

Red River Resources Limited
Annual General Meeting 27th October 2016
Chairman's Address

Dear Fellow Shareholder,

I am pleased to be chairing the Red River Resources Annual General Meeting for 2016.

The past year has been another productive one for our Company as we continue to develop the Thalanga Zinc Project in central Queensland and work towards our goal of becoming Australia's only listed mid-tier zinc producer.

The Thalanga Zinc Project incorporates a 650,000tpa polymetallic processing plant, capable of producing separate copper, lead and zinc concentrates and associated infrastructure (office, workshop facilities, tailings storage facility and borefield) which is currently on active care and maintenance.

The Project is exceptionally well located, being approximately 65km West of the regional centre of Charters Towers by sealed road. Charters Towers has a long history of mining, with gold first being discovered in the area in 1871. We intend to run the Project as a residential site, with the majority of our workforce being recruited from Charters Tower and the surrounding region.

Red River controls more than 400km² of highly prospective ground in the Mt Windsor Volcanic Belt, and this ground contains at least five known deposits with known base metal resources (West 45, Thalanga Far West, Orient, Liontown and Waterloo).

During the past 12 months, Red River has focused on advancing the Thalanga Zinc Project towards a production restart, and continuing exploration and resource definition drilling activities, to extend the Project mine life through the discovery of additional resources.

A highly encouraging Re-Start Study was completed in October 2015, demonstrating that the Project could be in commercial production within six months of an investment decision. Initial restart capital expenditure is estimated at just \$17.2 million, and the Project offers an initial operational life of at least five years from three underground operations at a C1 cash cost of US\$0.18 per pound of zinc, making it highly viable.

We completed a resource definition drilling program at Thalanga Far West. All seven holes drilled by Red River (TH670-TH676) into the Far West Up Dip Extension Zone intersected high-grade massive and semi-massive sulphide mineralization. The successful drilling program translated into a 42 per cent increase in the Mineral Resource Estimate for Far West, which is now 1.6 million tonnes at 14.9 per cent Zinc Equivalent, and a 49 per cent increase in contained metal to 245,000 tonnes of Zinc Equivalent for the deposit.

Red River increased regional exploration activity with implementation of a high impact exploration strategy that was announced in late 2015. Drilling was undertaken at a number of targets including Truncheon and Liontown East, and target generation work continued, with the reprocessing and revaluation of historical exploration data plus the generation of new targets through mapping, geochemical sampling and geophysical surveying.

Investor interest in the Company is high, with a capital raising completed post year-end that was well supported, demonstrating the belief that Red River has attracted and the confidence from the market that we can reach our goals and achieve producer status. The placement, which raised \$8.9 million, attracted a number of domestic and international institutions as well as receiving strong support from existing Shareholders, and I thank all those on our register for your continued belief in our strategy.

The funds raised will enable Red River to take material steps in restarting production at Thalanga with the commencement of long lead-time work at the Thalanga Processing Plant. We will also embark on a further drilling program aimed at converting Inferred Resources to Indicated Resources in the Far West Upper Zone plus seeking to continue to increase the Far West Mineral Resource. The high impact exploration program will continue, with drill programs planned at multiple targets and new geophysical surveys planned.

The last period of sustained base metal exploration activity within the Mt Windsor Volcanic Belt took place in the mid-1990s, resulting in the discovery of the West 45 and Orient deposits. Exploration techniques have advanced substantially over the past two decades, and we will continue to apply modern, innovative exploration techniques, to enable us to discover the next generation of deposits within this highly prospective Belt.

The zinc price is obviously an important metric to consider in the development of Thalanga, and it has been pleasing to see the metal trading at such favourable levels in recent months. The consensus amongst forecasters and analysts is that this trend will continue, and we believe it will, allowing an investment decision to be made in regards to restarting production at the Thalanga Zinc Project.

I would like to take this opportunity to thank all that have contributed to the success of Red River over the past year – our employees, contractors, suppliers and shareholders. I would also like to acknowledge the support we receive from the local and regional communities in the Charters Towers area, which is key to us succeeding in our goal to restart production.

Red River now enters FY 2017 with a healthy cash balance and with the Thalanga Zinc Project positioned as the only Australian zinc project capable of restarting production in the next 12 months. The coming year looks to be an exciting one for our Company and I look forward to sharing that journey with you all.

Brett Fletcher