



Red 5 Limited

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18 August 2017

ASX Market Announcements
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

NON-RENOUNCEABLE RIGHTS ISSUE - LETTER TO SHAREHOLDERS

Please find enclosed copies of letters which will be despatched today to eligible shareholders and ineligible shareholders in relation to the non-renounceable rights issue announced by Red 5 Limited on 16 August 2017.

Frank Campagna
Company Secretary



17 August 2017

[Name of recipient]
[Address of recipient]

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE – NOTICE TO SECURITY HOLDERS

Red 5 Limited (**Red 5** or the **Company**) is pleased to announce a non-renounceable rights issue to eligible shareholders, on the basis of 1 new fully paid ordinary share for every 3 shares held, at an issue price of \$0.05 per share (**New Shares**), to raise approximately \$12,741,000 (**Rights Issue**). Assuming no existing rights on issue in the Company are exercised, approximately 254,835,049 (subject to rounding of entitlements) fully paid ordinary shares will be offered under the Rights Issue.

The Rights Issue is partially underwritten by St Ives Gold Mining Company Pty Ltd (a subsidiary of Gold Fields Limited), to the sum of \$8.5 million, with a sub-underwriting commitment from Saracen Mineral Holdings Limited of \$1.5 million.

The Rights Issue will be available to all registered shareholders who hold shares as at 22 August 2017 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**).

In accordance with the Listing Rules of the ASX, Red 5 has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the significant costs of complying with the legal requirements of the regulatory authorities of those relevant jurisdictions outside of Australia and New Zealand, the Company believes that it is unreasonable to extend the Rights Issue to those shareholders. Accordingly, shareholders with registered addresses outside of Australia and New Zealand will not be entitled to participate in the Rights Issue.

The purpose of the Rights Issue is to raise approximately \$12,741,000. The funds raised from the Rights Issue will be used to fund the cash component of the consideration payable for the acquisition of all of the shares in Darlot Mining Company Pty Ltd (which owns and operates the Darlot Gold Operations in Western Australia) as announced on 3 August 2017, pay the costs of the Rights Issue and to provide working capital.

The proposed timetable for the Rights Issue is set out in the table below:

Event	Date
Offer Document and Appendix 3B lodged with ASX	16 August 2017
Notice of Rights Issue sent to shareholders	18 August 2017
Shares commence trading on an ex basis	21 August 2017
Record Date for the Rights Issue (7:00 pm Perth time)	22 August 2017
Despatch Offer Document to shareholders	25 August 2017
Opening date of Rights Issue (9:00 am Perth time)	25 August 2017
Closing date of Rights Issue (5:00 pm Perth time)	25 September 2017
Shares commence trading on deferred settlement basis	26 September 2017
Advise ASX of any shortfall	28 September 2017

Event	Date
Completion of Darlot Acquisition and King of the Hills Acquisition	2 October 2017
Allotment of New Shares under Rights Issue	2 October 2017
Deferred settlement trading ends	2 October 2017
Despatch of holding statements for New Shares	3 October 2017
Normal trading of New Shares on ASX begins	3 October 2017

This timetable is indicative only and may change subject to the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules.

The Rights Issue is being made without a disclosure document, under the exemption granted in section 708AA of the Corporations Act. Red 5 will prepare and send an offer document to shareholders on or around 25 August 2017, as set out in the timetable above. The Offer Document was lodged with ASX on 16 August 2017 and is available on the Company's web-site www.red5limited.com and the ASX web-site.

Excluded information

Other than as described in the Cleansing Notice dated 16 August 2017, Red 5 advises that as at the date of this notice there is no information:

1. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
2. that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (b) the rights and liabilities attaching to the New Shares.

Further information

The Company anticipates that, approximately 254,835,049 New Shares will be issued. The New Shares will be issued for \$0.05 each.

Upon completion of the Rights Issue, and assuming it is fully subscribed, and the issue of the initial consideration shares for the Darlot Acquisition (130,000,000) and for the KoTH Acquisition (90,000,000) the issued capital of Red 5 will comprise approximately 1,239,340,197 shares.

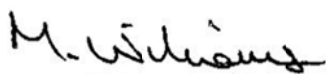
The New Shares will rank equally in all respects with Red 5's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number. There will be no change to the dividend policy of the Company as a result of the Rights Issue.

Trading in the New Shares is expected to commence on or around 3 October 2017, the first business day following dispatch of the holding statements for the New Shares.

An Appendix 3B applying for quotation of the New Shares was lodged with ASX on 16 August 2017.

Red 5 encourages all eligible shareholders to consider participating in the Rights Issue.

Yours sincerely



Mark Williams
Managing Director
Red 5 Limited



17 August 2017

[Name of recipient]
[Address of recipient]

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE

On 16 August 2017, Red 5 Limited (**Red 5** or the **Company**) announced a non-renounceable rights issue to eligible shareholders, on the basis of 1 new fully paid ordinary share for every 3 shares held at an issue price of \$0.05 per share (**New Share**), to raise approximately \$12,741,000 before costs (**Rights Issue**).

The Rights Issue is partially underwritten by St Ives Gold Mining Company Pty Ltd, to the sum of \$8.5 million, with a sub-underwriting commitment from Saracen Mineral Holdings Limited of \$1.5 million.

The purpose of the Rights Issue is to raise approximately \$12,741,000 for the Company to:

- fund the cash component of the consideration payable for the acquisition of all of the shares in Darlot Mining Company Pty Ltd, as announced on 3 August 2017;
- pay for the costs of the Rights Issue; and
- provide working capital.

An Offer Document in relation to the Rights Issue was lodged with the Australian Securities Exchange (**ASX**) on 16 August 2017 and is available on the ASX web-site and also on the Company's web-site at www.red5limited.com.

In accordance with the ASX Listing Rules, Red 5 has considered the number of shareholders with registered addresses outside of Australia and New Zealand, the number and value of the shares held by those shareholders, and the number and value of New Shares those shareholders would be offered pursuant to the Rights Issue. Taking this into consideration, as well as the significant costs of complying with the legal requirements and the requirements of the regulatory authorities of those relevant jurisdictions outside of Australia and New Zealand, Red 5 believes it to be unreasonable to extend the Rights Issue to all shareholders. Accordingly, the offer pursuant to the Rights Issue will only be extended to those who are Red 5 shareholders as at 7.00 pm (Perth time) on 22 August 2017, and who have registered addresses in Australia and New Zealand. Entitlements to New Shares pursuant to the Rights Issue are non-renounceable and accordingly will not be traded on the ASX.

As you are a shareholder with a registered address outside of Australia and New Zealand, the offer pursuant to the Rights Issue is unable to be extended to you. This letter is for your information only and you do not need to take any further action.

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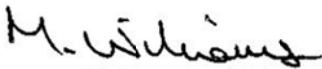
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This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the ASX Listing Rules.

Please contact the Company if you have any queries regarding the Rights Issue or your eligibility to participate in the Rights Issue.

Yours sincerely



Mark Williams
 Managing Director
 Red 5 Limited