



CORPORATE GOVERNANCE POLICIES

CODE OF CONDUCT

The Code of Conduct reflects the core values of Red 5 Limited (Red 5 or Company) and documents the ethical standards by which the Company will undertake its business dealings.

1. Mission and Objective

Red 5 aims to maximise the returns to its security holders from successful gold exploration, development and mining. To do this, the Company will:

- pursue its goals through safe work practices;
- conduct its activities honestly and ethically;
- treat people with respect and dignity.

Red 5 expects:

- that all employees are accountable for their actions and decisions;
- that all employees deliver quality work.

Red 5 values:

- the community and environment in which it operates;
- innovation and reliability from all employees.

2. Policies, Standards and Guidelines

2.1 Compliance with the law

Red 5's employees shall comply with all laws and regulations for the conduct of the Company's business. The laws that govern Red 5's activities are complex. Employees should seek advice from the Managing Director if they are unclear about laws or regulations relating to their work.

2.2 Occupational Health and Safety

Red 5 acknowledges that the health, safety and welfare of its employees and the community is of paramount importance and the Company is committed to pursue its goals through safe work practices. The highest standards of health, safety and welfare are to be maintained in accordance with the Occupational Health and Safety Act, associated regulations and codes of practice.

2.3 Environment

Red 5 shall prevent, or otherwise minimise, mitigate and remediate, harmful effects of the Company's operations on the environment.

Excellence in environmental performance is essential to Red 5's business success. Compliance with all environmental laws and regulations is the foundation on which we build our environmental performance.

We are developing company-wide standards and building systems to identify, assess and manage environmental risk. These will apply at each stage of exploration, development, operation and closure, as well as in acquisition and divestment evaluations, to achieve continuous improvement in environmental performance. We will also engage with host communities, governments, customers, suppliers and others to the same end.

We will obtain assurance on the implementation of our environmental policy, both internally and externally, by regular audits, reviews and reports.

2.4 Drug and Alcohol Use

If, in the opinion of the work place supervisor, an employee is unfit to perform their duties or is a potential safety risk to themselves or others because of the effects of drugs or alcohol, that employee shall be immediately stood down from work and leave the work place.

Employees taking prescribed drugs or pharmaceutical drugs which may likely impair their judgement or work performance must advise their work place supervisor of the likely effect of the medications so that appropriate work assignments can be given.

Any employee who believes that they have a dependence problem and who may wish to seek assistance from Red 5, should contact their supervisor who will then initiate employer assistance.

2.5 Equal Employment Opportunity

Red 5 is committed to developing a work environment in which all employees are treated fairly and with respect.

Employment with Red 5 must be offered and provided based on availability and merit. All employees and applicants for employment should be treated and evaluated according to their job-related skills, qualifications, abilities and aptitudes only. Decisions based on attributes unrelated to job performance (such as, race, colour, gender, religion, personal associations, age, disability, marital status, sexual orientation or sex) may constitute discrimination and are prohibited.

Decisions relating to service providers will also be based on availability and merit.

2.6 Harassment

Red 5 is committed to providing a work place free from harassment, bullying and intimidation. It is recognised that harassment can have a serious negative impact on morale, productivity and the physical and emotional health and well-being of employees. Harassment is a form of discrimination, and involves unwelcome behaviour relating to personal attributes (for example, a person's gender, race, religion, political affiliations or sexual preference).

An employee who believes that he or she has been harassed should tell the offender that the behaviour is offensive and unacceptable and/or inform an appropriate manager who shall ensure that the complaint is formally investigated and dealt with in a proper manner.

2.7 Confidentiality

Employees are required to protect proprietary, commercial and other information that is confidential to Red 5. These obligations of confidentiality continue after an individual's employment with Red 5 ends.

Information that is not generally available concerning the activities, results or plans of Red 5 or an associated entity (i.e. inside information) must be used for authorised purposes only. Such information should be handled and communicated with responsibility and must not be disclosed without authority. Confidentiality provisions will be included in contracts with employees, consultants and other parties who provide services to Red 5.

Managers are responsible for ensuring that arrangements are in place for protecting sensitive and confidential information.

2.8 Insider Trading

Red 5's policy on employee trading in securities is available on Red 5's web-site in the corporate governance section.

2.9 Personal Information and Privacy

Red 5 will only collect personal information from its employees ethically and lawfully. If collecting personal information on behalf of Red 5, all employees must inform the person involved of the purpose for which the information is collected and be aware that, subject to some limitations, employees will be able to gain access to the information collected on request. Steps must be taken to ensure that data is appropriately accurate and current and that data is stored no longer than necessary.

Employees must ensure that confidentiality of personal information contained in Red 5's records is strictly maintained. An employee's personal information should not be provided to other employees unless it is required to perform their jobs. Information relating to employment records, salaries, addresses etc. cannot be released to external organisations unless required by law or upon informed consent from the relevant employee.

2.10 Continuous Disclosure

Red 5's policy on continuous disclosure compliance is available on the Company's web-site in the corporate governance section.

Any internally produced documents, such as analyst briefings or presentations, must be reviewed and approved by the Managing Director (or his delegate) prior to presentation to determine whether they first need to be lodged as an announcement with the ASX.

Employees should direct all media inquiries to the Managing Director, Exploration Director, Chairman or the Company Secretary.

2.11 Use of Company Resources and Fraud Prevention

Employees must not use Red 5 funds, property, equipment, or other resources for personal benefit. In addition, employees are responsible for safeguarding Red 5's resources under their control, including information, and for maintaining accurate records regarding the use of these resources. Expenditures must be reported accurately and in a timely way. Instances of fraud (eg submission of a fraudulent expense report), by their very nature, represent unacceptable behaviour within Red 5.

An accurate and auditable record of all financial transactions relating to Red 5 must be maintained in accordance with generally accepted accounting principles. No entry is to be made in Red 5's records that distorts or disguises the true nature of any transaction.

Unauthorised removal of company equipment, supplies, or other resources will be regarded as theft. If employees become aware of any evidence of theft or that Company funds or property may have been used in a fraudulent or improper manner, they should immediately and confidentially advise their supervisor or the Managing Director or a Director.

2.12 Information Systems

Red 5's employees use a wide range of information systems to conduct business (for example, voice mail, facsimile, internet, e-mail). Employees are responsible for protecting Red 5's information communicated or stored using these systems. Use, duplication, or sale of proprietary software, except as described in the manufacturers/owners licence agreement or conditions applicable to use, is an infringement of copyright law and is strictly prohibited.

Red 5's electronic communications systems are Company resources and all electronic communications are regarded as Red 5's records. Offensive material (for example, pornography) is not permitted on Red 5's systems in any form.

Red 5 reserves the right to monitor employee use of its information systems. Subject to approval from the Managing Director, Red 5 may access and disclose the contents of e-mail and files. Red 5 does not guarantee the privacy of e-mail or information stored on Red 5's systems. This material may be accessed through activities such as maintenance of e-mail systems and computer networks.

Employees have access to Red 5's information systems to assist them in performing their jobs. Personal use must be approved by management. Modest personal use may be allowed if it is unrelated to outside business activities and does not interfere with Red 5's business or the performance of work responsibilities.

2.13 Financial Inducements

Red 5 does not countenance the making of payments or payments in kind (gifts, favours, etc.) to influence individuals to make a business decision in Red 5's favour. Bribes, kick backs, secret commissions and similar payments are strictly prohibited.

2.14 Travel, Entertainment and Gifts

Travel

Employees are to conduct travel in accordance with Red 5's travel policy. Safety and security standards should be adhered to at all times.

Any private travel attached to business travel is to be approved prior to bookings being made.

Entertainment

Occasionally employees will be required to entertain business associates. Valid entertainment expenses include meals and events such as theatre and sporting events taken with potential or actual business associates whereby a business discussion takes place during, immediately before or immediately after the event.

Gifts

Employees must exercise the utmost care about giving or receiving business-related gifts. This applies to direct payments and payments in kind, including the provision of goods or services, personal favours, and entertainment (for example, meals, travel, etc.). Any material offer of free travel and/or accommodation is to be declined. If there is a valid business purpose to attend, then Red 5 is to pay any travel and/or accommodation costs.

Accepting or offering gifts of moderate value is acceptable in situations where it is legal and in accordance with business practice and should not affect business decision making. However, employees should exercise particular caution in regard to any offers of value, including hospitality, entertainment and gifts when Red 5 is negotiating or considering contracts and they are in a position to influence, directly or indirectly, the outcome of a decision.

Employees are required to declare all gifts, hospitality and other favours with a value in excess of \$100 to their supervisor.

This policy also applies to employees' immediate family members and to any agents or third parties who are employed to represent Red 5.

2.15 Conflicts of Interest

Employees should not engage in activities or hold or trade assets that involve, or could appear to involve, a conflict between their personal interests and the interests of Red 5. Such circumstances could compromise or appear to compromise the employee's ability to make impartial business decisions. A conflict would arise where an employee, employee's family or a business with which the employee or family is associated gains an advantage by virtue of the employee's position with Red 5 or knowledge gained through that position.

Employees should not take additional employment with outside organisations or operate their own business if such employment or activity will create an actual or perceived conflict of interest.

Employees must advise their manager of situations that could involve an actual or perceived conflict of interest and, as appropriate and/or required, remove themselves from any discussion or activity involving the conflict.

2.16 Outside Activities

Red 5 encourages employees to be active in the local community. However, conflicts of interest which would affect the employee's ability to exercise independent judgement in the best interests of Red 5 should be avoided. Employees should avoid situations where a perception of conflict of interests may arise.

Accordingly, employees must receive the Managing Director's approval before accepting a directorship with another company, statutory authority or similar body.

Red 5 approval is required for positions in government advisory bodies, political parties, professional institutions, trade associations, charitable, public, social, or sporting organisations and similar groups if the position:

- has senior or high status;
- will involve a significant amount of the employee's time to the extent that it could affect their ability to fulfil their responsibilities to Red 5;
- is likely to involve public controversy; or
- will involve activities that could be incompatible with Red 5's policies or procedures.

Employees should obtain the Managing Director's/ approval before accepting any significant payment for their involvement with an advisory board or similar group, including reimbursement for travel and related expenses.

Employees and contractors (whilst providing services to Red 5) may not, to the extent and for the periods that they are employed or contracted, take up outside employment or contracts without the written approval of the Managing Director.

2.17 Political Support

No Red 5 contributions will be made to political parties or candidates. Red 5 recognises employees' right to personal participation in the political process and will not influence such activity provided there is no disruption to work place activities. Individuals must take care that their views are not identified as those of Red 5.

2.18 Violations of the Company Policies and Procedures and Disciplinary Process

All employees and directors are expected to be familiar with this Code and to have a detailed understanding of Red 5's policies. It is every employee's responsibility to comply with the policies and standards relating to their work and to seek assistance if they do not fully understand a policy or how that policy should be applied.

All employees are expected to adhere to the policies and procedures described in this Code.

Any violation of the code will be investigated and dealt with in a formal manner. The nature of any disciplinary action will depend on the seriousness of the violation and other relevant circumstances.

2.19 Responsibilities of Management

Management is responsible to the Board, through the Managing Director, for Red 5's performance under this Code.

Under the Managing Director, senior management have operational responsibility for ensuring compliance with the Code including:

- ensuring that all employees, and where appropriate consultants, have access to Red 5's policies and procedures;
- promoting a work place environment that encourages honest and open communication about business conduct issues, emphasises the importance of operating in accordance with Red 5's Code of Conduct, policies and standards and avoids placing pressure on employees to deviate from these standards and policies;

- establishing internal reporting and approval processes that address high risk areas in relation to business conduct and ensure that breaches are appropriately investigated and appropriately handled;
- responding promptly and seriously to employees' concerns and questions about business conduct issues and seeking further assistance if required;
- undertaking business conduct awareness training consistent with this Code and tailored to operational needs of the business;
- incorporating the values, standards and policies outlined under this Code into Red 5's performance management processes, employment contracts, induction procedures, industrial agreements and similar systems; and
- demonstrating exemplary behaviour for other employees to follow.