exercise of the Options;
- (f) there are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options but Option holders will have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least SEVEN (7) business days before the books closing date to exercise the Options;
- (g) the Shares issued on the exercise of the Options will, from the date of allotment, rank equally with the existing ordinary Shares of the Company in all respects;
- (h) in the event of any reorganisation (including reconstructions, consolidations, subdivision or reduction of capital) of the issued capital of the Company, the Options will be reorganised as required by the Listing Rules but in all other respects the terms of exercise will remain unchanged;
- (i) the Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options; and
- (j) the Options are Unlisted Options and will not be quoted on the Australian Securities Exchange (ASX).

Annexure G – Director Option Valuation

The options to be issued to directors have been valued by the Company's internal management using a Black & Scholes options pricing model, and based on the assumptions set out below, the options are set out in the table below are ascribed a value as follows.

	Series 1	Series 2	Series 3
Valuation Date	21 July 2014	21 July 2014	21 July 2014
Option Exercise Price	\$0.05	\$0.10	\$0.15
Share Price (Closing, 21 July 2014)	\$0.15	\$0.15	\$0.15
Expiry Date	31 December 2014	31 December 2015	31 December 2016
Risk Free Rate	3.50%	3.50%	3.50%
Volatility	1,500%	1,500%	1,500%
Indicated Value Per Option	\$0.15	\$0.15	\$0.15

Note: The Valuations noted above are not necessarily the market prices that the options could be traded at (if they were able to be traded) and they are not automatically the market prices for taxation purposes.

Schedule 1 – Tenements

Tenement	Registered Holder(s)	Status	Notes
ML 10137	Kagara Copper Pty Ltd	Granted	1
ML 10185	Kagara Copper Pty Ltd	Granted	1
ML 10186	Kagara Copper Pty Ltd	Granted	1
ML 1531	Kagara Copper Pty Ltd	Granted	1
ML 10277	Kagara Ltd	Granted	2
EPM 14161	Liontown Resources	Granted	2,3
EPM 10582	Kagara Copper Pty Ltd	Granted	1
EPM 12766	Kagara Copper Pty Ltd	Granted	1
EPM 16929	Kagara Copper Pty Ltd	Granted	2

- (1) Subject to 4% NSR royalty payable on all saleable metals to Thalanga Copper Mines Pty Ltd.
 (2) Subject to 1.5% NSR royalty payable to the Liquidators (Subject to Shareholder approval of Resolution 7)
 (3) Kagara Ltd owns the mineral rights over EPM 14161

000001 000 RVR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

 **For your vote to be effective it must be received by 10:00am (AEST) Monday, 15 September 2014**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Review your securityholding
- ☒ Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Red River Resources Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Red River Resources Limited to be held at the Institute of Chartered Accountants Australia, Level 3 Bourke Place, 600 Bourke Street, Melbourne, Victoria on Wednesday, 17 September 2014 at 10:00am (AEST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 4, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 4, 5 and 6 by marking the appropriate box in step 2 below.

STEP 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of allotment and issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of allotment and issue of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of issue of Director Options to Mr Paul Hart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Director Options to Mr Cameron Bodley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of issue of Director Options to Mr Donald Garner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to change of scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to place shares to clients of Triple C Consulting Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of issue of options to Triple C Consulting Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date



└ 000001 000 RVR

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



I 999999999999 IND

 For your security keep your SRN/HIN confidential.

Dear Shareholder,

Our records show that you have not provided your email address for the above shareholding.

Our company is committed to both its shareholders and the wider community. To that end, we are asking all our shareholders to provide an email address to receive their communications online. This ensures we are providing you with the information you need in the fastest, most cost effective manner possible, while also significantly reducing our environmental impact.

Shareholder communications available online include Annual Report, Voting Forms, Notice of Meeting, Issuer Sponsored Holding Statements and other company related information. You can view, download or print your shareholding information as you choose.

WHY GO ONLINE?

Receiving shareholder communications electronically, instead of by post, means:

- > Faster access to important shareholder and company information
- > Reduced environmental impact
- > Secure access to your shareholder documents online, reducing clutter in your home or office
- > Convenient access to all your documents, 24/7



1. Go online to www.investorcentre.com
2. Select 'Communication Options' or 'Bank Instructions Update' from the 'Update My Details' menu
3. For your security you will be required to register, which simply means entering your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and choosing a User ID and a password. It's fast, convenient and free!
4. Enter the relevant information - email address or bank instructions - and click 'Submit'.

OR



My email address is:

By providing my email address above I am electing to receive all my shareholder communications via email rather than by post. This includes notifications by email (where offered) of Annual Reports, Voting Forms, Notice of Meeting, Issuer Sponsored Holding Statements and replaces any prior election I may have made. I acknowledge and agree that I have read and understood Computershare's Terms and Conditions of Use which I can obtain from the Computershare website (www.computershare.com.au/investor), or alternatively by calling the Computershare Helpdesk on 1300 850 505 (within Australia) or +61 3 9415 4000 (if outside Australia).

If you do not wish to receive shareholder communications electronically you do not need to take any action. You can change your election at any time by accessing www.investorcentre.com/au or by calling the Computershare Helpdesk on 1300 850 505.

RVR

17 EE



Samples/000001/000002/i