

# **RED RIVER RESOURCES LIMITED**

**ACN 100 796 754**

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

Date of Meeting: **Thursday 25 October 2018**

Time of Meeting: **10:30 am AEDT**

Place of Meeting: **RSM Australia  
Level 21  
55 Collins Street  
MELBOURNE VICTORIA 3000**



# Notice of Annual General Meeting

Notice is given that the annual general meeting of the holders of the ordinary shares in Red River Resources Limited ACN 100 796 754 (**Company**) (**Shareholders**) will be held at the office of RSM Australia Level 21 55 Collins Street, Melbourne, Victoria on Thursday, 25 October 2018 at 10:30 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. All references to sums of money, '\$' and 'dollars' are references to Australian currency.

## **ORDINARY BUSINESS:**

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### **Financial Statements:**

To receive and consider the financial statements and the reports of the Company's directors and the Company's auditors for the financial year ended 30 June 2018.

These statements and reports can be viewed in the Company's 2018 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. Brett Fletcher as a Director**

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

*"That, Mr. Brett Fletcher, who retires by rotation in accordance with clause 11.3 of the Company's 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 Company's 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 2018 be adopted."*

**Voting Exclusion Statement:** The Company will disregard any votes cast (in any capacity) on Resolution 3 by, or on behalf of, a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the Company's Remuneration Report for the year ended 30 June 2018, 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 does not specify the way to vote and expressly authorises the Chair to vote as they decide even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

# Notice of General Meeting

## **SPECIAL BUSINESS:**

### **4. Resolution 4 – Issue of Performance Rights to Mr. Melkon (Mel) Palancian**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of 704,777 Performance Rights to Mr. Mel Palancian, a Director of the Company, pursuant to the Company's Performance Rights Plan and the terms set out in the Explanatory Memorandum, be approved.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of Resolution 4 by any director of the Company and any of their 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 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 this Resolution 4. 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 KMP.

### **5. Resolution 5 – Issue of Performance Rights to Mr. Donald Garner**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of 328,896 Performance Rights to Mr. Donald Garner, a Director of the Company, pursuant to the Performance Rights Plan and the terms set out in the Explanatory Memorandum, be approved.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of Resolution 5 by any director of the Company and any of their 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 Resolution 5. 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 KMP.

# Notice of General Meeting

## **6. Resolution 6 – Approval of 10% Placement Capacity**

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 of Meeting, 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.

By order of the Board



Cameron Bodley  
Company Secretary  
Red River Resources Limited  
21 September 2018

# 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 7:00 pm (AEDT) on Monday 22 October 2018, 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 Company's Share 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 10:30 am (AEDT) on Tuesday 23 October 2018 to:

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

(b) if by mail:

Computershare Investor Services Pty Ltd  
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 7:00 pm (AEDT) on Tuesday 23 October 2018.

## **Required Majorities**

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Each of Resolutions 1 to 5 are Ordinary Resolutions, requiring a simple majority of the votes cast by Shareholders entitled to vote on them.

Resolution 6 is a Special Resolution, requiring that more than 75% of the votes cast by Shareholders entitled to vote are cast in favour of that Resolution.

# Explanatory Memorandum

## **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 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.

## **Financial Statements**

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Section 317 of the Corporations Act requires that the business of an annual general meeting (**AGM**) include the receipt and consideration of the financial statements and reports the Company is required to prepare by law for the previous financial year. Those statements and reports are found in the Company's 2018 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 provide Shareholders with 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, will attend the Meeting.

Shareholders, as a whole, will also be provided 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 also submit written questions to the auditor that are 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's Company Secretary. Questions must be submitted no later than the fifth Business Day before the Meeting is held.

## **Resolutions 1 and 2 – Re-election of Mr. Brett Fletcher and Mr. Donald Garner**

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

Mr. Fletcher and Mr. Garner have served as directors of the Company since their election on 1 May 2015 and 31 March 2014 respectively, and have both offered themselves for re-election.

Details of both candidates are set out below.

# Explanatory Memorandum

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

Mr Fletcher, a qualified Mining Engineer (University of NSW, 1989), brings over 25 years experience in the metals and mining industry to Red River. His experience within the Australian base metal mining and smelting sector is without equal, where he has held multiple senior management and executive roles including Manager UG Operations Broken Hill Zinc Lead Mine, General Manager Rosebery Copper Lead Zinc Mine, General Manager Century Zinc Mine and General Manager Hobart Zinc Smelter, and from 2007 to 2011 was the Chief Operating Officer of Zinifex/OZ Minerals and then MMG. From 2011 to 2014 he was Executive General Manager PNG Operations at Newcrest where he was responsible for the Morobe Mining JV, Gosowong and Lihir. Recently he was appointed CEO of Capricorn Copper Pty Ltd.

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

Mr Garner is a qualified geologist (BSc (Hons)) with over seventeen 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. Fletcher 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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The Chair of the Meeting will provide Shareholders with a reasonable opportunity to ask questions about, or make comments on, the Company's Remuneration Report for the financial year ending 30 June 2018. The Remuneration Report is included in the Company's 2018 Annual Report and appears on pages 22 to 31 of that report.

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

The Corporations Act 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 Resolution 3 is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of Resolution 3 into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders should note that, in accordance with the "two strikes rules" of the Corporations Act, the outcome of voting on Resolution 3 may also affect next year's annual general meeting.

Specifically, if 25% or more of the votes cast on Resolution 3 are cast "against", a "spill resolution" will be included in the 2019 notice of annual general meeting as required by the Corporations Act, being a resolution that an extraordinary general meeting of Shareholders be called to consider the election of Directors.

This means that if:

- (a) 25% or more of the votes cast on Resolution 3 are cast "against"; **AND**
- (b) 25% or more of the votes cast in respect of the adoption of the Remuneration Report at the 2019 annual general meeting are cast "against",

# Explanatory Memorandum

then a resolution will be put to Shareholders at the 2019 annual general meeting (the “**spill resolution**”) that the Company convene a further meeting of Shareholders (within 90 days), at the end of which meeting the existing Directors (other than the managing director) will cease to hold office.

More than 86% of the votes cast on the Company's Remuneration Report for the 2017 financial year were cast in favour of the relevant resolution.

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

## **Resolutions 4 and 5 - Issue of Performance Rights to Mr. Palancian and Mr. Garner**

Resolutions 4 and 5 seek Shareholder approval for the Company to issue Performance Rights, in accordance with the terms of the Company's Performance Rights Plan, to Mr. Mel Palancian and Mr. Donald Garner, the Company's Managing Director and Executive Director.

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

Accordingly, Resolutions 4 and 5 seek Shareholder approval for the Company to issue Performance Rights to Mr Palancian and Mr Garner, respectively, in accordance with the Company's Performance Rights Plan.

For the purposes of Listing Rule 10.15, the following information is provided in respect of Resolutions 4 and 5:

|   | <b>Resolution 4</b>   | <b>Resolution 5</b>        |
|---|---|----------------------------|
| <b><i>Proposed allottee</i></b>   | Mr Mel Palancian  | Mr Donald Garner           |
| <b><i>Maximum number of securities to be issued</i></b>   | 704,777 Performance Rights  | 328,896 Performance Rights |
| <b><i>Issue date and Exercise Period</i></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 will automatically exercise within 3 days after the end of the Vesting Date, subject to the satisfaction of the Vesting conditions. Vesting Date is 28 October 2021.</p>                      |                            |
| <b><i>Issue and exercise price</i></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 for no cost.</p> <p>No exercise price is payable for the exercise of Performance Rights.</p> <p>There is no loan associated with the issue of Performance Rights.</p>  |                            |
| <b><i>Details of Directors or their Associates who previously received Performance Rights under the Performance Rights Plan</i></b> | <p>As at the date of this Notice of Meeting, the Company has previously issued the following Performance Rights to directors and their Associates under the Performance Rights Plan.</p> <p>2,382,566 Performance Rights (2017 issue: 1,525,423 &amp; 2018 issue: 857,143) to Mr. Palancian; and</p> <p>1,111,864 Performance Rights (2017 issue: 711,864 &amp; 2018 issue: 400,000) to Mr. Garner.</p> |                            |

## Explanatory Memorandum

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| <p><b><i>Names of persons referred to in Listing Rule 10.14 that are entitled to participate in the Performance Rights Plan</i></b></p> | <p>Each of Mr. Palancian and Mr. Garner, together with any other Director that may be appointed from time to time, or currently a Director of the Company, 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 4 and 5:

|  | <b>Resolution 4</b>   | <b>Resolution 5</b>        |
|--|---|----------------------------|
| <b><i>Proposed allottee</i></b>                                | Mr Mel Palancian  | Mr Donald Garner           |
| <b><i>Maximum number of securities to be issued</i></b>        | 704,777 Performance Rights  | 328,896 Performance Rights |
| <b><i>Use of funds</i></b>                                     | No funds will be raised through the issue of Performance Rights.  |                            |
| <b><i>Why are Performance Rights proposed to be issued</i></b> | <p>The Directors consider that the Performance Rights provide a cost-effective and efficient incentive that aligns with the interests of Shareholders, 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 experienced and skilled Directors on appropriate incentive terms.</p> <p>It is also considered that the conditions attached to the Performance Rights, which will determine whether how many (and if at all) the Performance Rights vest/ exercise, is dependent upon a concomitant increase in the value of the Company generally.</p> |                            |

## Explanatory Memorandum

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| <p><b><i>Why the number of Performance Rights was Chosen</i></b></p> | <p>The number of Performance Rights was determined by the Company's Directors (other than Mr. Palancian and Mr. Garner), on the recommendation of the Company's Remuneration Committee, 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 Directors (other than Mr. Palancian and Mr. Garner), determined that by offering Mr. Palancian and Mr. Garner the Performance Rights, together with their remuneration package, this would assist the Company in securing the services of Mr. Palancian and Mr. Garner.</p>   |
| <p><b><i>Directors' interest in the outcome</i></b></p>              | <p>Other than the interests that each of Mr. Palancian and Mr. Garner have in receiving Performance Rights pursuant to Resolutions 4 and 5, respectively, no Director has any interest in the outcome of Resolutions 4 and 5.</p>  |
| <p><b><i>Valuation of the Performance Rights</i></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 to receive one Share upon exercise of the Performance Right. Accordingly, the Performance Rights may have a present value at the date of their grant.</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 Performance Rights including things such as:</p> <ol style="list-style-type: none"> <li>1. the period outstanding before the expiry date of the Performance Right;</li> <li>2. the exercise price of the Performance Rights relative to the underlying price or value of the securities into which they may be converted;</li> <li>3. 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 Performance Rights represent a controlling or other significant interest);</li> <li>4. the value of the Shares into which the Performance Rights may be converted; and</li> <li>5. whether or not the Performance Rights are listed (i.e. readily capable of being liquidated).</li> </ol> <p>There are various formulae which can be applied to determining the theoretical value of Performance Rights (including the formula known as the Binomial Model valuation formula).</p> <p>The Company has applied the Binomial Model, which is one of the most widely used and recognised models for pricing Performance Rights. The value of a Performance Right calculated by the Binomial 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 Binomial Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Binomial Model was:</p> |

# Explanatory Memorandum

|  | <ol style="list-style-type: none"> <li>1. the exercise price of the Performance Rights, being \$0.00 cents;</li> <li>2. an assumed Share price at the date the Performance Rights are granted of \$0.21 cents, being the Share price as at the date of valuation on 20 September 2018);</li> <li>3. an expiry/ vesting date of 31 October 2021 (3 years);</li> <li>4. a volatility measure of 85%;</li> <li>5. a risk-free interest rate of 2.14%; and</li> <li>6. a dividend yield of nil.</li> </ol> <p>Based on this information, the Company has adopted an indicative value for each Performance Right of 18.06 cents for Expiry 31 October 2021. The calculation value remains subject to audit and update at the time of Grant for statutory reporting purposes.</p> <p>On that basis, the respective value of the Performance Rights to be issued pursuant to Resolutions 4 and 5 are as follows:</p> <p>(a) Resolution 4: \$127,291</p> <p>(b) Resolution 5: \$59,402</p> <p><b>TOTAL \$186,693</b></p> <p>The Performance Rights valuation noted above assumes a market price of the Shares on the date of issue of \$0.21 cents per Share, being the market value of the Shares as at the date that the valuation was prepared on 20 September 2018.</p>  |  |                                     |               |        |                    |         |                         |         |  |                                     |                         |           |  |   |
|--|--|--|-------------------------------------|---------------|--------|--------------------|---------|-------------------------|---------|--|-------------------------------------|-------------------------|-----------|--|---|
| <b><i>Existing interest in the Company</i></b> | <p>The current interests (i.e. before Resolutions 4 and 5 are approved) of Mr. Palancian and Mr. Garner in the Equity Securities of the Company are set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #cccccc;"> <th style="text-align: center;">Related Party</th> <th style="text-align: center;">Shares</th> <th style="text-align: center;">Performance Rights</th> <th style="text-align: center;">Options</th> </tr> </thead> <tbody> <tr> <td style="background-color: #cccccc;"><b>Mr Mel Palancian</b></td> <td style="text-align: center; vertical-align: top;">445,000</td> <td style="text-align: center; vertical-align: top;">                     1,525,423<br/>                     Performance Rights<br/>                     (2017) Ex 1/07/2019<br/><br/>                     857,143<br/>                     Performance Rights<br/>                     (2018) Ex 1/07/2020                 </td> <td style="text-align: center; vertical-align: top;">                     1,500,000 @ \$0.12 Ex<br/>                     30/06/2019                 </td> </tr> <tr> <td style="background-color: #cccccc;"><b>Mr Donald Garner</b></td> <td style="text-align: center; vertical-align: top;">7,594,930</td> <td style="text-align: center; vertical-align: top;">                     711,864<br/>                     Performance Rights<br/>                     (2017) Ex 1/07/2019<br/><br/>                     400,000<br/>                     Performance Rights<br/>                     (2018) Ex 1/07/2020                 </td> <td style="text-align: center; vertical-align: top;">-</td> </tr> </tbody> </table> |  |                                     | Related Party | Shares | Performance Rights | Options | <b>Mr Mel Palancian</b> | 445,000 | 1,525,423<br>Performance Rights<br>(2017) Ex 1/07/2019<br><br>857,143<br>Performance Rights<br>(2018) Ex 1/07/2020 | 1,500,000 @ \$0.12 Ex<br>30/06/2019 | <b>Mr Donald Garner</b> | 7,594,930 | 711,864<br>Performance Rights<br>(2017) Ex 1/07/2019<br><br>400,000<br>Performance Rights<br>(2018) Ex 1/07/2020 | - |
| Related Party                                  | Shares   | Performance Rights   | Options                             |               |        |                    |         |                         |         |  |                                     |                         |           |  |   |
| <b>Mr Mel Palancian</b>                        | 445,000  | 1,525,423<br>Performance Rights<br>(2017) Ex 1/07/2019<br><br>857,143<br>Performance Rights<br>(2018) Ex 1/07/2020 | 1,500,000 @ \$0.12 Ex<br>30/06/2019 |               |        |                    |         |                         |         |  |                                     |                         |           |  |   |
| <b>Mr Donald Garner</b>                        | 7,594,930  | 711,864<br>Performance Rights<br>(2017) Ex 1/07/2019<br><br>400,000<br>Performance Rights<br>(2018) Ex 1/07/2020   | -                                   |               |        |                    |         |                         |         |  |                                     |                         |           |  |   |

## Explanatory Memorandum

| <b><i>Dilutionary effect of the issue of the Performance Rights</i></b> | If all of the Performance Rights that are proposed to be issued to Mr. Palancian and Mr. Garner pursuant to Resolutions 4 and 5 are granted and are subsequently exercised (and assuming that no other Equity Securities 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: |                       |   |  |   |
|---|--|-----------------------|---|--|---|
|   | Allottee/Other Shareholders  | Current Share Holding | % of Total Share Capital<br>(489,932,000 Shares on issue) | Number of Shares upon Exercise of all Performance Rights | % of Total Share Capital<br>(490,965,673 Shares on Issue) |
|   | <b>Mr Palancian</b>  | 445,000               | 0.09%   | 1,149,777  | 0.23%   |
|   | <b>Mr Garner</b>   | 7,594,930             | 1.55%   | 7,923,826  | 1.61%   |
|   | <b>Other Shareholders</b>  | 481,892,070           | 98.36%  | 481,892,070  | 98.15%  |
|   | <b>Total</b>   | 489,932,000           | 100.00%   | 490,965,673  | 100.00%   |
| <b><i>Trading History</i></b>   | A table of the trading history of the Shares for the preceding 12 month period is as follows:  |                       |   |  |   |
|   | Closing Price on 20 September 2018 being the day prior to the approval of this Notice of Meeting   |                       |   | \$0.20   |   |
|   | 12-month VWAP<br>(prior to and including 23 September 2018)  |                       |   | \$0.274  |   |
|   | 12-month high<br>(prior to and including 23 September 2017)  |                       |   | \$0.41   |   |
|   | 12-month low<br>(prior to and including 23 September 2017)   |                       |   | \$0.175  |   |

### **Performance Conditions – 2019 Grant**

The Performance Rights will automatically convert to Shares on 31 October 2021 (**Vesting Date**), subject to satisfaction of the four performance conditions summarised below (**Performance Conditions**).

Specifically, one third of the Performance Rights that count towards the Total Shareholder Return element of the Plan to be issued to each of Mr. Garner and Mr. Palancian have been allocated to each of the financial years ending 30 June 2019, 30 June 2020 and 30 June 2021 (**Performance Period**) and will be tested against the Performance Conditions following the end of the relevant Performance Period. The remaining Performance Rights will be allocated equally against the Resources and Reserves Performance Conditions and are tested at the end of the 30 June 2021 Performance Period to determine the number of Performance Rights that will be eligible to vest, subject to Mr. Garner and Mr. Palancian (as applicable) remaining employed by the Company or an Associated Body Corporate on the Vesting Date (the **Service Condition**).

# Explanatory Memorandum

Other than in respect of the Service Condition, the Performance Conditions operate independently in so far as satisfaction of each Performance Condition will give rise to a pre-determined proportion of the overall number of Rights becoming eligible for vesting – subject to satisfaction of the Service Condition.

Any Rights that become ineligible for vesting, or do not vest, because of a failure to satisfy one or more Performance Conditions shall lapse.

The Performance Conditions are as follows:

**(a) Share Price Performance Condition**

50% of the Performance Rights are subject to a comparative Share price Performance Condition. For this Performance Condition, the percentage of Performance Rights that will become eligible for vesting will be determined by comparing the Company's Share price performance against the share price performance of a Comparator Group of Companies\* during each of the Performance Periods, as follows:

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

\*Comparator Group of Companies

|                       |                             |
|-----------------------|-----------------------------|
| Heron Resources (HRR) | Venturex Resources (VXR)    |
| KGL Resources (KGL)   | Terramin Australia (TZN)    |
| ROX Resources (ROX)   | Myanmar Metals (MYL)        |
| Ironbark Zinc (IBG)   | Consolidated Zinc (CZL)     |
| PNX Metals (PNX)      | New Century Resources (NCZ) |

The Board will, however, retain the discretion 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.

**(b) Grow Resources – 25% of the Rights capable of vesting**

25% of the Performance Rights shall be subject to the growth of RVR's aggregate Mineral Resources (as reported to the ASX) during a Performance Period (aggregated on a zinc equivalent gross basis inclusive of Inferred, Indicated and Measured Mineral Resources).

## Explanatory Memorandum

The percentage of Performance Rights that will become eligible for vesting (subject to the satisfaction of the Service Condition) associated with each percentage increase in Mineral Resources as follows:

| <b>Resource increase</b>                            | <b>% of Maximum Award</b>                               |
|---|---|
| Increase Resources by >25%                          | 100% eligible for vesting                               |
| Increase Resources by >0%<25%                       | 0% - 100% eligible for vesting<br>(on a pro-rata basis) |
| Increase Resources by 0% or a decrease in Resources | 0% eligible for vesting                                 |

**(c) *Grow Reserves – 25% of the Rights capable of vesting***

25% of the Performance Rights shall be subject to the growth of the Company's aggregate Ore Reserves (as reported to the ASX) during a Performance Period.

The percentage of Performance Rights that will become eligible for vesting (subject to the satisfaction of the Service Condition) associated with each percentage increase in Ore Reserves is set out in the table below.

| <b>Reserve increase</b>      | <b>% of Maximum Award</b>            |
|------------------------------|--------------------------------------|
| Increase Reserves by >25%    | 100% vest                            |
| Increase Reserves by >0%<25% | 0% - 100% vest (on a pro-rata basis) |
| Increase Reserves by 0%      | 0% vest                              |

**(d) *Service Condition***

As noted above, all of the Performance Rights are subject to the Service Condition. This Performance Condition requires that the recipient of Performance Rights be employed by the Company or an Associated Body Corporate on the Vesting Date in order for any Performance Rights to vest.

If a recipient's employment ceases prior to the Vesting Date, Performance Rights shall automatically lapse, unless the Board determines otherwise in accordance with the Rules of the Performance Rights Plan.

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 4 and 5, Mr. Palancian and Mr. Garner do not make any voting recommendation to Shareholders as to how to vote on Resolutions 4 and 5.

The Directors, other Mr. Palancian and Mr. Garner, recommend that Shareholders vote in favour of Resolutions 4 and 5.

# Explanatory Memorandum

## Resolution 6 – Additional Placement Capacity

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**).

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 6 seeks Shareholder approval for the Company to have the ability to issue Equity Securities in accordance with the 10% Share Placement Capacity. The approval of Resolution 6 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 |                     |   |
|-----------------------------|---------------------------------------|--|--|---------------------|---|
|                             |                                       |  | \$0.095<br>50% decrease<br>in Issue Price  | \$0.19<br>per share | \$0.38<br>100% increase in<br>Issue Price |
| <b>Issued share capital</b> | Current issued share capital          | 10% dilution   | 48,993,200 shares  | 48,993,200 shares   | 48,993,200 shares                         |
|                             | 489,932,000                           | Funds raised   | \$4,654,354  | \$9,308,708         | \$18,617,416                              |
|                             | 50% increase in issued share capital  | 10% dilution   | 73,489,800 shares  | 73,489,800 shares   | 73,489,800 shares                         |
|                             | 734,898,000                           | Funds raised   | \$6,981,531  | \$13,963,062        | \$27,926,124                              |
|                             | 100% increase in issued share capital | 10% dilution   | 97,986,400 shares  | 97,986,400 shares   | 97,986,400 shares                         |
|                             | 979,864,000                           | Funds raised   | \$9,308,706  | \$18,617,416        | \$37,234,832                              |

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

# Explanatory Memorandum

1. The Issue Price of \$0.19 is based on the closing price of Shares on 11 September 2018;
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.

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

If Resolution 6 is approved by Shareholders and securities are issued in accordance with 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 6, 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 Shareholders 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, to 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 Equity Securities under the 10% Share Placement Capacity.

# Explanatory Memorandum

## **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;
- (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 17 November 2017.

A total of 13,095,424 Equity Securities, including Shares and Performance Rights, were issued in the 12 months preceding the date of the AGM. This represented 2.60% 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 1 November 2017, the Company issued 1,876,238 ordinary shares on exercise of 75,000 options at \$0.15 per share by Teakoya Holdings Pty Ltd, 125,000 options at \$0.15 per share by PR & M Simmons Pty Ltd, 128,000 options at \$0.15 per share by Ozfam Pty Ltd, 50,000 options at \$0.15 per share by Paradise Bay International Pty Ltd, 50,000 options at \$0.15 per share by Mitchell Hale, 50,000 options at \$0.15 per share by Benjamin Crossing, 50,000 options at \$0.15 per share by Nicholas Burton and Sally Burton, 95,238 options at \$0.15 per share by Assurance Capital Pty Ltd, 125,000 options at \$0.15 per share by ITS Worldwide Limited, 58,000 options at \$0.15 per share by Natasha Nikoleaff, 70,000 options at \$0.15 per share by Bradley Hill and 1,000,000 options at \$0.10 per share by Jane Taylor. The proceeds have been used on exploration, development and general working capital requirements of the Company;
- (b) On 10 November 2017, the Company issued 1,578,572 ordinary shares on exercise of 75,000 options at \$0.15 per share by Andrews (NSW) Pty Ltd, 200,000 options at \$0.15 per share by Tepany Pty Ltd, 100,000 options at \$0.15 per share by Ross Andrews, 476,191 options at \$0.15 per share by William Hernstadt, 250,000 options at \$0.15 per share by Secu Pty Ltd, 47,619 options at \$0.15 per share by Irrawaddy Investments Pty Ltd, 125,000 options at \$0.15 per share by International Business Network (Services) Pty Ltd, 100,000 options at \$0.15 per share by Ivan Wickens and Judith Wickens, 4,762 options at \$0.15 per share by Gabor Bedo, 25,000 options at \$0.15 per share by MSM (WA) Pty Ltd, 150,000 options at \$0.15 per share by Kryptonite Super Fund and 25,000 options at \$0.15 per share by Keith Johns and Sharon Johns. The proceeds have been used on exploration, development and general working capital requirements of the Company;

## Explanatory Memorandum

- (c) On 22 November 2017, the Company issued 1,190,120 ordinary shares on exercise of 9,524 options at \$0.15 per share by Kenneth Cooper, 4,762 options at \$0.15 per share by Raymond Farlow, 100,000 options at \$0.15 per share by Woodland Joint Ventures Pty Ltd, 100,000 options at \$0.15 per share by Samar Equity Pty Ltd, 100,000 options at \$0.15 per share by Terrence Indersmith, 100,000 options at \$0.15 per share by Underlex Pty Ltd, 48,334 options at \$0.15 per share by Owen Merrett and Joanne Merret, 125,000 options at \$0.15 per share by LS Majestic Nominees Pty Ltd, 100,000 options at \$0.15 per share by Michael Maguire, 200,000 options at \$0.15 per share by Prattenville Pastoral Co Pty Ltd, 50,000 options at \$0.15 per share by Gigidy Gigidy Pty Ltd, 75,000 options at \$0.15 per share by Going for Broke Pty Ltd, 25,000 options at \$0.15 per share by CPG Accounting Pty Ltd, 52,500 options at \$0.15 per share by Natasha Nikoleaff and 100,000 options at \$0.15 per share by Grimala Pty Ltd. The proceeds have been used on exploration, development and general working capital requirements of the Company;
- (d) On 1 December 2017, the Company issued 1,502,381 ordinary shares on exercise of 150,000 options at \$0.15 per share by Cen Pty Ltd, 50,000 options at \$0.15 per share by William Langley, 150,000 options at \$0.15 per share by Thang Pty Ltd, 4,762 options at \$0.15 per share by Katina Toufexis, 100,000 options at \$0.15 per share by David Hando and Katrina Hando, 750,000 options at \$0.15 per share by Wymond Investments Pty Ltd, 238,095 options at \$0.15 per share by Richard and Sara Daley, 35,714 options at \$0.15 per share by Bintaro Pty Ltd and 23,810 options at \$0.15 per share by Santor Pty Ltd. The proceeds have been used on exploration, development and general working capital requirements of the Company;
- (e) On 14 December 2017, the Company issued 3,271,443 ordinary shares on exercise of 25,000 options at \$0.15 per share by John Annear, 50,000 options at \$0.15 per share by WA Milestones Pty Ltd, 50,000 options at \$0.15 per share by Susie Armstrong, 50,000 options at \$0.15 per share by Paul Arundel and Heather Arundel, 250,000 options at \$0.15 per share by Ramuda Pty Ltd, 9,524 options at \$0.15 per share by Vanessa Hale, 150,000 options at \$0.15 per share by Cambus Equities Pty Ltd, 135,000 options at \$0.15 per share by William Fleming and Coralie Fleming, 333,350 options at \$0.15 per share by Clive Landale, 47,619 options at \$0.15 per share by JPAJ Pty Ltd, 100,000 options at \$0.15 per share by Rivacre Investments Pty Ltd, 71,429 options at \$0.15 per share by Michael Quinlan, 150,000 options at \$0.15 per share by Richard Eckersley, 125,000 options at \$0.15 per share by Beef Landscape Pty Ltd, 50,000 options at \$0.15 per share by Treyvaud Nominees Pty Ltd, 250,000 options at \$0.15 per share by Sam Goulopoulos Pty Ltd, 150,000 options at \$0.15 per share by Richard Daly and Sarah Daly, 124,997 options at \$0.15 per share by Atlantis MG Pty Ltd, 250,000 options at \$0.15 per share by T E & T J Pasiyas Pty Ltd, 250,000 options at \$0.15 per share by Yondaro Pty Ltd, 9,524 options at \$0.15 per share by Raylene Wilson, 100,000 options at \$0.15 by Gavin Vucic, 30,000 options at \$0.15 per share by Auscro Investments Pty Ltd, 50,000 options at \$0.15 per share by J W Burton Super Fund, 50,000 options at \$0.15 per share by Joseph Burton, 10,000 options at \$0.15 per share by Brown Bull Capital Pty Ltd, 250,000 options at \$0.15 per share by Nicholas Brownbill, 100,000 options at \$0.15 per share by Durak Investment Corporation Pty Ltd and 50,000 options at \$0.156 per share by Stephen Sharrett. The proceeds have been used on exploration, development and general working capital requirements of the Company;
- (f) On 19 December 2017, the Company issued 939,524 ordinary shares on exercise of 150,000 options at \$0.15 per share by Tarciscio Valmorbida and Delma Valmorbida, 50,000 options at \$0.15 per share by Constantine Bousgas, 80,000 options at \$0.15 per share by Constantine Bousgas, and Debbie Bousgas, 50,000 options at \$0.15 per share by Annlew Investments Pty Ltd, 500,000 options at \$0.15 per share by Nailbiter Pty Ltd, 9,524 options at \$0.15 per share by Jesse and Lynette Das, 50,000 options at \$0.15 per share by APED Pty Ltd and 50,000 options at \$0.15 per share by Northenden Pty Ltd. The proceeds have been used on exploration, development and general working capital requirements of the Company; and

## Explanatory Memorandum

- (g) In accordance with Resolutions 4 and 5 passed by Shareholders at the AGM held on 17 November 2017, on 1 June 2018 the Company issued 857,143 Performance Rights to Mr. Mel Palancian, 400,000 Performance Rights to Mr. Donald Garner. In addition, a further 1,480,003 Performance Rights were issued to other employees of the Company. Each have an Expiry of 1 July 2020. The Performance Rights were issued for nil consideration.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to the 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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**AEDT** means Australian Eastern Daylight Time.

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

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

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

**Business Day** means a day that is not a Saturday, Sunday or public holiday in Melbourne, Australia.

**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)*.

**Cromarty Resources Pty Ltd** means the 100% owned subsidiary of Red River Resources Ltd.

**Directors** means the directors 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 convened by the Notice of Meeting.

**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.

**Meeting, General Meeting, Annual General Meeting and 2018 AGM** means the meeting convened by this Notice.

**Non-executive Directors** means those Directors who are not full-time employees of the Company or any subsidiary.

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

**Options** means an unlisted option to receive one fully paid Share upon exercise of the option.

**Ordinary Resolution** means a resolution requiring that more than 50% of the votes cast on the resolution are cast in favour of the resolution in order for it to be passed.

**Performance Rights Plan** means the Company's employee and officer performance rights plan as approved by Shareholders at the 2016 AGM.

**Proposed New Constitution** means the constitution proposed to be adopted as the Company's constitution as referred to and described in this Notice of Meeting.

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

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

**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.

**Special Resolution** means a resolution requiring that at least 75% of the votes cast on the resolution are cast in favour of the resolution in order for it to be passed.

## Lodge your vote:

 **Online:**  
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

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

## Proxy Form

XX

|  |  |
|--|--|
|  <p><b>Vote and view the annual report online</b></p> <ul style="list-style-type: none"> <li>• Go to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> or scan the QR Code with your mobile device.</li> <li>• Follow the instructions on the secure website to vote.</li> </ul> |  |
| <p><b>Your access information that you will need to vote:</b></p> <p><b>Control Number:</b></p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>  |  |

 **For your vote to be effective it must be received by 10:30am (AEDT) Tuesday, 23 October 2018**

### 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** →

**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.

# 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 office of RSM Australia, Level 21, 55 Collins Street, Melbourne, Victoria, on Thursday, 25 October 2018 at 10:30am (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, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 3, 4 and 5 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, 4 and 5 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 Brett Fletcher 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 | Issue of Performance Rights to Mr Melkon (Mel) Palancian | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Issue of Performance Rights to Mr Donald Garner          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | 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 / /