

RED RIVER RESOURCES LIMITED

ACN 100 796 754

NOTICE OF ANNUAL GENERAL MEETING

Date of Meeting

Wednesday 10 December 2014

Time of Meeting

10:00 am AEDT

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.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual 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 10 December 2014 at 10:00am AEDT 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

2014 Financial Statements

To receive the financial statements of the Company for the year ended 30 June 2014, consisting of the annual financial report, the Directors' report and the auditors' report.

There is no vote on this item.

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 20,000,000 Shares (at an issue price of \$0.18 each) on 30 October 2014 to various institutional and 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 1,000,000 GM Operations Options to Mr. Karl Spaleck, General Manager Operations, on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 3 – RE-ELECTION OF MR. PAUL HART AS A DIRECTOR

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

“That, for all purposes, Paul Hart, who was appointed to the Board since the last annual general meeting of the Company, retires as a Director and, being eligible, be re-elected as a Director.”

RESOLUTION 4 – RE-ELECTION OF MR. CAMERON BODLEY AS A DIRECTOR

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

“That, for all purposes, Cameron Bodley, who was appointed to the Board since the last annual general meeting of the Company, retires as a Director and, being eligible, be re-elected as a Director.”

RESOLUTION 5 – RE-ELECTION OF MR. MELKON (MEL) PALANCIAN AS A DIRECTOR

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

“That, for all purposes, Mel Palancian, who was appointed to the Board since the last Annual General Meeting of the Company, retires as a Director and, being eligible, be re-elected as a Director.”

RESOLUTION 6 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MR. MELKON (MEL) PALANCIAN

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 1,000,000 Director Options to Mr. Mel Palancian (and or nominee/s) as Director of the Company on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 7 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company’s 2014 Annual Financial Report is adopted.”

RESOLUTION 8 – APPROVAL TO INCREASE NON-EXECUTIVE DIRECTOR FEE POOL

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

“That for the purposes of ASX Listing Rule 10.17, the Company’s Constitution and for all other purposes, the aggregate amount of fees that may be paid to Non-Executive Directors as a whole be increased from \$100,000 to \$200,000 per annum (an increase of \$100,000), effective from 1 January 2015.”

SPECIAL BUSINESS

RESOLUTION 9 – APPROVAL OF 10% PLACEMENT FACILITY

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

“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formulae prescribed in Listing Rule 7.1A.2 and on terms and conditions in the Explanatory Statement.”

CONTINGENT BUSINESS**RESOLUTION 10- HOLDING A SPILL MEETING**

Condition for Resolution 10: Resolution 10 will be considered at the AGM only if at least 25% of the votes cast on Resolution 7 are against the adoption of the Remuneration Report. The Explanatory Notes further explain the circumstances in which Resolution 10 will be put to Shareholders at the Meeting.

If the condition (described above) is satisfied, to consider, and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

That, as required under the Corporations Act:

- (a) A meeting of the Company's members be held within 90 days of the date of the 2014 Annual General Meeting (the **Spill Meeting**);
- (b) Each of Mr. Paul Hart* and Mr. Cameron Bodley* cease to hold office immediately before the end of the Spill Meeting; and
- (c) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.

*This assumes the director is elected or re-elected at the AGM.

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 Mr. Karl Spaleck and his nominee and any votes cast by any associate of Mr Karl Spaleck or his nominee.

2.3 Resolutions 3, 4 and 5 – Re-election of Directors

There are no voting exclusions in relation to Resolutions 3, 4 and 5.

2.4 Resolution 6 – Approval of issue of Director Options to Mr. Melkon (Mel) Palancian.

The Company will disregard any votes cast on Resolution 6 by Mr. Mel Palancian and his nominee and any votes cast by any associate of Mr. Mel Palancian or his nominee. In addition, a vote on 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 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.

2.5 Resolution 7 – Adoption of Remuneration Report

As required by the Corporations Act, the Company will disregard any votes cast on Resolutions 7 and 10 by a member of the Key Management Personnel details of whose remuneration are included in the remuneration report and a closely related party of such a member. A vote on Resolution 7 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 7.

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.

2.6 Resolution 8 – Approval to increase the Non-Executive Director fee pool

The Company will disregard any votes cast on Resolution 8:

- (a) in any capacity by a Director and any of their associates; and
- (b) as a proxy by a member of the Key Management Personnel and any of their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 8 in accordance with a direction on the proxy form. To direct the Chairman of the meeting to vote in favour of Resolution 8, Shareholders should mark the Chairman's box on the proxy form

2.7 Resolution 9 – Approval of 10% placement facility

The Company will disregard any votes cast on Resolution 9 by any person who may participate in the 10% Placement Facility and a person who might obtain a benefit, and any associates of those persons.

2.8 Resolution 10 – Spill Meeting (if considered)

As required by the Corporations Act, the Company will disregard any votes cast on Resolution 10 by a member of the Key Management Personnel details of whose remuneration are included in the remuneration report and a closely related party of such a member. A vote on Resolution 10 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 7 and 10.

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.

2.9 Resolutions 1 – 10

In respect of the voting exclusions for Resolutions 1 to 10 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.

2.10 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 including any Director.

3. PROXY VOTING

3.1 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 all items of business.

3.2 Proxy forms

A Proxy Form is attached.

To be properly completed Proxy Forms must be received by the Company no later than 10:00am (AEDT) on Monday 8 December 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 AEDT on Monday 8 December 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: 6 November 2014

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual 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

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.

1.1 Background

On 24 October 2014, the Company announced that it was issuing 20,000,000 Shares (**Placement Shares**) to raise a total of \$3,600,000 (before costs) to institutional and s708A sophisticated investors. The Placement Shares were issued and allotted on 30 October 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 institutional and s708A sophisticated investors 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 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.

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) 20,000,000 Shares were issued by the Company to institutional and s708A sophisticated investors. None of the s708A sophisticated investors are a related party of the Company;
- (b) the issue price was \$0.18 per Share;
- (c) the funds received were used to expedite evaluation and exploration 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 paragraph 2 of the Notice.

1.4 Directors' 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 24 September 2014, the Company announced that it had appointed Mr. Karl Spaleck as General Manager Operations. Subsequently on 21 October 2014 the Company announced that it had issued and allotted 1,000,000 GM Operations Options to Mr. Spaleck in accordance with his employment terms, as a sign on incentive.

The GM Operations Options were issued without Shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 2 seeks Shareholder ratification of the issue of 1,000,000 GM Operations 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 GM Operations 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 7.5 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) 1,000,000 GM Operations Options were issued by the Company to Mr Karl Spaleck;
 - (b) the GM Operations Options were issued for no cash consideration;
 - (c) the GM Operations Options were issued as part of Mr. Spalecks' employment terms;
 - (d) each GM Operation Option has an exercise price of \$0.30, expire on 17 October 2016 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 paragraph 2 of the Notice.
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2.4 Directors' 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. RESOLUTIONS 3, 4 and 5 – RE-ELECTION OF DIRECTORS**3.1 Introduction**

The Company's Constitution permits the Directors to appoint a person as a Director to fill a casual vacancy or as an addition to the Board. In accordance with the Company's Constitution and Listing Rule 14.4, a Director appointed as an addition to the Board and who is not the Managing Director must not hold office (without re-election) past the next annual general meeting of the Company at which the Director may be re-elected.

Being eligible for re-election, each of Mr Paul Hart, Mr Cameron Bodley and Mr Melkon (Mel) Palancian offers himself for re-election as a Director.

3.2 Paul Hart Biography

Mr. Hart holds a bachelor of commerce with majors in accounting and marketing.

During the past 20 years he has developed a broad knowledge of the Australian stock market gained through managing his own private investment funds. Mr. Harts' expertise is focused on stocks which have a small market capitalisation covering a range of sectors including exploration and mining. For the past five years he has also provided a range of investor relations services to companies and this has included several successful capital raisings. Prior to 2007 he was involved in business development, mergers and acquisitions and strategic planning for a global confectionery company.

3.3 Cameron Bodley Biography

Mr. Bodley has a Bachelor of Commerce, is a Licensed Member of ICAA and a registered Tax Agent.

Over the past 15 years he has worked both in Australia and England in both professional practice and industry, including National Australia Bank Limited, BNP Paribas Bank, Aviva Plc and Moore Stephens, giving him specialised experience in Mining and Investment companies.

Mr. Bodley has been providing accounting, taxation and secretarial services to other ASX listed and unlisted public and private entities for the past 8 years. He is also a member of the Australian Institute of Company Directors.

3.4 Mel Palancian Biography

Mr Palancian has over 20 years' experience in the mining industry and his most recent role was Deputy Operations Director at Newcrest's Gosowong operation in Indonesia. Prior to this, he held a range of senior positions including General Manager Technical Services for MMG, Manager Dugald River Development for OZ Minerals and Principal Adviser Mining for Zinifex.

Mel holds a Bachelor of Engineering (Civil & Computing) from Monash and a Masters in Engineering from RMIT.

Mr Palancian is currently Chief Operating Officer and a Director of the Company.

3.5 Directors' Recommendation

The Directors (except for Mr Hart) recommend that Shareholders vote in favour of Resolution 3 (re-election of Paul Hart).

The Directors (except for Mr Bodley) recommend that Shareholders vote in favour of Resolution 4 (re-election of Cameron Bodley).

The Directors (except for Mr Palancian) recommend that Shareholders vote in favour of Resolution 5 (re-election of Mel Palancian).

4. RESOLUTION 6 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS

Resolution 6 seeks Shareholder approval for the issue of 1,000,000 Director Options to a Director of the Company (or their nominee/s).

4.1 Background

The Company proposes to issue a total of 1,000,000 Director Options to Mr. Mel Palancian (or his respective nominee/s), being a Director of the Company. As a Director, Mr. Palancian is a related party 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. Palancian 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 a Director's remuneration package – it is not to raise capital although funds will be raised by the Company if the Director Options are exercised.

4.2 Company share price

The exercise price of the Director Options exceeds the current Company share price and 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 Director has been determined taking into account the significant contribution that Mr. Palancian 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 Mr. Palancian 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.

Resolution 6 seeks Shareholder approval for the issue of securities to a Director, who is considered a related party 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 a Director 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. Palancian, being the subject of Resolution 6 for the purposes of Chapter 2E of the Corporations Act.

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 Resolution 6:

- (a) the Director Options will be granted to Mr. Mel Palancian, or his respective nominee. Mr Palancian is a Director and a related party of the Company;
- (b) 1,000,000 Director Options to be granted to a Director (being the nature of the financial benefit being provided);
- (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 have an exercise price of \$0.30, an expiry date of 10 December 2016 and are otherwise issued on the terms set out in full in Annexure A;
- (f) Mr. Palancian and his associates have no relevant interest in securities of the Company, as at the date of this Notice;

- (g) Mr Palancian was not appointed by the Company in the financial year ended to 30 June 2014 so no amounts were paid to him in that year. Mr. Palancian was appointed as Chief Operating Officer of the Company on 17 September 2014 and was subsequently appointed as a Director on 17 October 2014. As Chief Operating Officer, Mr. Palancian is entitled to an annual salary of \$200,000 plus superannuation. Consequently, the proposed total amounts to be paid to Mr Palancian for the current financial year ending 30 June 2015 (excluding the value of Options the subject of Resolution 6) is \$173,735 (including \$15,402 superannuation);
- (h) the value of the Director Options, using the pricing methodology set out in Annexure C, is \$190,000;
- (i) if all of the Director Options are granted to Mr. Palancian, then the total number of unlisted Options on issue will increase from 25,318,639 to 26,318,639 Options;
- (j) if all of the Director Options are exercised, then a total of 1,000,000 new Shares would be issued and the individual shareholding of Mr. Palancian would increase from nil to 1,000,000 Shares;
- (k) 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 173,360,616 to 174,360,616 with the effect that the shareholding of existing Shareholders, would be diluted by an aggregate of 0.58%;
- (l) 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;
- (m) 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	\$0.295	9 September 2014
Lowest	\$0.010	31 March 2014
Last	\$0.19	31 October 2014

- (n) the Board considers the grant of Director Options to Mr. Palancian is 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. Palancian for his performance in his respective role as an Executive Director, not to raise capital;
 - (2) the Board considers that the experience and expert knowledge of Mr. Palancian 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 Mr Palancian for his services 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. Palancian 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. Mr. Palancian must contribute his own money to the Company to fund the exercise price of the Director Options, being the amount of \$300,000 should he elect to exercise all of the Director Options issued to him;
- (o) 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;
- (p) the number of Director Options to be issued to the Director has been determined based on factors such as the significant 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. Palancian will ensure that overall Director emoluments remain competitive with market standards; and
- (q) voting exclusion statements in respect of Resolution 6 are included in paragraph 2 of the Notice of Meeting.

4.6 Directors' recommendations

Mr. Palancian 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. Palancian did not vote on the Board resolution to approve the issue of Director Options to him. Mr. Palancian declines to make a recommendation to Shareholders in relation to Resolution 6 given his material personal interest in the outcome of Resolution 6.

Each of Mr. Hart, Mr Bodley and Mr. Garner as Directors of the Company decline to make a recommendation to Shareholders in relation to Resolution 6 due to their potential perceived interest in relation to Resolution 6.

5. RESOLUTION 7 – ADOPTION OF REMUNERATION REPORT

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- a description of the relationship between the Company's remunerations policy and the Company's performance;

- sets out remuneration details for each director and each of the Company's executives named in the Remuneration Report for the financial year ended 30 June 2014.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies are available by contacting the Company's share register or visiting the Company's website www.redriverresources.com.au.

A voting exclusion statement in relation to this Resolution 7 can be found at paragraph 2 of the Notice of Meeting.

6. RESOLUTION 8 – APPROVAL TO INCREASE NON-EXECUTIVE DIRECTOR FEE POOL

6.1 Introduction

Shareholders last approved an increase in the maximum annual aggregate remuneration of Non-executive Directors (**NED Fee Pool**) at the 28 March 2005 Annual General Meeting. At that meeting, a NED Fee Pool of \$100,000 was approved.

The Company has recently transformed itself from a junior explorer to a near term producer and accordingly the skills and expertise to develop, run and steer the Company have broadened. Accordingly, Shareholder approval is sought to increase the NED Fee Pool that may be paid by the Company as remuneration for the services of the Company's Non-executive Directors from \$100,000 to \$200,000 (inclusive of superannuation contributions). If approved, the increase will be divided between Non-executive Directors as the Board determines and will take effect on and from 1 January 2015. The Company does not intend to fully utilise the increase in the near future.

The following matters have been considered in determining the proposed increase:

- (a) by necessity the Company has had to expand the current board skill set given the advancement of the Company from explorer to producer;
- (b) the proposed change in corporate governance framework of the Company, including the establishment of various committees; and
- (c) to create a NED Fee Pool of sufficient flexibility so as to allow the Company to attract and retain quality Non-executive Directors.

The proposed increase in NED Fee Pool does not impact on the remuneration arrangements of the Managing Director and Chief Operating Officer. As Executive Directors of the Company, they do not receive separate directors' fees in addition to the remuneration packages they receive in their senior executive capacity.

6.2 Listing Rule Requirements

The Company is seeking the approval for the increase in the NED Fee Pool pursuant to ASX Listing Rule 10.17, which requires the Company to obtain shareholder approval for any increase in the total amount of remuneration payable to Non-executive Directors. In accordance with the requirements of Listing Rule 10.17, the following information is provided for the purposes of obtaining Shareholder approval for Resolution 8:

- (a) the NED Fee Pool will increase by an amount of \$100,000, from \$100,000 to \$200,000;
-

- (b) if this Resolution 8 is approved, then the maximum aggregate amount of fees that may be paid to all of the Company's non-executive directors is \$200,000;
- (c) the following number of securities were issued to a non-executive director with Shareholder approval under Listing Rule 10.11 or 10.14 during the past 3 years:

Name of Director	Number of securities issued in last 3 years	
	Shares	Options
Mr. Paul Hart	-	3,000,000
Mr. Cameron Bodley	-	3,000,000
Total	-	6,000,000

- (d) a voting exclusion statement is included in paragraph 2 of the Notice.

6.3 Directors' Recommendation

As the Directors have an interest in the outcome of Resolution 8, they consider it would not be appropriate to make a recommendation to Shareholders as to how to vote in relation to Resolution 8.

7. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT FACILITY

7.1 Introduction

Listing Rule 7.1A enables entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$32.9m which is \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 and shown below.

7.2 Listing Rule 7.1A requirements

- (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

- (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Security of the Company. The Company, as at the date of this Notice, has one quoted class of Equity securities on issue, being fully paid ordinary Shares

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula.

$$(A \times D) - E$$

- A** is the number of shares on issue 12 months before the date of issue or agreement;
- i. plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - ii. plus the number of partly paid shares that became fully paid shares in the 12 months;
 - iii. plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entities 15% placement capacity without shareholder approval; and
 - iv. less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are *not* issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entities 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 173,360,616 Shares and therefore has a capacity to issue (assuming Resolutions 1, 2 and 6 are approved).

- i. 26,004,092 Equity Securities under Listing Rule 7.1; and
- ii. 17,336,061 Equity Securities under Listing Rule 7.1A

(e) Minimum issue Price

The actual number of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- i. the date on which the price at which the Equity Securities are to be issued is agreed; or
- ii. if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- i. the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- ii. the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

7.3 Listing Rule 7.1A

The effect of Resolution 9 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 9 is a special resolution and therefore requires approval of 75% of votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney, or in the case of a corporate Shareholder, by a corporate representative).

7.4 Special information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - i. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii. if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - i. the market price for the Company's equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - ii. the Equity Securities may be issued at a price that is at a discount to the market price of the Company's equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities; or

- iii. the Equity Securities may be issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by the issue of the Equity securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable “A” calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- i. two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholders approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placement under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- ii. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable “A” in Listing Rule 7.1A.2		Dilution		
		\$0.095 (50% decrease in Issue Price)	\$0.19 Issue Price	\$0.38 100% increase in Issue Price
Current Variable A 173,360,616 Shares	10% voting dilution	17,336,061 Shares	17,336,061 Shares	17,336,061 Shares
	Funds raised	\$1,646,926	\$3,293,852	\$6,587,703
50% increase in current Variable A 260,040,924 Shares	10% voting dilution	26,004,092 Shares	26,004,092 Shares	26,004,092 Shares
	Funds raised	\$2,470,389	\$4,940,778	\$9,881,092
100% increase in current Variable A 346,741,232 Shares	10% voting dilution	34,674,123 Shares	34,674,123 Shares	34,674,123 Shares
	Funds raised	\$3,294,042	\$6,588,083	\$13,176,167

The table has been prepared on the following assumptions:

- i. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- ii. No Options (including any Option issued under the 10% Placement Facility) are exercised into Shares before the date of issue of the Equity Securities.
- iii. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- iv. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder’s holding at the date of the Meeting.

- v. The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - vi. The use of Equity Securities under the 10% Placement Facility consists only of Shares, If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - vii. The issue price is \$0.19 being the close price of the Shares on ASX on 31 October 2014.
- (c) the Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 9 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature of scale of the activities) or Listing Rule 10.2 (disposal of main undertaking).
- (d) the Company may seek to issue the Equity Securities for the following purposes:
- i. non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - ii. cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such an acquisition), continued exploration and feasibility study expenditure on the Company's Major project being its Southern Region Assets and/or general working capital.
- (e) the Company will comply with the disclosure obligation under Listing Rule 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) the Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including by not limited to the following:
- i. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - ii. the effect of the issue of the Equity Securities on the control of the Company;
 - iii. the financial situation and solvency of the Company; and
 - iv. advice from corporate, financial and brokering advisors (if applicable).
- (g) the allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- Further, if the Company is successful in acquiring new resources, assets or investments, it is likely the allottees under the 10% Placement Facility will be the vendors of the new resources, assets or investments.
- (h) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (i) A voting exclusion statement is included in the Notice of Meeting.

7.5 Directors' Recommendation

The Board unanimously recommends Shareholders who are eligible to do so vote in favour of Resolution 9 as it will provide the Company with further flexibility should any issue of securities be considered desirable in the next 12 months.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

The Chairman intends to vote all available proxies in favour of Resolution 9.

8. RESOLUTION 10 – HOLDING A SPILL MEETING

This Resolution 10 will only be considered at the AGM if at least 25% of the votes cast in Resolution 7 are against adopting the Remuneration Report.

8.1 Background

The Corporations Act was amended in June 2011 to introduce the “two-strikes” rule. The two strikes rule provides that if at least 25% of the votes cast on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on a “spill resolution” (as described below).

At last year's AGM, at least 25% of the votes cast on the resolution to adopt the remuneration report were against the adopting of the report. This constitutes a first strike.

If at least 25% of the votes cast in Resolution 7 are against adopting the remuneration report at the 2014 AGM, then this will constitute a second strike and Resolution 10 will be put to the meeting and voted on as required by section 250V of the Corporations Act (the **Spill Resolution**).

If less than 25% of the votes cast on Resolution 7 are against adopting the Remuneration report at the 2014 AGM then there will be no second strike and Resolution 11 will not be put to the meeting.

If put, the spill resolution will be considered as an ordinary resolution.

If the spill resolution is passed, a further meeting of members must be held within 90 days (the Spill Meeting). Immediately before the end of the spill meeting, each Mr. Paul Hart* and Mr. Cameron Bodley* being the directors (other than the Managing Director and Chief Operating Officer) who approved the last directors' report cease to hold office (the **Relevant Directors**).

*This assumes the director is elected or re-elected at the AGM.

Each Relevant Director is eligible to seek re-election as a director of the Company at the Spill Meeting.

If the Spill Resolution is passed, Members should note that each of the Relevant Directors intends to stand for re-election at the Spill Meeting.

The Spill Resolution has the potential that the entire board (other than the Managing Director and Chief Operating Officer) is removed from office.

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:

"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.

"Constitution" means the constitution of the Company.

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

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

"Director Options" mean the Options to be issued on the terms set out in Annexure A.

"Equity Securities" has the same meaning as in the Listing Rules.

"Executive Directors" means those Directors that perform an executive function for the Company.

"Explanatory Statement" means this Explanatory Statement.

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

"Meeting", **"General Meeting"**, **"Annual General Meeting"** and **"2014 AGM"** means the meeting convened by this Notice.

"NED Fee Pool" means the maximum aggregate amount of fees or remuneration that can be paid to Non-executive Directors.

"Non-executive Directors" means those Directors who are not Executive Directors.

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

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

"Placement Shares" means the 20,000,000 Shares issued to investors by the Company on 30 October 2014.

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

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

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

"Shareholder" and **"Member"** 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.

"Trading Day" has the meaning given in the Listing Rules.

Annexure A – Director Options (Series 4)

TERMS AND CONDITIONS OF DIRECTOR OPTIONS EXPIRING 10 DECEMBER 2016

The terms and conditions of the Director Options (Series 4) are:

- (a) each Option entitles the holder to subscribe for ONE (1) ordinary Share in the Company upon payment of THIRTY (30) cents per Option;
- (b) the Options will lapse at 5.00 pm AEDT on 10 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 THIRTY (30) 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 B – GM Operations Options

TERMS AND CONDITIONS OF GM OPERATIONS OPTIONS EXPIRING 17 OCTOBER 2014

The terms and conditions of the GM Operations Options are:

- (a) each Option entitles the holder to subscribe for ONE (1) ordinary Share in the Company upon payment of THIRTY (30) cents per Option;
- (b) the Options will lapse at 5.00 pm AEDT on 17 October 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 THIRTY (30) 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 C – 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 4
Valuation Date	31 Oct 2014
Option Exercise Price	\$0.30
Share Price (Closing, 31 Oct 2014)	\$0.19
Expiry Date	10 December 2016
Risk Free Rate	3.50%
Volatility	1,900%
Indicated Value Per Option	\$0.19

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.

┌ 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 (AEDT) Monday, 8 December 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 the annual report 24 hours a day, 7 days a week:

www.redriverresources.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I999999999



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

IND

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 Annual 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, 10 December 2014 at 10:00am (AEDT) 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 6, 7, 8 and 10 (except where I/we have indicated a different voting intention below) even though Resolutions 6, 7, 8 and 10 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 10 where the Chairman of the Meeting intends to vote against.

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 6, 7, 8 and 10 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			For	Against	Abstain
Resolution 1	Ratification of Allotment and Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Adoption of Remuneration Report	<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 8	Approval to Increase Non-Executive Director Fee Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Paul Hart as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Mr Cameron Bodley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Holding a Spill Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Mr Melkon (Mel) Palancian as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Approval of Issue of Director Options to Mr Melkon (Mel) Palancian	<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 with the exception of Resolution 10 where the Chairman of the Meeting intends to vote against. 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	Securityholder 2	Securityholder 3
<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____