

Chairman's Address – Annual General Meeting

26 February 2010

On behalf of the Board of Directors I would like to welcome you to today's Annual General Meeting of Fall River Resources Limited. As the new Chairman it gives me great pleasure to address you for the first time.

Like many during the global financial crisis, your Company has been through a tumultuous period. Through the hard work of directors and advisors the Company recently undertook the acquisition of the issued share capital of Earth Heat Limited, and in doing so it heralded the commencement of a new phase of your Company's evolution. There is no doubt that the unconventional portfolio of assets held by Fall River have not lived up to initial expectations. The strategic acquisition of Earth Heat now exposes your Company to the opportunities vested in the emerging new energy economies. And, as part of that transaction Fall River now has a number of geothermal exploration licences and applications in South Australia. These now represent the foundation for the Company pursuing new energies. Review of its pre-existing assets will be completed shortly and it is anticipated that rationalisation and consolidation will follow as we embark on a strategy which garners the expertise of Torey Marshall, myself and (hopefully at the conclusion of this meeting), Norman Zillman as well as our pre-existing directors.

Torey Marshall, our new Managing Director, will outline in his presentation at the conclusion of formalities, that opportunities these new energies bring and measures which we have for Fall River to pursue in order to provide sustained shareholder growth. However, this is not to simplify the measure of the task before us. Your company will need to regain the confidence of the investor community. It will need further funding and it will need to acquire a status which will enable the doors of opportunity to open to it. These all take time and will require the hard work diligence and commitment, all of which your new Board is prepared to give. Already, and since the acquisition of Earth Heat your Company has made application for three extensive new areas in South Australia and we are actively looking at other opportunities overseas.

I would like to take this opportunity of thanking the recently retired directors Jack Mulready and Bruce McLeod for their contributions to the Company over their years of service, as well as our ongoing directors David Sutton and Stephen Pearce our resident director in Canada. I know in the short time since his appointment Torey Marshall has worked extremely hard to ensure a relatively seamless transition of management functions as well as the establishment of the registered and business office in Adelaide. There is no doubt that the recent Earth Heat transaction would not have succeeded had it not been for the enormous effort of Bob Barraket and all the Board owe him a great debt of gratitude. Likewise Mal Lucas-Smith, the new Company Secretary has worked extremely hard over the past few weeks to ensure that regulatory and administrative affairs of the company remain in good standing. Finally I would like to thank my directors for their support. Rest assured that during the coming year we anticipate very substantial positive growth for your Company.

Ray Shaw

Chairman