

# **RED RIVER RESOURCES LIMITED**

**ACN 100 796 754**

## **Notice of Annual General Meeting and Explanatory Memorandum**

Date of Meeting: **27 October 2016**

Time of Meeting: **10 am AEDT**

Place of Meeting: **Institute of Chartered Accountants Australia  
Level 3 Bourke Place  
600 Bourke Street  
MELBOURNE VICTORIA 3000**

# Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the shareholders (**AGM**) of Red River Resources Limited ACN 100 796 754 (**Company**) will be held at the Institute of Chartered Accountants Australia on Level 3 600 Bourke Street Melbourne Victoria on 27 October 2016 at 10 am (AEDT).

Capitalised terms used in this Notice of Meeting and the Explanatory Memorandum have the meaning ascribed to them in the Explanatory Memorandum.

This Notice of Meeting should be read in its entirety, together with the Explanatory Memorandum and the enclosed proxy form.

## **ORDINARY BUSINESS:**

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### **Financial Statements:**

To receive and consider the financial statements and the reports of the Directors' and the Company's auditors for the financial year ended 30 June 2016.

These statements and reports can be viewed in the Company's 2016 Annual Report, which is available at [www.redriverresources.com.au](http://www.redriverresources.com.au).

Note: There is no requirement for Shareholders to approve the financial statements and reports and accordingly no resolution will be put to Shareholders regarding this item of business.

### **1. Resolution 1 – Re-election of Mr Paul Hart as a Director**

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To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

*"That, Mr Paul Hart, who retires by rotation in accordance with clause 11.3 of the Constitution, who is eligible and has offered himself for re-election, be re-elected as a Director of the Company."*

### **2. Resolution 2 – Re-election of Mr Donald Garner as a Director**

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To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

*"That, Mr Donald Garner, who retires by rotation in accordance with clause 11.3 of the Constitution, who is eligible and has offered himself for re-election, be re-elected as a Director of the Company."*

### **3. Resolution 3 – Adoption of Remuneration Report**

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To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

*"That the Company's Remuneration Report for the financial year ended 30 June 2016 be adopted."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 3 by or on behalf of a member of the key management personnel (**KMP**) whose remuneration details are included in the Remuneration Report for the year ended 30 June 2016, or a Closely Related Party of such a person unless the vote is cast as proxy for a person who is entitled to vote on resolution 3 and the vote is:

- (a) cast in accordance with directions on the proxy form specifying how the proxy is to vote; or
- (b) cast by the Chair of the Meeting and the proxy form authorises him to vote as he decides on Resolution 3 even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

# Notice of Annual General Meeting

## 4. Resolution 4 – Ratification of Option Issue to Mr. Karl Spaleck

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 750,000 Options to Mr. Karl Spaleck, which Options are exercisable on or before 30 June 2019 at an exercise price of \$0.12, and otherwise in accordance with the terms set out in the Explanatory Memorandum, be ratified."*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 4 by Mr Karl Spaleck and any Associates of him. However, the Company need not disregard a vote if 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 it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Further, a vote must not be cast on Resolution 4 (and will be taken not to have been cast if cast contrary to this restriction) by a member of the KMP and any Closely Related Party of such a member acting as a proxy, if their appointment does not specify the way the proxy is to vote on the Resolution. However, a member of the KMP or any Closely Related Party of such a member may vote when acting as proxy if the person is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 5. Resolution 5 – Approval of Option Issue to Mr Melkon (Mel) Palancian

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

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of 1,500,000 Options to Mr Melkon (Mel) Palancian, which Options are exercisable on or before 30 June 2019 at an exercise price of \$0.12 and otherwise in accordance with the terms set out in the Explanatory Memorandum, be approved."*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 5 by Mr Mel Palancian and any of his Associates. However, the Company need not disregard a vote if 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 it is cast by the Chair of the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Further, a vote must not be cast on Resolution 5 (and will be taken not to have been cast if cast contrary to this restriction) by a member of the KMP and any Closely Related Party of such a member acting as a proxy, if their appointment does not specify the way the proxy is to vote on the Resolution. However, a member of the KMP or any Closely Related Party of such a member may vote when acting as proxy if the person is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 6. Resolution 6 – Adoption of Performance Rights Plan

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

*"That, for the purposes of exception 9 of Listing Rule 7.2 and for all other purposes, the establishment and operation of a long term incentive plan to be called the **Performance Rights Plan** for the provision of incentives to executive directors, employees and other persons who the Board declares are eligible to receive rights under the Performance Rights Plan, in accordance with the terms set out in the Explanatory Memorandum."*

# Notice of Annual General Meeting

**Voting exclusion:** The Company will disregard any votes cast on Resolution 6 by a Director or any officer, employee or contractor who may be eligible to participate in the Performance Rights Plan and any of their respective Associates. However, the Company need not disregard a vote if 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 it is cast by the Chair of the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Further, a vote must not be cast on this Resolution 6 (and will be taken not to have been cast if cast contrary to this restriction) by a member of the KMP and any Closely Related Party of such a member acting as a proxy, if their appointment does not specify the way the proxy is to vote on this Resolution. However, a member of the KMP or any Closely Related Party of such a member may vote when acting as proxy if the person is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **7. Resolution 7 – Issue of Performance Rights to Mr. Melkon (Mel) Palancian**

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of 1,525,423 Performance Rights to Mr Mel Palancian, a Director of the Company, pursuant to the Performance Rights Plan on the terms set out in the Explanatory Memorandum.”*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 7 by Mr Palancian, any Director of the Company and any of their respective Associates. However, the Company need not disregard a vote if 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 it is cast by the Chair of the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Further, a vote must not be cast on this Resolution 7 (and will be taken not to have been cast if cast contrary to this restriction) by a member of the KMP and any Closely Related Party of such a member acting as a proxy, if their appointment does not specify the way the proxy is to vote on this Resolution 7. However, a member or any Closely Related Party of such a member may vote when acting as proxy if the person is the Chair of the Meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **8. Resolution 8 – Issue of Performance Rights to Mr. Donald Garner**

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of 711,864 Performance Rights to Mr Donald Garner, a Director of the Company, pursuant to the Performance Rights Plan on the terms set out in the Explanatory Memorandum.”*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 8 by Mr Garner, any Director of the Company and any of their respective Associates. However, the Company need not disregard a vote if 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 it is cast by the Chair of the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Further, a vote must not be cast on this Resolution 8 (and will be taken not to have been cast if cast contrary to this restriction) by a member of the KMP and any Closely Related Party of such a member acting as a proxy, if their appointment does not specify the way the proxy is to vote on Resolution 8. However, a member or any Closely Related Party of such a member may vote when acting as proxy if the person is the Chair of the Meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

# Notice of Annual General Meeting

## **SPECIAL BUSINESS:**

### **9. Resolution 9 – Approval of 10% Placement Capacity**

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To consider and, if thought fit, to pass the following resolution as a Special Resolution:

*“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the Company issuing up to 10% of the Equity Securities in the Company in accordance with Listing Rule 7.1A on the terms and conditions set out in the Explanatory Statement accompanying this notice.”*

*Note: At the date of this notice the Company has not approached any existing security holders in relation to the proposed additional 10% placement capacity. Accordingly, no existing shareholder will be excluded from voting under the voting exclusion statement.*

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By order of the Board

Cameron Bodley  
Company Secretary  
Red River Resources Limited  
26 September 2016

# Explanatory Memorandum

The following notes and the Explanatory Memorandum form part of the Notice of Meeting.

## **Voting and Attendance Entitlement**

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The Board has determined that those persons who are registered as holding Shares as at 10:00am (AEDT) on 25 October 2016, will be entitled to attend and vote at the Meeting.

Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

If more than one joint holder of a Share is present at the Meeting (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

## **Action to be Taken by Shareholders**

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A Shareholder who is entitled to attend and vote at the Meeting may appoint a person, who need not be a Shareholder of the Company, as the Shareholder's proxy to attend and vote on behalf of the Shareholder.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If in respect of any of the items of business you do not direct your proxy how to vote, you are directing your proxy to vote as he or she decides.

If you mark the abstain box for a particular item, you are directing your proxy to not vote on your behalf and your Shares will not be counted in computing the required majority in the event of a poll.

For proxies without voting instructions that are exercisable by the Chair of the Meeting, the Chair of the Meeting intends to vote those proxies in favour of the Resolutions. The Chair of the Meeting will be deemed to be appointed where a signed proxy form is returned that does not contain the name of the proxy or where the person appointed on the form is absent from the Meeting.

A proxy form accompanies this Notice of Meeting. Should you wish to appoint a proxy, please complete the proxy form and return it at least 48 hours before the Meeting, being no later than 10.00am AEDT on 25 October 2016 to:

- (a) if by fax: on + 61 3 9473 2555 or 1800 783 447; or
- (b) if by mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
MELBOURNE VIC 3001

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

## **Attorney**

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A Shareholder may appoint an attorney to act on their behalf. Such appointment must be made by a duly executed power of attorney, a copy of which must be provided by the attorney at the point of entry to the Meeting (original or certified copy), together with satisfactory evidence of their identity (name and address etc.).

## **Corporate Representatives**

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A Shareholder which is a corporation may appoint an individual to act as its representative to attend and vote at the Meeting. The appointment must comply with section 250D of the Corporations Act, meaning that Company will require a Certificate of Appointment of Corporate Representative executed in accordance with section 250D of the Corporations Act. The completed certificate should be lodged with Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

## **Polls**

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In the event that a poll is demanded, every Shareholder shall have one vote for every Share registered in their name as at 10.00am (AEDT) on 25 October 2016.

## **Required Majorities**

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Each of Resolutions 1 to 8 are Ordinary Resolutions, requiring a simple majority of the votes cast by Shareholders entitled to vote on them.

Resolution 9 is a Special Resolution, requiring that more than 75% of the votes cast by Shareholders entitled to vote are voted in favour of that Resolution.

## **General**

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All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return the proxy form to the Company in accordance with the instructions set out on the proxy form.

Shareholders, their proxy or Corporate Representatives who plan on attending the Meeting are asked to arrive at the venue at least 30 minutes prior to the time the Meeting is scheduled to commence, so that Shareholders can be checked against the Company's share register, or appointment as proxy, attorney or Corporate Representative can be verified and their attendance noted.

# Explanatory Memorandum

This Explanatory Memorandum contains an explanation of, and information about, the Resolutions to be considered at the Annual General Meeting. Shareholders should read this Explanatory Memorandum in full. This Explanatory Memorandum forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. If you are in any doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Capitalised words used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary section at the end of this Explanatory Memorandum. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

## **Financial Statements**

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In accordance with section 317 of the Corporations Act, the business of an annual general meeting (**AGM**) must include the receipt and consideration of the financial statements and reports required by law for the previous financial year. They are found in the Company's 2016 annual report which is available for Shareholders and can be downloaded from the Company's website [www.redriverresources.com.au](http://www.redriverresources.com.au). If you would like to receive a hard copy of the annual report, free of charge, you can contact the Company's Share Registry on 1800 850 505.

There is no requirement for Shareholders to approve these statements or reports. During this item of business, the Chair of the Meeting will allow a reasonable opportunity to ask questions and make comments on these financial statements and reports. Rothsay Chartered Accountants conducted the audit of the Company for the last financial year and has been invited to attend the Meeting and the Company has been advised that a suitably qualified member of the audit team of Rothsay Chartered Accountants, who conducted the audit of the Company for the last financial year, will attend the meeting.

Shareholders, as a whole, will be allowed a reasonable opportunity at the meeting to ask the auditor's representative questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders who are entitled to vote at the Meeting may submit a written question to the auditor that is relevant to the content of the auditor's report to be considered at the meeting or the conduct of the audit of the annual financial report to be considered at the meeting. Written questions may be submitted by giving them to the Company. Questions must be submitted no later than the fifth business day before the meeting is held. Shareholders can use the form accompanying this notice of meeting.

## **Resolution 1 and 2 – Re-election of Mr Paul Hart and Mr Donald Garner**

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Clause 11.3 of the Constitution provides that at each AGM, one-third of the Directors must retire. Directors who retire from office in this manner are eligible for re-election.

Mr Garner and Mr Hart have served as directors since their election on 31 March 2014 and have both offered themselves for re-election.

Details of both candidates are set out below.

A description of Mr Hart's experience, qualifications and competencies is as follows:

Mr. Hart holds a Bachelor of Commerce with majors in accounting and marketing.

# Explanatory Memorandum

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. Hart's 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.

A description of Mr Garner's experience, qualifications and competencies follows:

Mr Garner is a qualified geologist (BSc (Hons)) with over fifteen years' experience in the resource industry, corporate finance and corporate development roles.

Mr Garner has a strong track record in the identification and acquisition of resource projects, recently being responsible for New Age Exploration's (ASX: NAE) Lochinvar coking coal project and Sirius Minerals Plc (LSE:SXX) York Potash project.

He previously worked in a corporate development role at Zinifex, and prior to that worked in metals and mining corporate finance in the United Kingdom.

Mr Garner worked as a geologist in Western Australia in a number of roles, both as an exploration geologist and a mine geologist and also worked as an exploration geologist in Myanmar.

The Directors other than Mr Hart recommend that you vote in favour of Resolution 1. The Directors other than Mr Garner recommend you vote in favour of Resolution 2.

## **Resolution 3 – Adoption of Remuneration Report**

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At the AGM, there will be a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report. The Remuneration Report is included in the annual report and appears on pages 20 to 26 of the annual report.

The Remuneration Report sets out the Company's remuneration arrangements for its non-executive directors, executive director and senior executives.

The law requires that a resolution, that the remuneration report be adopted, be put to the vote at the Company's annual general meeting. The vote on the resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders should also note that in accordance with the "two strikes rule", the result of the vote on this item may affect next year's annual general meeting – if 25% or more of the votes cast on this resolution are "against", a "spill resolution" will be included in the 2017 notice of annual general meeting as required by the Corporations Act.

A "spill resolution" is a resolution proposing that an extraordinary general meeting of shareholders be called to consider the election of directors. If 25% or more of the votes cast on the remuneration resolution at the 2016 annual general meeting are against the remuneration resolution, shareholders would then be required to consider the "spill resolution". If 50% or more of the votes cast on the spill resolution are "for", a further separate "spill meeting" would need to be held within 90 days.

The Company received more than 97% of "yes" votes on its remuneration report for the 2015 financial year.

The Directors recommend that Shareholders vote in favour of Resolution 3.



# Explanatory Memorandum

## **Resolution 4 – Ratification of Option Issue to Mr. Karl Spaleck**

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Resolution 4 seeks to ratify the issue of 750,000 Options to Mr Karl Spaleck, who is the Company's General Manager of Operations.

Broadly, Listing Rule 7.1 provides that, unless an exception applies, the prior approval of Shareholders is required for an issue of Equity Securities if the Equity Securities will, subject to certain exceptions, together with the number of all other Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 provides that an issue of Equity Securities made without prior shareholder approval is treated as having been made with shareholder approval for the purpose of Listing Rule 7.1 if the issue did not breach the Listing Rules at the time of issue and the company's shareholders subsequently ratify that issue.

The 750,000 Options were issued to Mr Spaleck for the purpose of remuneration and were initially issued within the Company's 15% placement capacity contained in Listing Rule 7.1 (**15% Placement Capacity**).

Accordingly, Resolution 4 seeks Shareholder ratification of the issue of Options for the purpose of Listing Rule 7.4.

If Resolution 4 is passed, the Company will be able to raise further funds by issuing up to the maximum of the 15% Placement Capacity set out in Listing Rule 7.1, without the need to obtain the prior approval of Shareholders.

If Resolution 4 is not passed, the Options issued to Mr Spaleck will be deducted from the Company's 15% Placement Capacity in accordance with the Listing Rules, reducing the Company's ability to raise further funds through the issue of Equity Securities in the future, without first obtaining Shareholder approval.

For the purposes of Listing Rule 7.5, the Company provides the following additional information in respect of Resolution 4:

<b>Issue Price</b>	<p>The Options were issued as part of Mr Spaleck's remuneration and as an incentive for future performance. As such, they were issued free of charge.</p> <p>The exercise price per Option, which is required to be paid to receive Shares on the exercise of the Options, is \$0.12 cents per Option.</p> <p>No loans have been or will be provided as part of the issue of Options.</p>
<b>Terms of the securities</b>	<p>Each Option entitles the holder to receive one Share on exercise, which Shares will rank equally with all other Shares then on issue as at the relevant date of exercise.</p> <p>The Options were granted on the following key terms:</p> <ul style="list-style-type: none"><li>• 50% vest if the share price is above \$0.25 for 5 consecutive trading days but in any event not before 1 July 2017;</li><li>• 50% vest if the share price is above \$0.30 for 5 consecutive trading days but in any event not before 1 July 2018;</li><li>• Expiry of 30 June 2019;</li><li>• If you cease employment with the Company prior to the Options vesting, any unvested Options will be forfeited;</li></ul>

# Explanatory Memorandum

	<ul style="list-style-type: none"> <li>• If you cease employment with the Company any vested and unexercised Options will have one month after the date of leaving to be exercised or they will be forfeited;</li> <li>• The Options are not transferrable;</li> <li>• The Options will be unlisted; and</li> <li>• The Options automatically vest if a Change of Control Event occurs before these dates.</li> </ul>
<b>Names of allottees</b>	Mr Karl Spaleck.
<b>Use of funds</b>	If the full 750,000 Options are exercised, an amount (based on \$0.12 per Option) of \$90,000 will be raised. This amount will be put towards the Company's general working capital requirements and exploration and/or development activities at the relevant time.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

However, as outlined in the voting exclusion statement for this Resolution, as Mr Spaleck is a member of the KMP, the Directors and any of their Closely Related Parties will be precluded from voting the Shares that they own or control in respect of this Resolution 4.

## **Resolution 5 - Approval of Option Issue to Mr Melkon (Mel) Palancian**

Resolution 5 seeks Shareholder approval for the Company to issue Options to Mr Mel Palancian, the Company's Managing Director.

Specifically, Listing Rule 10.11.1 provides that the Company must not issue, or agree to issue, Equity Securities to a Director or any of their Associates, without the approval of shareholders.

Accordingly, Resolution 5 seeks Shareholder approval for the Company to issue 1,500,000 Options to Mr Mel Palancian.

For the purposes of Listing Rule 10.13 the Company provides the following additional information:

<b>Issue date and Exercise Period</b>	<p>The Options will be issued as soon as practicable following the Meeting and, in any event, no later than one (1) month after the Meeting.</p> <p>The Options may be exercised, subject to the vesting conditions, at any time on or before 30 June 2019.</p>
<b>Issue and exercise price</b>	<p>The Options are being issued as part of Mr Palancian's remuneration and as an incentive for future performance. As such, they will be issued free of charge.</p> <p>The exercise price per Option, which is required to be paid to receive Shares on the exercise of the Options, is \$0.12 cents per Option.</p>
<b>Terms of the securities</b>	<p>Each Option entitles the holder to receive one Share on exercise, which Shares will rank equally with all other Shares then on issue as at the relevant date of issue.</p> <p>The Options are to be granted on the following key terms:</p> <ul style="list-style-type: none"> <li>• 50% vest if the share price is above \$0.25 for 5 consecutive trading days but in any event not before 1 July 2017;</li> <li>• 50% vest if the share price is above \$0.30 for 5 consecutive trading days but in any event not before 1 July 2018;</li> </ul>

# Explanatory Memorandum

	<ul style="list-style-type: none"> <li>• Expiry of 30 June 2019;</li> <li>• If you cease employment with the Company prior to the Options vesting, any unvested Options will be forfeited;</li> <li>• If you cease employment with the Company any vested and unexercised Options will have one month after the date of leaving to be exercised or they will be forfeited;</li> <li>• The Options are not transferrable;</li> <li>• The Options will be unlisted; and</li> <li>• The Options automatically vest if a Change of Control Event occurs before these dates.</li> </ul>
<p><b>Use of funds</b></p>	<p>If the full 1,500,000 Options are exercised, an amount (based on \$0.12 per Option) of \$180,000 will be raised. This amount will be put towards the Company's general working capital requirements and exploration and/ or development activities at the relevant time.</p>

The Directors other than Mr Palancian recommend that you vote in favour of Resolution 5.

## **Resolution 6 – Adoption of Performance Rights Plan**

The Company intends to adopt a performance rights plan, to enable the Company to issue performance rights, being contractual rights to acquire Shares subject to the satisfaction of certain conditions (**Performance Rights**), to eligible employees, officers and senior consultants to assist in the attraction, retention and motivation of those persons (**Performance Rights Plan**).

A summary of the material terms of the proposed Performance Rights Plan is contained in Annexure A to this Explanatory Memorandum.

Shareholder approval for the issue of Performance Rights pursuant to the Performance Rights Plan is now being sought for the reasons set out below.

### **Listing Rules**

As noted elsewhere in this Explanatory Memorandum, ASX Listing Rule 7.1 prohibits, subject to certain qualified exceptions, the Company from issuing Equity Securities in excess of the 15% Placement Capacity, unless prior Shareholder approval is obtained.

ASX Listing Rule 7.2, however, provides that the general prohibition contained in Listing Rule 7.1 does not apply to any Performance Rights issued in accordance with the Performance Rights Plan, if, in the 3 years before the date of the relevant issue, Shareholders have approved the issue of Performance Rights under the Performance Rights Plan as an exception to Listing Rule 7.1.

Accordingly, Resolution 6 seeks Shareholder approval for the issue of Performance Rights pursuant to the Performance Rights Plan as an exception to Listing Rule 7.1.

If Resolution 6 is passed, any Performance Rights issued in accordance with the Performance Rights Plan during the three years following the passing of the Resolution will not be counted towards the Company's 15% Placement Capacity when calculating how many Equity Securities can be issued in the absence of Shareholder approval.

### **Corporations Act**

The Corporations Act restricts the Company from giving certain "benefits" to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on ceasing their employment with the Company (**Termination Benefits**), in the absence of prior shareholder approval unless an exemption applies.

The term "benefit" is defined broadly in the Corporations Act and includes benefits arising from the Board exercising its discretion under the rules of the Performance Rights Plan.

Accordingly, Resolution 6 also seeks Shareholder approval, for the Company to provide these Termination Benefits to participants in the Performance Rights Plan.

# Explanatory Memorandum

Specifically, Shareholder approval is being sought to enable the Board to exercise certain discretions under the Performance Rights Plan, including the discretion to determine to waive some or all of the exercise conditions attaching to Options issued to a participant, where a participant ceases to be employed or engaged by the Company, including as a result of redundancy, resignation, death, or the termination of their employment or engagement (where they are a contractor) for cause.

This approval is being sought in respect of any current or future participant in the Performance Rights Plan, and the Termination Benefits that may arise if and when any participants cease to be engaged by the Company.

Except as provided for, and subject to the passing of, Resolutions 7 and 8, no other Director will participate in the Performance Rights Plan unless separate Shareholder approval is first obtained.

For the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and section 200E of the Corporations Act), the following information is provided in respect of Resolution 6.

<p><b>Prior issue of Performance Rights pursuant to the Performance Rights Plan</b></p>	<p>As at the date of this Notice of Meeting, the Company has not made any issues of Performance Rights under the Performance Rights Plan.</p>
<p><b>Terms of Performance Rights</b></p>	<p>A summary of the terms of the Performance Rights Plan is set out in Annexure A.</p>
<p><b>Explanation of the termination benefits</b></p>	<p>The Performance Rights Plan contains provisions setting out the treatment of unexercised Performance Rights, including the Board's discretion to waive any exercise conditions attaching to those Performance Rights in the event of cessation of engagement by the Company arising from, among other things, redundancy, resignation, death, termination of employment for cause or becomes permanently disabled.</p> <p>As noted above, the exercise of these discretions by the Board will constitute a "benefit" for the purposes of the restrictions contained in the Corporations Act's regarding Termination Benefits.</p>
<p><b>Value of the termination benefits</b></p>	<p>Various matters will or are likely to affect that value of the Termination Benefits that the Board may give under the Performance Rights Plan and, therefore the value of the Termination Benefits cannot be determined in advance.</p> <p>The value of a particular benefit resulting from the exercise of the Board's discretion under the Performance Rights Plan will depend on factors such as the Company's share price at the time of the exercise of this discretion and the number of Performance Rights that the Board decides to waive the exercise conditions in respect of. Some of the factors that may affect the value of the Termination Benefits are as follows:</p> <ul style="list-style-type: none"> <li>(a) the nature and extent of any exercise conditions waived by the Board;</li> <li>(b) the number of exercise conditions that have been satisfied at the time that the Board exercises this discretion; and</li> <li>(c) the number of unexercised Performance Rights that the participant holds at the time that this discretion is exercised.</li> </ul>

As it is proposed that Mr Palancian and Mr Garner will receive Performance Rights pursuant to the Performance Rights Plan, subject to the passing of Resolutions 7 and 8, Mr Palancian and Mr Garner does not make any voting recommendation to Shareholders as to how to vote on Resolution 6.

# Explanatory Memorandum

The Directors other than Mr Palancian and Mr Garner recommend that Shareholders vote in favour of Resolution 6 and advise that they intend to vote the Shares they own or control in favour of it.

## **Resolutions 7 and 8 – Issue of Performance Rights to Mr Palancian and Mr Garner**

Resolution 6 seeks Shareholder approval for the Company to issue Performance Rights in accordance with the terms of the Performance Rights Plan.

Among those persons initially intended to be issued Performance Rights in accordance with the Performance Rights Plan is Mr Mel Palancian and Mr Donald Garner, the Company's Managing Director and Executive Director.

However, Listing Rule 10.14 provides that a director may not acquire securities under an employee incentive scheme without the approval of shareholders.

Accordingly, Resolutions 7 and 8 seek Shareholder approval for the Company to issue Performance Rights to Mr Palancian and Mr Garner, respectively, in accordance with the Performance Rights Plan.

A summary of the terms of the Performance Rights Plan is set out in Annexure A. The specific terms that will apply to the issue of Performance Rights to Mr Palancian and Mr Garner are set out below.

For the purposes of Listing Rule 10.15, the following information is provided in respect of Resolutions 7 and 8:

	<b>Resolution 5</b>	<b>Resolution 6</b>
<b>Proposed allottee</b>	Mr Mel Palancian	Mr Donald Garner
<b>Maximum number of securities to be issued</b>	1,525,423 Performance Rights	711,864 Performance Rights
<b>Issue date and Exercise Period</b>	<p>The Performance Rights will be issued as soon as practicable following the Meeting and, in any event, will be issued no later than twelve (12) months after the Meeting.</p> <p>The Performance Rights may be exercised within 30 days after the end of the respective Vesting Dates, subject to the satisfaction of the Vesting conditions. Vesting Dates are 1 July 2017, 1 July 2018 and 1 July 2019.</p>	
<b>Issue and exercise price</b>	<p>The Performance Rights are being issued as part of Mr Palancian's and Mr Garner's remuneration and as an incentive for future performance. As such, they will be issued free of charge.</p> <p>The exercise price per Performance Rights, which is required to be paid to receive Shares on the exercise of the Rights, is \$0.00 cents per Performance Rights.</p> <p>There is no loan associated with the issue of Performance Rights.</p>	
<b>Details of Directors or their associates who previously received Performance Rights under the Performance Rights Plan</b>	<p>As at the date of this Notice of Meeting, the Company has not made any issues of Performance Rights under the Performance Rights Plan.</p>	

# Explanatory Memorandum

<p><b>Names of persons referred to in Listing Rule 10.14 that are entitled to participate in the Option Plan</b></p>	<p>Each of Mr Palancian and Mr Garner, together with any other Director that may be appointed from time to time, are entitled to participate in the Performance Rights Plan.</p> <p>However, as Shareholder approval is not currently being sought, and has not previously been obtained, for the issue of Performance Rights to any other Director other than Mr Palancian and Mr Garner, no Performance Rights will be issued to any other Director that may be appointed in the future unless Shareholder approval is separately sought and obtained for the issue of such Performance Rights pursuant to Listing Rule 10.14.</p>
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## Additional Disclosure

To assist Shareholders in considering the proposed Resolutions, the Company also provides the following additional information in respect of Resolutions 7 and 8:

	<b>Resolution 7</b>	<b>Resolution 8</b>
<b>Proposed allottee</b>	Mr Mel Palancian	Mr Donald Garner
<b>Maximum number of securities to be issued</b>	1,525,423 Performance Rights	711,864 Performance Rights
<b>Use of funds</b>	<p>If the full 1,525,423 Performance Rights are exercised, an amount (based on \$0.00 per Performance Right) of \$0.00 will be raised. This amount will be put towards the Company's general working capital requirements and exploration and/ or activities at the relevant time.</p>	<p>If the full 711,864 Performance Rights are exercised, an amount (based on \$0.00 per Performance Right) of \$0.00 will be raised. This amount will be put towards the Company's general working capital requirements and exploration and/ or development activities at the relevant time.</p>
<b>Why are Performance Rights proposed to be issued</b>	<p>In the Company's circumstances as they existed as at the date of this Explanatory Memorandum, the Directors consider that the Performance Rights provide a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased remuneration).</p> <p>However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could issue Equity Securities to a third party.</p> <p>The opportunity costs and benefits foregone by the Company by issuing the Performance Rights to Mr Palancian and Mr Garner is the potentially dilutionary impact on the issued share capital of the Company (in the event that the Performance Rights vest/ are exercised). Until exercised, the issue of the Performance Rights will not impact upon the number of ordinary shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused with the issue of Shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of an experienced and skilled Director on appropriate incentive terms.</p> <p>It is also considered that the potential increase of value in the Performance Rights is dependent upon a concomitant increase in the value of the Company generally.</p>	

# Explanatory Memorandum

<p><b>Why the number of Performance Rights was Chosen</b></p>	<p>The number of Performance Rights was chosen following commercial negotiations between the Company and Mr Palancian and Mr Garner, for the purpose of providing a cost effective means of incentivising Mr Palancian and Mr Garner to increase Shareholder value through the development of the Thalanga Project and the Company's other projects.</p> <p>The Board determined that by offering Mr Palancian and Mr Garner the Performance Rights, together with his remuneration package, this would assist the Company in securing the services of Mr Palancian and Mr Garner.</p>
<p><b>Directors' interest in the outcome</b></p>	<p>Other than the interests that each of Mr Palancian and Mr Garner have in receiving Performance Rights pursuant to Resolutions 7 and 8, respectively, no Director has any interest in the outcome of Resolutions 7 and 8.</p>
<p><b>Valuation of the Performance Rights</b></p>	<p>The Performance Rights are not currently quoted on the ASX and as such have no market value. The Performance Rights each grant the holder thereof a right of grant of one ordinary share in the Company upon exercise of the Performance Right. Accordingly, the Performance Rights may have a present value at the date of their grant.</p> <p>The Performance Rights may acquire future value dependent upon the extent to which the shares exceed the exercise price of the Performance Rights during the term of the Performance Rights.</p> <p>As a general proposition, performance rights to acquire ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:</p> <ul style="list-style-type: none"> <li>(a) the period outstanding before the expiry date of the Performance Right</li> <li>(b) the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;</li> <li>(c) the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (ie whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);</li> <li>(d) the value of the shares into which the options may be converted; and</li> <li>(e) whether or not the options are listed (ie readily capable of being liquidated).</li> </ul> <p>There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model option valuation formula).</p> <p>The Company has applied a Monte Carlo Model, which is one of the most widely used and recognised models for pricing options. The value of an option calculated by the Monte Carlo Model is a function of the relationship between a number of variables, being the share price, the exercise price, the time to expiry, the risk free interest rate and the volatility of the company's underlying share price.</p> <p>Inherent in the application of the Monte Carlo Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Monte Carlo Model was:</p> <ul style="list-style-type: none"> <li>(f) the exercise price of the Performance Rights being \$0.00 cents;</li> </ul>

## Explanatory Memorandum

	<p>(g) an assumed Share price at the date the Performance Rights are granted of \$0.18 cents, being the Share price as at the date of valuation on 15 September 2016);</p> <p>(h) an expiry dates of 1 July 2017, 1 July 2018 and 1 July 2019;</p> <p>(i) a volatility measure of 100%;</p> <p>(j) a risk-free interest rate of 3.25%; and</p> <p>(k) a dividend yield of nil.</p> <p>Based on this information, the Company has adopted an indicative value for each Performance Right of 19.57 cents for Expiry 1 July 2017, 21.48 cents for Expiry 1 July 2018 and 22.39 cents for Expiry 1 July 2019.</p> <p>On that basis, the respective value of the Performance Rights to be issued pursuant to Resolutions 7 and 8 are as follows:</p> <p>(a) \$322,576</p> <p>(b) \$150,535</p> <p><b>TOTAL \$473,111</b></p> <p>The Performance Rights valuation noted above assumes a market price of the Shares on the date of issue of \$0.18 cents per Share, being the market value of the Shares as at the date that the valuation was prepared on 15 September 2016. Since the date of the valuation the Share price has dropped to \$0.17 cents per Share (as at 21 September 2016) and there is a possibility that the market price of the Shares on the date of issue of the Performance Rights will be different to the assumed price of \$0.18 used for the valuation.</p>		
<p><b>Disclosure of total remuneration package</b></p>	<p>As noted above, the Performance Rights are proposed to be issued to Mr Palancian and Mr Garner as a means of providing cost effective remuneration and incentives for his agreement to remain in their roles as Managing Director and Executive Director, respectively.</p>		
	<p>Excluding the Performance Rights proposed to be issued as per Resolution 7, Mr Palancian currently receives remuneration of \$219,000 per annum (inclusive of superannuation) from the Company for his services as Managing Director.</p>	<p>Excluding the Performance Rights proposed to be issued as per Resolution 8, Mr Garner currently receives remuneration of \$158,775 per annum (inclusive of superannuation) from the Company for his services as an Executive Director.</p>	
<p><b>Existing interest in the Company</b></p>	<p>The current Relevant Interests (i.e. before Resolutions 7 and 8 are approved) of Mr Palancian and Mr Garner in the securities of the Company are set out below:</p>		
	<b>Related Party</b>	<b>Shares</b>	<b>Options</b>
	<b>Mr Mel Palancian</b>	375,000	50,000 @ \$0.15 Ex 14/12/2017 1,000,000 @ \$0.30 Ex 10/12/2016
	<b>Mr Donald Garner</b>	7,594,930	1,500,000 @ \$0.15 Ex 31/12/2016



## Explanatory Memorandum

<p><b>Dilutionary effect of the issue of the Performance Rights</b></p>	<p>If all of the Performance Rights that are proposed to be issued to Mr Palancian and Mr Garner pursuant to Resolutions 7 and 8 are granted and are subsequently exercised (and assuming that no other options or shares are issued prior to the exercise of the Performance Rights), the following will be the dilutionary effect on the current issued capital of the Company:</p>				
	<p><b>Allottee/Other Shareholders</b></p>	<p><b>Current Share Holding</b></p>	<p><b>% of Total Share Capital (304,032,629 Shares on issue)</b></p>	<p><b>Number of Shares upon Exercise of all Performance Rights</b></p>	<p><b>% of Total Share Capital (306,269,916 Shares on Issue)</b></p>
	<p><b>Mr Palancian</b></p>	<p>375,000</p>	<p>0.12%</p>	<p>1,900,423</p>	<p>0.62%</p>
	<p><b>Mr Garner</b></p>	<p>7,594,930</p>	<p>2.50%</p>	<p>8,306,794</p>	<p>2.71%</p>
	<p><b>Other Shareholders</b></p>	<p>296,062,699</p>	<p>97.38%</p>	<p>296,062,699</p>	<p>96.67%</p>
<p><b>Total</b></p>	<p>304,032,629</p>	<p>100.00%</p>	<p>306,269,916</p>	<p>100.00%</p>	
<p><b>Taxation Consequences</b></p>	<p>No stamp duty will be payable in respect of the grant of the Performance Rights. No GST will be payable by the Company in respect of the grant of the Performance Rights (or if it is then it will be recoverable as an input credit).</p> <p>AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.</p>				
<p><b>Trading History</b></p>	<p>A table of the trading history of the Shares for the preceding 12 month period is as follows:</p>				
	<p>Closing Price on 21 September 2016 being the day prior to the approval of this Notice of Meeting</p>	<p style="text-align: right;">\$0.17</p>			
	<p>12 month VWAP (prior to and including 21 September 2016)</p>	<p style="text-align: right;">\$0.17</p>			
	<p>12-month high (prior to and including 15 August 2016)</p>	<p style="text-align: right;">\$0.27</p>			
<p>12-month low (prior to and including 25 November 2015)</p>	<p style="text-align: right;">\$0.08</p>				

# Explanatory Memorandum

## Performance Conditions

The number of Rights which may vest in any given year is subject to three Performance Conditions, namely the Company's share price performance, growth in resources and growth in reserves as set out below.

The Performance Conditions operate independently in so far as satisfaction of each Performance Condition will vest a pre-determined proportion of the overall number of Rights capable of vesting on each Vesting Date. Any Rights capable of vesting on a Vesting Date which do not vest because of a failure to satisfy one or more Performance Conditions shall lapse on the Vesting Date.

### *Total Shareholder Return – 50% of the Rights capable of vesting on each Vesting Date*

The Company's share price performance condition is the share price performance as compared to the Comparator Group of Companies\*. The Company share price performance for each of the three years commencing 1 July 2016 to 30 June each year will be compared to Comparator Group of Companies movement for the same 12 months over the three-year period.

#### \*Comparator Group of Companies

Heron Resources (HRR)	Venturex Resources (VXR)
KGL Resources (KGL)	Terramin Australia (TZN)
ROX Resources (ROX)	Energia Minerals (EMX)
Ironbark Zinc (IBG)	Consolidated Zinc (CZL)
PNX Metals (PNX)	Variscan Mines (VAR)

The level of performance required for each level of vesting and the percentage vesting associated with each level of performance are set out in the table below.

<b>RVR ranking versus Comparator Group of Companies</b>	<b>% of Maximum Award</b>
Below the 50 <sup>th</sup> percentile	0% vest
Between the 50 <sup>th</sup> and 75 <sup>th</sup> percentile	50% - 100% vest (on a pro-rata basis)
At or above the 75 <sup>th</sup> percentile	100% vest

In addition to each level of performance set out in the above table, the Board reserves its right to deem the share price performance condition as being met, in the event that the Company's share price at 30 June in a particular year is below the company's share price on 1 July of the preceding year.

### *Grow Resources at Thalanga – 25% of the Rights capable of vesting on each Vesting Date*

<b>Resource increase</b>	<b>% of Maximum Award</b>
<ul style="list-style-type: none"> <li>Increase Resources by &gt;20%</li> </ul>	100% vest
<ul style="list-style-type: none"> <li>Increase Resources by &gt;0%&lt;20%</li> </ul>	0% - 100% vest (on a pro-rata basis)
<ul style="list-style-type: none"> <li>Increase Resources by 0%</li> </ul>	0% vest

# Explanatory Memorandum

Grow Reserves at Thalanga – 25% of the Rights capable of vesting on each Vesting Date

Reserves increase	% of Maximum Award
<ul style="list-style-type: none"><li>Increase Reserves by &gt;20%</li></ul>	100% vest
<ul style="list-style-type: none"><li>Increase Reserves by &gt;0%&lt;20%</li></ul>	0% - 100% vest (on a pro-rata basis)
<ul style="list-style-type: none"><li>Increase Reserves by 0%</li></ul>	0% vest

## Service Condition

To satisfy the service condition, Mr Palancian and Mrs Garner must be employed by RVR or a subsidiary of RVR on the date of the grant and remain employed on the third anniversary of the date of the grant. If their employment is terminated prior to satisfaction of the service condition any unvested Rights issued pursuant to this Offer Document shall be forfeited, unless the Board determines otherwise in accordance with clause 3.2 of the Schedule to the Rules.

The number of Rights which will vest on each vesting dates is 1/3, subject to the Performance and Services Conditions.

Details of any Performance Rights issued under the Performance Rights Plan will be published in each annual report of the Company relating to a period in which securities have been issued, and where appropriate, confirmation that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

Any additional persons for whom Shareholder approval is required under Listing Rule 10.14 who become entitled to participate in the Performance Rights Plan after the passing of Resolutions 7 and 8 and who were not named in this Notice of Meeting will not participate until Shareholder approval is obtained under Listing Rule 10.14.

As it is proposed that Mr Palancian and Mr Garner will receive Performance Rights pursuant to the Performance Rights Plan, subject to the passing of Resolutions 7 and 8, Mr Palancian and Mr Garner do not make any voting recommendation to Shareholders as to how to vote on Resolutions 7 and 8.

The Directors, other than Mr Palancian and Mr Garner, recommend that Shareholders vote in favour of Resolutions 7 and 8.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by the proposed Resolutions 7 and 8.

## Resolutions 9 – Additional Placement Capacity

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Listing Rule 7.1 requires Shareholder approval for an issue of Equity Securities in the Company if that issue will, when aggregated with all other issues during the previous 12 months, exceeds 15% of the number of Equity Securities on issue at the commencement of that 12-month period.

In accordance with Listing Rule 7.1A, eligible entities may seek shareholder approval at their AGM to issue a further 10% of their issued share capital in addition to the 15% capacity set out in ASX Listing Rule 7.1 (**10% Share Placement Capacity**).

# Explanatory Memorandum

An eligible entity for the purpose of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. At the date of this Notice, the Company is an eligible entity.

Any issue of securities under ASX Listing Rule 7.1A:

- (a) must be in the same class as an existing quoted class of the Company's equity securities;
- (b) may be issued at a maximum of 25% discount to the current market price; and
- (c) must be calculated in accordance with the formula prescribed by ASX Listing Rule 7.1A.2.

Resolution 9 seeks Shareholder approval for the Company to have the ability to issue securities under the 10% Share Placement Capacity. The approval of Resolution 9 will provide the Company with even greater flexibility to issue Equity Securities in addition to the 15% capacity set out in ASX Listing Rule 7.1 without a further requirement to obtain prior Shareholder approval.

## **Technical information required by Listing Rule 7.3A**

		Dilution when compared with the current issued share capital	Hypothetical issue price of shares issued under the 10% Share Placement Capacity		
			\$0.09 50% decrease in Issue Price	\$0.18 per share	\$0.36 100% increase in Issue Price
<b>Issued share capital</b>	Current issued share capital	10% dilution	30,403,263 shares	30,403,263 shares	330,403,263 shares
	304,032,629	Funds raised	\$2,736,294	\$5,472,587	\$10,945,175
	50% increase in issued share capital	10% dilution	45,604,894 shares	45,604,894 shares	45,604,894 shares
	456,048,944	Funds raised	\$4,104,440	\$8,208,881	\$16,417,762
	100% increase in issued share capital	10% dilution	60,806,526 shares	60,806,526 shares	60,806,526 shares
	608,068,258	Funds raised	\$5,472,587	\$10,945,175	\$21,890,349

Note: the table above has been prepared on the following assumptions:

1. The Issue Price of \$0.18 is based on the closing price of Shares on 15 September 2016;
2. The current issued share capital has been calculated in accordance with the formula in Listing Rule 7.1A.2;
3. The Company issues the maximum number of securities available under the 10% Share Placement Capacity;
4. No options are exercised prior to the date of issue of any shares under the 10% Share Placement Capacity;
5. The table shows the effect of issues of the Company's equity securities under the 10% Share Placement Capacity, not under the Company's 15% placement capacity under Listing Rule 7.1; and
6. The table does not show an example of dilution that may occur to any particular Shareholder due to any placements under the 10% Share Placement Capacity.

# Explanatory Memorandum

## **Potential risk of economic and voting dilution**

If Resolution 9 is approved by Shareholders and securities are issued under the 10% Share Placement Capacity, the interests of existing Shareholders who do not participate in the issue will be diluted.

Shareholders should note that in such circumstances, as with any time in the market, there is a risk that:

- (a) the market price for equity securities issued under the 10% Share Placement Capacity may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date, which may have an effect on the amount of funds raised by the issue of the equity securities.

## **Timing of potential issues**

If Shareholders approve Resolution 9, securities may be issued under the 10% Share Placement Capacity during the period commencing on the date of the Meeting and ending on the first to occur of:

- (a) 12 months after the date of the Meeting; and
- (b) the date of Shareholder approval for any transaction under Listing Rules 11.1.2 (significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

The approval under Listing Rules 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.

## **Purpose of potential issue**

Shares may be issued under the 10% Share Placement Capacity for the following purposes:

- (a) non-cash consideration for the acquisition of new resources assets and other investments. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with ASX Listing Rule 7.1A.3; or
- (b) cash consideration. If this occurs, the Company intends to use the funds raised to continue exploration and development of the Company's current assets, cover general working capital requirements and/or, if appropriate, acquire new assets or investments.

The Company will comply with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon any issue of shares under the 10% Share Placement Capacity.

## **Allocation policy under the 10% Share Placement Capacity**

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue under the 10% Share Placement Capacity.

Potential allottees of securities under the 10% Share Placement Capacity will be determined on a case-by-case basis, having regard to factors which may include:

- (a) the methods of raising funds which are available to the Company, including the time and market exposure associated with the various methods of raising capital applicable at the time of the raising;
- (b) the effect of any such issue on the control of the Company;

# Explanatory Memorandum

- (c) the financial situation of the Company; and
- (d) advice from corporate, financial and broking advisers.

As at the date of this Notice, no allottees for a placement under the 10% Share Placement Capacity have been determined. They may, however, include, as well as any existing Shareholders, substantial Shareholders and/or new Shareholders who are not Related Parties or Associates of a Related Party of the Company.

## **Prior shareholder approval**

The Company sought and received Shareholder approval under Listing Rule 7.1A at the last AGM held on 14 December 2015.

A total of 115,934,370 Equity Securities, including Shares and Options, were issued in the 12 months preceding the date of the AGM. This represented 48.88% of the total number of Equity Securities on issue at the start of the 12-month period.

Details of all equity issues over the 12 months preceding the date of the Annual General Meeting are outlined below:

- (a) On 22 December 2015, the Company issued 1,347,633 ordinary shares to applicants of the Company Share Purchase Plan at \$0.105 per share. The proceeds have been used on exploration, development and general working capital requirements of the Company;
- (b) In accordance with the Resolutions 14, 15 and 16 passed by Shareholders at the AGM held on 14 December 2015, on 22 December 2015, the Company issued 238,096 ordinary shares to Mrs July Fletcher (an associate of Mr Brett Fletcher), 1,000,000 ordinary shares to Buprestid Pty Ltd (an associate of Mr Mark Hanlon) and 100,000 ordinary shares to Mr Mel Palancian. All shares were issued at \$0.105 per share and all proceeds have been used on exploration, development and general working capital requirements of the Company;
- (c) In accordance with the Resolutions 14, 15 and 16 passed by Shareholders at the AGM held on 14 December 2015, on 22 December 2015, the Company issued 119,048 options to Mrs July Fletcher (an associate of Mr Brett Fletcher), 500,000 options to Buprestid Pty Ltd (an associate of Mr Mark Hanlon) and 50,000 options to Mr Mel Palancian. All options were issued with an Exercise Price of \$0.15 per share and an Expiry of 16 December 2017. The options were issued for nil consideration;
- (d) In accordance with the Resolution 13 passed by Shareholders at the AGM held on 14 December 2015, on 22 December 2015, the Company issued 6,000,000 Options to the JLM (and or their associates) with an Exercise Price of \$0.15 and an Expiry of 16 December 2017. The options were issued for nil consideration;
- (e) In accordance with the Resolution 11 passed by Shareholders at the AGM held on 14 December 2015, on 22 December 2015, the Company issued 17,828,515 Options to the s708A sophisticated investors who participated in the Share Placement on 2 November 2015, with an Exercise Price of \$0.15 and an Expiry of 16 December 2017. The options were issued for nil consideration;
- (f) In accordance with the Resolution 12 passed by Shareholders at the AGM held on 14 December 2015, on 9 February 2016, the Company issued 673,815 Options which were offered under the Prospectus dated 13 November 2015, to the participants of the Company Share Purchase Plan. Options were issued with an Exercise Price of \$0.15 and an Expiry of 16 December 2017. The options were issued for nil consideration;

## Explanatory Memorandum

- (g) On 3 May 2016, the Company issued 750,000 ordinary shares on exercise of 750,000 options at \$0.10 by OTB Capital Pty Ltd. The proceeds have been used on exploration, development and general working capital requirements of the Company;
- (h) On 9 June 2016, the Company issued 9,524 ordinary shares on exercise of 9,524 options at \$0.15 by Mr Keith Charles Hamilton & Mrs Christine Anne Hamilton. The proceeds have been used on exploration, development and general working capital requirements of the Company;
- (i) On 17 June 2016, the Company issued 3,050,000 ordinary shares on exercise of 1,500,000 options at \$0.10 by Oska Nominees Pty Ltd, 500,000 options at \$0.10 by Mr Peter David Sheppard and Mrs Sharon Fay Sheppard, 1,000,000 options at \$0.10 by Cappig Finance Pty Ltd and 50,000 options at \$0.10 by Mr Bradley James Hill. The proceeds are to be used on exploration, development and general working capital requirements of the Company;
- (j) On 27 July 2016, the Company issued 55,295,895 ordinary shares to institutional investors, and strategic, professional, and sophisticated investors at \$0.12 per share. The proceeds are to be used on exploration, development and general working capital requirements of the Company;
- (k) On 5 August 2016, the Company issued 1,000,000 ordinary shares on exercise of 500,000 options at \$0.10 by Rucking Investments Pty Ltd and 500,000 options at \$0.15 by Banskyn Pty Ltd. The proceeds are to be used on exploration, development and general working capital requirements of the Company;
- (l) On 15 August 2016, the Company issued 2,137,500 ordinary shares on exercise of 337,500 options at \$0.15 by Jetosea Pty Ltd, 50,000 at \$0.15 by Dolphin Capital Partners Pty Ltd, 250,000 options at \$0.15 by Dungowan Assets Pty Ltd and 1,500,000 options at \$0.15 by BT Portfolio Services Pty Ltd. The proceeds are to be used on exploration, development and general working capital requirements of the Company;
- (m) On 17 August 2016, the Company issued 2,500,000 ordinary shares on exercise of 500,000 options at \$0.15 by Mr Andrew Loddington Hall and 2,000,000 options at \$0.10 by Oska Nominees Pty Ltd. The proceeds are to be used on exploration, development and general working capital requirements of the Company;
- (n) On 23 August 2016, the Company issued 171,429 ordinary shares on exercise of 50,000 options at \$0.15 by Morshead Pty Ltd, 71,429 options at \$0.15 by Mr Sean Doheny and 50,000 options at \$0.15 by Dolphin Partners Pty Ltd. The proceeds are to be used on exploration, development and general working capital requirements of the Company;
- (o) On 26 August 2016, the Company issued 150,000 ordinary shares on exercise of 150,000 options at \$0.15 by Westglade Pty Ltd. The proceeds are to be used on exploration, development and general working capital requirements of the Company;
- (p) On 2 September 2016, the Company issued 719,500 ordinary shares on exercise of 100,000 options at \$0.15 by Tromso Pty Ltd, 143,000 options at \$0.15 by Mandolin Nominees Pty Ltd, 190,500 options at \$0.15 by Mr Ian Michael Paterson Parker and Mrs Catriona Sylvia Parker, 143,000 options at \$0.15 by KHE Sanh Pty Ltd and 143,000 options at \$0.15 by Project Contracting Pty Ltd. The proceeds are to be used on exploration, development and general working capital requirements of the Company;
- (q) On 7 September 2016, the Company issued 19,679,015 ordinary shares to institutional investors, and strategic, professional, and sophisticated investors at \$0.12 per share. The proceeds are to be used on exploration, development and general working capital requirements of the Company;

# Explanatory Memorandum

- (r) On 22 September 2016, the Company issued 1,195,262 ordinary shares on exercise of 1,000,000 options at \$0.10 by Oska Nominees Pty Ltd, 4,762 options at \$0.15 by Mr Andrew Leo Morgan and 190,500 options at \$0.15 by Mr Jonathan George Edgar. The proceeds have been used on exploration, development and general working capital requirements of the Company;
- (s) On 23 September 2016, the Company issued 750,000 Options to Mr Karl Spaleck (and or his associates) with an Exercise Price of \$0.12 and an Expiry of 30 June 2019. The options were issued for nil consideration;

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Cameron Bodley (Company Secretary):

Red River Resources Limited

Level 6 350 Collins Street

MELBOURNE VIC 3000

Ph: +61 3 9095 7775



# Explanatory Memorandum

## Glossary

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**AGM** means an annual general meeting of the Company.

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means ASX Limited (ABN 98 008 624 691).

**Board** means the board of Directors of the Company.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

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

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

**Director** means a director of the Company as at the date of this Explanatory Memorandum.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means this explanatory memorandum that accompanies, and forms part of, the Notice of Meeting.

**General Meeting** or **Meeting** means the general meeting of the Company to be convened by the Notice of Meeting.

**JLM** means Joint Lead Manager, including JLM 1, JLM 2 and JLM 3.

**JLM1** means Hartley's Limited ACN 104 195 057

**JLM2** means Triple C Consulting Pty Ltd ACN 141 412 106

**JLM3** means Foster Stockbroking Pty Limited ACN 088 747 148

**Key Management Personnel** or KMP has the meaning given to that term in the Corporations Act.

**Listing Rules** means the listing rules of the ASX.

**Notice of Meeting** means the notice convening the general meeting of shareholders that accompanies this Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes at a general meeting of Shareholder.

**Performance Rights Plan** means the Company's employee and officer performance rights plan as summarised in Annexure A to this Notice of Meeting.

**Related Party** has the meaning given to that term in the Corporations Act.

**Remuneration Report** has the meaning given to that term in the Corporations Act.

**Resolution** means a resolution referred to in this Notice.

**Shareholder** means a holder of a Share.

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

# Explanatory Memorandum

## Annexure A – Performance Rights Plan Summary

The objective of the Plan is to provide an incentive to key employees of RVR to drive continuing improvement in RVR's performance and to provide those employees with the opportunity to acquire an ownership interest in RVR.

### 1. Eligibility

The Board may issue Performance Rights to any director, senior executive, or other employee (full or part time). The Board must have regard to the Employee's contribution to the business, the length of the period of employment of the Employee, the Employee's potential contribution to the business, and any other matters the Board considers relevant. Performance Rights may be held by the Employee directly, or by any entity nominated by the Employee.

### 2. Performance Conditions

The Board may make vesting of Performance Rights conditional upon Performance Conditions, and the Board may also waive any existing Performance Conditions if they see fit, subject to the Listing Rules and the law.

### 3. Maximum Number of Performance Rights

The Board will ensure that the number of Performance Rights offered to Employees over a 3-year period does not exceed 5% of the Company's issued Shares, unless that issue does not require disclosure in reliance on another exception to the Corporations Act or is made pursuant to a prospectus.

### 4. Entitlement

Each Performance Right entitles the holder to one fully-paid Ordinary Share, which shall rank equally with all other fully paid shares on and from the date of issue.

### 5. Vesting

A Performance Right vests when the Board determines that the applicable Performance Conditions have been wholly or partially satisfied, or are waived.

### 6. Exercise

Performance Rights are exercised automatically upon vesting and the Company must issue the corresponding Shares within 30 days.

### 7. Lapse

Performance Rights will lapse upon any of the following events:

- 7.1 the Expiry Date is reached and the Performance Conditions are not satisfied;
- 7.2 the Performance Rights are transferred or an attempt is made to transfer them to another entity, without the approval of the Board;
- 7.3 an Employee voluntarily resigns;
- 7.4 an Employee's employment is terminated because of death, total and permanent disability, bona fide redundancy, or any other matter approved by the Board, unless the Board deems some or all of the unvested Performance Rights to vest;

# Explanatory Memorandum

- 7.5 the Employee's employment is terminated because of fraud, dishonesty, breach of obligations, or otherwise for cause; and
- 7.6 a date is reached which is six months after an event described in paragraph 8 below.

## **8. Change of control and reconstruction**

Notwithstanding the other conditions, the Board may declare that some or all unvested Performance Rights vest if any of the following circumstances arise:

- 8.1 a Change of Control event has occurred, or is likely to occur, and the Board considers that the Employee's pro-rata performance is satisfactory, which includes:
  - (a) an offeror acquiring voting power of greater than 50% in the Company where, prior to a takeover bid, they held less than 50%;
  - (b) shareholders approve a compromise or arrangement pursuant to section 411 of the Corporations Act; or
  - (c) there is a selective capital reduction approved by Shareholders that results in a shareholder acquiring voting power of greater than 50% in the Company where they previously held less than 50%;
- 8.2 any person or corporation has a Relevant Interest in more than 90% of the Shares, and the Board considers that the Employee's pro-rata performance is satisfactory;
- 8.3 the Company is wound up, voluntarily or by order, or the Company otherwise disposes of its main undertaking; or
- 8.4 if there is any internal reconstruction, reorganisation, or acquisition of the Company which is not any of the above events.


## **9. Transfer**


Performance Rights may only be transferred with the consent of the Board, except where required by the law because of death or bankruptcy. Shares granted from Performance Rights may only be transferred with the consent of the Board if there is a period of restraint attached to their issue, until that period of restraint has expired.



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

## Lodge your vote:

 **Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

 **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](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

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



 **For your vote to be effective it must be received by 10:00am (AEDT) Tuesday, 25 October 2016**

### 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 for Postal Forms

**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](http://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.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

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

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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 on Level 3, 600 Bourke Street, Melbourne, Victoria on Thursday, 27 October 2016 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 3 to 8 (except where I/we have indicated a different voting intention below) even though Resolutions 3 to 8 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 3 to 8 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	Re-election of Mr Paul Hart as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Donald Garner as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Option Issue to Mr. Karl Spaleck	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Option Issue to Mr Melkon (Mel) Palancian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Performance Rights to Mr. Melkon (Mel) Palancian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Performance Rights to Mr. Donald Garner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of 10% Placement Capacity	<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 / /