

Redbank Copper Limited – Annual General Meeting

9.30am Thursday, 28 November 2019

Chairman’s Address to Shareholders

Good morning ladies and gentlemen,

Welcome to the 27th Annual General Meeting of Redbank Copper Limited (‘Redbank’ or ‘the Company’) and thank you for joining us. My name is Mike Hannington and I am your Chairman. I’d like to introduce your Non-Executive Directors; Daryl Henthorn and Keith Middleton.

The agenda for today’s meeting will start with an address by me after which we will move through the formal proceedings of the Annual General Meeting. There will be time for questions at the end of the formal proceedings.

Today, we have four resolutions to consider with one additional potential spill resolution if required, however, before we commence the formal part of the meeting, I am going to give a brief overview of Redbank’s performance and key activities over the past year.

Redbank started the year with a share price of 3.1c valuing the Company at \$3,626,129 and ended the year with a share price of 1.3c valuing the Company at \$1,520,635. Combined you all hold 116,971,891 shares in your Company.

During the year, Redbank expensed \$760,195 with no income being generated and had debts at year-end of \$2,510,819 from a combination of loans and amounts owed to creditors. During the year, the debt increased by \$710,370 from an opening balance of \$1,800,449.

Redbank has no income producing assets, which is presently not a good state of affairs.

I’ve painted a picture with a strong corporate headwind but as we look to the future, the challenge is to get a strong tailwind behind us. I can assure you the right Board is in place to catch a tailwind.

Daryl Henthorn, Keith Middleton and I became your Directors on Friday, 2 August 2019. So, I am recounting a year in the life of Redbank which did not include your three recently appointed Directors. 34 previous directors of your Company have gone before us. It’s a pertinent question to ask, what makes us any different to those that have managed your Company before us.

I believe the answer lies in the asset you hold that gives your Company its name.

On 31 August 2005, your Directors agreed to buy the Redbank Project in the Northern Territory for \$4,050,000 in a combination of cash and shares. Redevelopment of this project never occurred and in the years after its acquisition in November 2015, the Redbank Project was abandoned with no Redbank staff or contractors remaining on site to maintain the project infrastructure.

What remains is a combined JORC 2004 compliant mineral resource estimate for seven of the breccia pipes, a number of surface stockpiles containing copper ore from the previous mining operation in the mid-1990s and exploration tenements covering approximately 1,050km². An important feature of holding exploration

and mining tenements in the Northern Territory is that if you behave and pay the statutory rent and continue to evaluate and develop the project and expend the money you agree to commit to on ground activity, then you can hold the ground forever. This becomes a law of diminishing returns where ground explored with nothing found becomes sterilised for the type of mineralisation one is looking for.

There is a lot of upside in the Redbank Project to develop and discover much more copper mineralisation based on what we see on the ground and in the legacy data.

We believe that exploration for copper over the known resources and through the tenement holding has only scratched the surface. We have backed this view by commencing field mapping over the tenement holding. Exploring by walking the ground using competent field geologists is the cheapest form of exploration capable of discovering surface copper mineralisation. We look forward to reporting on this work in 2020.

Since the end of the year, we entered into two loan agreements to pay for ongoing rent of the tenements and pay down accumulated debts owed to contractors. In the process of dealing with our contractors we have negotiated reductions in the debt payable. Again, we'll provide more details on these savings in 2020 once the figures have been finalised.

It is not necessary to be an accountant to understand the temporary poor state of affairs of your Company. Let me make one last observation: over the years, Redbank has accumulated tax losses of \$60,057,469.

I think of shareholders past and present who have invested capital in the Company only to see that capital become a line item in a tax return called "accumulated tax loss".

If you want to turn opportunity into a cash generating and profitable business, now is the time to hunt for a copper project to develop and apply these tax losses against future profits. For Redbank, the first ~\$60M in profit comes tax free. We are on the lookout for copper development projects knowing that what is a smart buy at one price is stupid at another. We will only invest your money where we can see it generate an acceptable return.

We like copper because it's hard to substitute for anything else. Only silver and gold have a similar ability to conduct electricity and at current prices we don't see silver or gold substituting copper as the preferred conducting medium of choice. Aluminium is about 61% of the conductivity of copper and a third of the weight of copper, so it has application in transmitting electricity over long distances. Nevertheless, to wire up a high-rise office or apartment block and distribute electricity throughout a city, copper currently beats all others.

So, we like the demand from increased urbanisation of the planet's population. We have also taken a bet against copper explorers that collectively they will fail to meet this increasing demand.

We think the copper price will rise. With this belief, we have taken a rather unimaginative view on the copper business, we don't want to be explorers, we don't mind tripping over copper when it's on the ground, however, we prefer applying capital to develop existing copper deposits and operations.

On Wednesday, 7 August 2019, we put your Company into voluntary suspension from trading on the ASX. We did not do this lightly. At the time, the shares of Redbank were trading at 1.9c. More importantly, the Redbank tenements were days from forfeiture for non-payment of statutory rent with technical reports unwritten and no plan for the future. With the poor economic state of your Company we believed we needed time to re-discover a fiscal heartbeat.

Importantly, we believe we have found it hiding at the Redbank Project. The potential upside is clear and your new Directors are working diligently to ensure the Company has the strongest possible foundations in place to achieve success for its shareholders.

So, what sets your Directors apart from previous management? We believe we have got the timing right to promote the new Redbank story into a copper market that will see rising copper prices. I can assure you that the Board is committed to ensure shareholders receive the benefits from a turnaround in the performance of your Company.

We are grateful that previous Directors of Redbank left the Company with a great asset. We feel for shareholders who have watched your Company do nothing at the Redbank Project while spending your money as the share price drops. We are mindful that we need to now focus on the present.

Your Directors bring technical and corporate expertise and the belief that the copper price is about to change in line with world demand.

Your faithfully,

Mike Hannington
Executive Chairman

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