

RED 5 LIMITED

ABN 73 068 647 610



NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date and time of meeting

12 April 2023 at 10.00 a.m. (AWST)

Place of meeting

Celtic Club
48 Ord Street
West Perth, Western Australia

RED 5 LIMITED

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Red 5 Limited (**Company**) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 12 April 2023 at 10.00 a.m. (AWST)

AGENDA

ORDINARY BUSINESS

1. Approval of issue of Shares under Tranche 2 Placement

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

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of 173,670,085 fully paid ordinary shares at \$0.135 per share to the Tranche 2 Placement Recipients as set out in the explanatory memorandum accompanying this Notice of Meeting.”

Voting exclusion statement: *The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of the Tranche 2 Placement Recipients, any of their associates, and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company, if Resolution 1 is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast on Resolution 1 by:*

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or*
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or*
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - the beneficiary provides written confirmation to the holder that they are not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and*
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

2. Ratification of issue of Shares under Tranche 1 Placement

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

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior allotment and issue of 418,922,507 fully paid ordinary shares at an issue price of \$0.135 per share to the Tranche 1 Placement Recipients, on the terms and conditions set out in the explanatory memorandum accompanying this Notice of Meeting.”

Voting exclusion statement: *The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of the Tranche 1 Placement Recipients, and any of their associates. However, the Company need not disregard a vote if it is cast on Resolution 2 by:*

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or*
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the Resolution; and*
 - the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.*

3. Approval to issue Shares pursuant to Share Purchase Plan

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of up to 74,074,074 fully paid ordinary shares at \$0.135 per Share (including any Share Purchase Plan Shortfall) pursuant to the Share Purchase Plan, on the terms and conditions set out in the explanatory memorandum accompanying this Notice of Meeting.”

Voting exclusion statement: *The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of the following persons, and any of their associates:*

- (a) an underwriter or sub-underwriter of the Share Purchase Plan; and*
- (b) an investor who may receive Shares under any Share Purchase Plan Shortfall.*

Any Shareholders casting votes on Resolution 3 will be excluded from participating in the Share Purchase Plan Shortfall.

However, the Company need not disregard a vote if it is cast on Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or*
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the Resolution; and*
 - the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.*

By order of the Board

Frank Campagna
Company Secretary

Perth, Western Australia
9 March 2023

Voting exclusion note

Where a voting exclusion applies, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Proxy appointments

A member of the Company who is entitled to attend and vote at the Meeting may appoint not more than two proxies to attend and vote for the member at the Meeting. If a member appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a member of the Company.

A proxy form is enclosed. If required it should be completed, signed and returned to the Company's share registry in accordance with the proxy instructions on that form.

Voting Online at www.automicgroup.com.au

Please see the accompanying Proxy Form for instructions as to how to complete and lodge your proxy, including lodging online.

Voting entitlements

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the identity of those persons entitled to attend and vote at the Meeting is to be taken as those persons who held Shares in the Company as at 7.00 p.m. AWST on 10 April 2023.

Corporate Representative

If a representative of a Shareholder corporation is to attend the Meeting, a Corporate Representative Certificate should be completed and produced prior to the Meeting. Please contact the Company's share registry for a copy of a proforma certificate, if required.

RED 5 LIMITED

EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared for the information of Shareholders of Red 5 Limited in connection with the business to be considered at the forthcoming General Meeting of the Company and should be read in conjunction with the accompanying Notice of Meeting.

BACKGROUND TO THE SHARE PLACEMENT

Background

On 21 February 2023, the Company announced a Placement to raise gross funds of \$80 million to strengthen the Company's balance sheet, ensuring a strong working capital position to support steady-state operations at the Company's flagship King of the Hills (**KOTH**) Gold Project in Western Australia and provide a financial platform from which the Company can assess and accelerate future investment in production and mine life growth. The \$80 million capital raising consists of a two tranche placement (**Placement**) to sophisticated or professional investors, in addition to a fully underwritten \$10 million share purchase plan offer available to eligible Shareholders (**Share Purchase Plan**).

The first tranche of the Placement consists of 418.92 million new Shares (**Tranche 1 Placement**) at an issue price of \$0.135 per Share (**Placement Price**). The second tranche of the Placement consists of 173.67 million new Shares (**Tranche 2 Placement**) at the Placement Price, subject to Shareholder approval as sought pursuant to Resolution 1. The Share Purchase Plan will consist of 74.07 million new Shares at an issue price of \$0.135 per Share, being the same price as the Placement Price, and subject to Shareholder approval as sought pursuant to Resolution 3.

Underwriting

The Tranche 1 Placement, the Tranche 2 Placement and the Share Purchase Plan are fully underwritten by Canaccord Genuity and Petra Capital, who are acting as the underwriters, joint lead managers and bookrunners to the Placement and Share Purchase Plan (**Underwriters**) pursuant to an Underwriting Agreement.

The Underwriting Agreement between the Underwriters and the Company contains customary conditions, warranties and undertakings and is subject to various customary termination events exercisable by either party. A summary of the material terms of the Underwriting Agreement between the Company and the Underwriters is provided in Schedule 1 to this Notice of Meeting.

The Tranche 1 Placement and the Tranche 2 Placement were fully subscribed by the Tranche 1 Placement Recipients and the Tranche 2 Placement Recipients respectively, and as such no shortfall is required to be filled by the Underwriters. In the event Red 5 does not raise the maximum amount under the Share Purchase Plan, the resultant Share Purchase Plan Shortfall between the amount raised and the maximum amount to be raised under the Share Purchase Plan, being \$10,000,000, will, subject to the terms of the Underwriting Agreement between Red 5 and the Underwriters, be subscribed for (or the Underwriters will procure the subscription of), or will pay (or the Underwriters will procure payment of) an amount equal to the Share Purchase Plan Shortfall by the Underwriters.

If the Company receives applications for less than \$10,000,000 under the Share Purchase Plan, the Company will issue up to a maximum of 74,074,074 Shares (being the maximum potential Share Purchase Plan Shortfall) to the Underwriters, subject to the terms of the Underwriting Agreement.

Further details of the Share Purchase Plan are set out below under the heading "Resolution 3 – Approval to issue Shares pursuant to the Share Purchase Plan".

Tranche 2 Placement

Resolution 1 seeks Shareholder approval for the issue of up to 173,670,085 fully paid ordinary shares at the Placement Price of \$0.135 per Share (**Tranche 2 Placement Shares**) to raise \$23.45 million (before costs).

The issue of the Tranche 2 Placement Shares requires Shareholder approval pursuant to Listing Rule 7.1. If the issue of the Tranche 2 Placement Shares is approved by Shareholders, it is anticipated that the Tranche 2 Placement Shares will be issued and allotted to the Tranche 2 Placement Recipients on or around 13 April 2023.

Tranche 1 Placement

Resolution 2 seeks the ratification and approval of Shareholders for the previous issue of 418,922,507 fully paid ordinary shares at the Placement Price of \$0.135 per Share (**Tranche 1 Placement Shares**), raising \$56.55 million (before costs) under the Tranche 1 Placement.

The Tranche 1 Placement Shares issued on 2 March 2023 represent approximately 15% of the undiluted Shares the Company had on issue at the time of the announcement of the Placement. The Tranche 1 Placement Shares were issued to the Tranche 1 Placement Recipients under the Company's existing 15% placement capacity prior to the date of the Meeting and as such, are not subject to Shareholders' prior approval under Listing Rule 7.1. However, Resolution 2 seeks Shareholder approval under Listing Rule 7.4 to ratify the issue of the Tranche 1 Placement Shares. Shareholder ratification will replenish the Company's 15% placement capacity under Listing Rule 7.1.

RESOLUTION 1 – APPROVAL OF ISSUE OF TRANCHE 2 PLACEMENT SHARES

Background

Resolution 1 is an ordinary resolution and seeks Shareholder approval for the issue of the Tranche 2 Placement Shares, pursuant to the Placement and for the purposes of Listing Rule 7.1. Further details in relation to the Placement are set out above under the heading "Background to the Share Placement".

Listing Rule 7.1

Broadly speaking and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The Tranche 2 Placement does not fall within any of these exceptions and in aggregate exceeds the 15% capacity in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 1 is passed, the Company will be able to proceed with the Tranche 2 Placement and with the intended uses for the full funding of the Placement, as set out in the announcement to the ASX and equity raising presentation both dated 21 February 2023, and as summarised above under the heading "Background to the Share Placement". In addition, the Tranche 2 Placement will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1 and can proceed without using up any of the Company's 15% capacity.

If Resolution 1 is not passed, the Company will not be able to proceed with the Tranche 2 Placement and will only be able to partially proceed with the intended uses for the full funding of the Placement.

The effect of Resolution 1 will be to allow the Company to issue the Tranche 2 Placement Shares pursuant to the Tranche 2 Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity. The intended date for issue of the Tranche 2 Placement Shares is on or around 13 April 2023.

Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Placement:

- (a) the Tranche 2 Placement Shares will be allotted to the Tranche 2 Placement Recipients, who were determined on the basis of applications received from institutional and sophisticated investors, who are clients of the underwriters, joint lead managers and bookrunners, Canaccord Genuity and Petra Capital, together with clients of Ord Minnett and other brokers to the Placement, and include current substantial shareholders Victor Smorgon Group, Franklin Resources Inc and Regal Funds Management;
- (b) the number of fully paid ordinary shares the Company will issue will be 173,670,085 Shares;
- (c) the Tranche 2 Placement Shares will be issued on the same terms as, and will rank equally with, all fully paid ordinary shares in the Company on issue;
- (d) the Tranche 2 Placement is expected to be completed and the Shares allotted and issued on or around 13 April 2023 and, in any event, no later than 3 months after the date of the Meeting;
- (e) the price of each Share is \$0.135;
- (f) funds raised by the Tranche 2 Placement Shares are intended to be used towards the balance of the intended uses for the full funding of the Placement, being the strengthening of the Company's balance sheet, ensuring a strong working capital position to support steady-state operations at the KOTH Gold Project in Western Australia and provide a financial platform from which Red 5 can assess and accelerate future investment in production and mine life growth; and
- (g) a voting exclusion statement is included in the Notice of Meeting.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1. Any undirected proxies held by the Chairman will be voted in favour of Resolution 1.

RESOLUTION 2 – RATIFICATION OF THE ISSUE OF SHARES UNDER THE TRANCHE 1 PLACEMENT

Background

Resolution 2 is an ordinary resolution and proposes to ratify the issue of the Tranche 1 Placement Shares. The Tranche 1 Placement Shares were issued to the Tranche 1 Placement Recipients on 2 March 2023. Further details in relation to the Placement are set out above under the heading "Background to the Share Placement".

ASX Listing Rules 7.1 and 7.4

A summary of Listing Rule 7.1 is set out under Resolution 1 above.

The Tranche 1 Placement does not fit within any of Listing Rule 7.1 exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up the 15% capacity in Listing Rule 7.1, reducing the Company's ability to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies a previous issue of securities made or agreed to be made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1, and so does not reduce the Company's capacity to issue further equity securities without Shareholder approval under that rule.

Ratification by the Shareholders of the Company to the Tranche 1 Placement is now sought pursuant to Listing Rule 7.4 under Resolution 2 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

The effect of Resolution 2 is that the Company, for the purposes of Listing Rule 7.1 will be able to refresh its 15% placement capacity with effect from the date of the General Meeting.

If Resolution 2 is passed, the Tranche 1 Placement will be excluded in calculating the Company's 15% capacity in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is not passed, the Tranche 1 Placement will be included in calculating the Company's 15% capacity in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

Technical Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders in relation to the Shares the subject of Resolution 2:

- (a) the Tranche 1 Placement Shares were allotted to the Tranche 1 Placement Recipients, who were determined on the basis of applications received from institutional and sophisticated investors, who are clients of the underwriters, joint lead managers and bookrunners, Canaccord Genuity and Petra Capital, together with clients of Ord Minnett and other brokers to the Placement, and include current substantial shareholders Victor Smorgon Group, Franklin Resources Inc and Regal Funds Management;
- (b) the number of fully paid ordinary shares issued by the Company is 418,922,507 Shares;
- (c) the Tranche 1 Placement Shares have been issued on the same terms as, and will rank equally with, all fully paid ordinary shares in the Company on issue;
- (d) the Tranche 1 Placement was completed on 1 March 2023 and the Tranche 1 Placement Shares were issued on 2 March 2023;
- (e) the price of each Share was \$0.135;
- (f) funds raised by the Tranche 1 Placement Shares will strengthen the Company's balance sheet, ensuring a strong working capital position to support steady-state operations at the KOTH Gold Project in Western Australia; and provide a financial platform from which Red 5 can assess and accelerate future investment in production and mine life growth;
- (g) no Tranche 1 Placement Recipient is a related party of the Company; and
- (h) a voting exclusion statement is included in the Notice of Meeting.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2. Any undirected proxies held by the Chairman will be voted in favour of Resolution 2.

RESOLUTION 3 – APPROVAL TO ISSUE SHARES PURSUANT TO THE SHARE PURCHASE PLAN

Background

In conjunction with the Placement, the Company announced on 21 February 2023 a Share Purchase Plan offer to Eligible Shareholders (as defined below) to raise a further \$10 million (before costs) by the issue of up to 74,074,074 new Shares (**Share Purchase Plan Shares**) at an issue price of \$0.135, being the same price as the Placement Price. The fully underwritten Share Purchase Plan enables Shareholders of the Company who are registered as holders of Shares as at the record date of 7.00 pm (AEDT) on Monday, 20 February 2023 with a registered address in Australia or New Zealand (**Eligible Shareholders**) to have the opportunity to apply for up to \$30,000 worth of new Shares at same price as the Placement Price

(subject to scale back at the Company's absolute discretion). To the extent there is a Share Purchase Plan Shortfall, the SPP Shortfall will be taken up by the Underwriters, subject to the terms of the Underwriting Agreement (refer to the heading "Underwriting" below for further details).

As the issue price of \$0.135 per Share under the Share Purchase Plan is less than 80% of the relevant five day VWAP of Shares traded on ASX before the day on which the Share Purchase Plan (and Placement) was announced, and because the Share Purchase Plan will be the second share purchase plan the Company has undertaken in the last 12 months, and in order to comply with the Listing Rules, the Share Purchase Plan is subject to Shareholder Approval.

ASX has granted to the Company a waiver from Listing Rule 7.3.9 to the extent necessary to permit the Company to not include in Resolution 3 a voting exclusion statement that excludes the votes of persons who may participate in the Share Purchase Plan, on the condition that the Share Purchase Plan is not underwritten, or if it is underwritten, the Company excludes any votes cast in favour of that resolution by any proposed underwriter or sub-underwriter of the Share Purchase Plan.

Resolution 3 is an ordinary resolution and seeks Shareholder approval for the issue of up to 74,074,074 Shares at an issue price of \$0.135 per Share pursuant to the Share Purchase Plan for the purpose of Listing Rule 7.1 (and for all other purposes).

Underwriting

The Share Purchase Plan is fully underwritten by the Underwriters. Further details in relation to the Underwriting Agreement and underwriting arrangements for the Share Purchase Plan are set out above under the heading "Background to the Share Placement". A summary of the Underwriting Agreement can be found at Schedule 1 to this Notice of Meeting.

Given the issue of Shares to the underwriter of a share purchase plan is not covered by ASX Listing Rule 7.2 (Exception 5), any Shares the subject of the Share Purchase Plan Shortfall under the Share Purchase Plan will only be issued by Red 5 to the Underwriters:

- (a) if Red 5 has sufficient ASX Listing Rule 7.1 and/or ASX Listing Rule 7.1A placement capacity; or
- (b) following receipt of Shareholder approval at the general meeting of Red 5 at which Shareholders approve the issue of Shares the subject of the Share Purchase Plan, any Share Purchase Plan Shortfall to the Underwriters.

ASX Listing Rules 7.1

A summary of Listing Rule 7.1 is set out under Resolution 1 above.

Listing Rule 7.2 exception 5 provides an exception to Listing Rule 7.1 for certain share purchase plans. However, this exception is only available once in any 12 month period and if, amongst other matters, the issue price of the Share Purchase Plan Shares is greater than 80% of the VWAP of Shares calculated over the last five days on which sales in Shares were recorded the day before the Share Purchase Plan was announced.

The VWAP of Shares for the last five days on which sales in Shares were recorded prior to the date of the announcement of the Share Purchase Plan (being 21 February 2023) was \$0.179, with 80% of this VWAP being \$0.1432. The price of a Share Purchase Plan Share is \$0.135, which is a 24.6% discount to the relevant VWAP prior to the date of the announcement of the Share Purchase Plan. In addition, the Share Purchase Plan is the second share purchase plan the Company has undertaken in the last 12 months (the first being as announced on 3 October 2022). Accordingly, exception 5 of Listing Rule 7.2 does not apply to the issue of the Share Purchase Plan Shares.

Further, the issue of the Share Purchase Plan Shares does not fall within any of the other exceptions under Listing Rule 7.2 and, as such, exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1

If Resolution 3 is passed, the Company will be able to issue the Share Purchase Plan Shares during the three-month period after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% capacity under Listing Rule 7.1. If Resolution 3 is not passed, the Company will not proceed with the issue of the Share Purchase Plan Shares unless the Board decides otherwise, subject to the Listing Rules and the Corporations Act.

Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of Shares pursuant to the Share Purchase Plan:

- (a) the Share Purchase Plan Shares will be allotted to the Eligible Shareholders (as defined in the Glossary of Terms) who have elected to participate in the Share Purchase Plan. To the extent there is a Share Purchase Plan Shortfall, the Underwriters have agreed to take up the Share Purchase Plan Shortfall pursuant to the Underwriting Agreement (as summarised in Schedule 1 to this Notice of Meeting);
- (b) the number of fully paid ordinary shares the Company will issue will be 74,074,074 Shares;
- (c) the Share Purchase Plan Shares will be issued on the same terms as, and will rank equally with, all fully paid ordinary shares in the Company on issue;
- (d) the Share Purchase Plan Shares are expected to be allotted and issued (including any Shares allotted and issued under any Share Purchase Plan Shortfall) on or around 13 April 2023 under the SPP Offer Booklet which was despatched to Shareholders on 2 March 2023 and, in any event, no later than 3 months after the date of the Meeting;
- (e) the price of each Share is \$0.135;
- (f) funds raised by the Share Purchase Plan Shares are intended to be used towards the strengthening of the Company's balance sheet, ensuring a strong working capital position to support steady-state operations at the KOTH Gold Project in Western Australia; and provide a financial platform from which Red 5 can assess and accelerate future investment in production and mine life growth;
- (g) a summary of the terms of the Share Purchase Plan is detailed above under the subheading "Background" regarding "Resolution 3 – Approval to Issue Shares pursuant to the Share Purchase Plan" (refer to the SPP Offer Booklet for further details); and
- (h) a voting exclusion statement is included in the Notice of Meeting.

In respect of this last point above, the Company has obtained a waiver from ASX in respect of Listing Rule 7.3.9 to permit Resolution 3 to not include a voting exclusion statement that excludes any person who may participate in the Share Purchase Plan on the condition the Company excludes votes cast on this Resolution 3 by any proposed underwriter or sub-underwriter of the Share Purchase Plan. Additionally, any Shareholders casting votes on Resolution 3 will be excluded from participating in the Share Purchase Plan Shortfall.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3. Any undirected proxies held by the Chairman will be voted in favour of Resolution 3.

GLOSSARY OF TERMS

“**Associate**” has the meaning given to that term in the ASX Listing Rules.

“**ASX**” means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by ASX Limited, as the context requires.

“**ASX Listing Rules**” means the official listing rules of ASX.

“**AWST**” means Western Standard Time being the time of Perth, Western Australia.

“**Board**” means the board of directors of the Company.

“**Canaccord Genuity**” means Canaccord Genuity (Australia) Limited.

“**Company**” or “**Red 5**” means Red 5 Limited (ABN 73 068 647 610).

“**Corporations Act**” means the *Corporations Act 2001* (Cth).

“**Corporations Regulations**” means the *Corporations Regulations 2001* (Cth).

“**Directors**” means the board of directors of the Company as at the date of the Notice of Meeting.

“**Eligible Shareholders**” means shareholders of the Company who are registered as holders of Shares as at the record date of 7.00 pm (AEDT) on Monday, 20 February 2023 with a registered address in Australia or New Zealand.

“**Meeting**” or “**General Meeting**” means the general meeting of the Company covered by this Notice of Meeting.

“**Notice of Meeting**” means the notice of meeting giving notice to Shareholders of the General Meeting of the Company to be held on 12 April 2023.

“**Ord Minnett**” means Ord Minnett Pty Ltd.

“**Petra Capital**” means Petra Capital Pty Ltd.

“**Resolution**” means a resolution pursuant to this Notice of Meeting.

“**Share**” means an ordinary fully paid share in the capital of the Company.

“**Shareholder**” means a holder of a Share.

“**Share Purchase Plan Shortfall**” means a shortfall in the subscription for Shares under the Share Purchase Plan.

“**SPP**” or “**Share Purchase Plan**” means the fully underwritten share purchase plan being conducted by the Company, as announced to the ASX on 21 February 2023.

“**SPP Offer Booklet**” means the SPP offer booklet released to the ASX by the Company on 2 March 2023.

“**Tranche 1 Placement Recipients**” means sophisticated or professional investor recipients of the Tranche 1 Placement Shares, as set out in the Explanatory Memorandum.

“**Tranche 2 Placement Recipients**” means the sophisticated or professional investor recipients of the Tranche 2 Placement Shares, as set out in the Explanatory Memorandum.

“**Underwriting Agreement**” means the underwriting agreement between the Company and the Underwriters dated 23 February 2023 and summarised at Schedule 1 to this Notice of Meeting.

“**Underwriters**” means Canaccord Genuity and Petra Capital.

“**VWAP**” means volume weighted average market price.

SCHEDULE 1 – SUMMARY OF MATERIAL TERMS OF UNDERWRITING AGREEMENT

| Term | Summary |
|-----------------------------------|---|
| Outline of Underwriting Agreement | <p>The Company has engaged Canaccord Genuity (Australia) Limited ACN 075 071 466 and Petra Capital Pty Ltd ACN 110 952 782 (Underwriters) as the underwriters for the Placement and the share purchase plan (SPP) under the underwriting agreement dated 23 February 2023 (Underwriting Agreement). The underwriting is conditional upon a number of conditions, including but not limited to:</p> <ul style="list-style-type: none"> • the Underwriters having received all due diligence deliverables as contemplated by the due diligence planning documentation; • the Company complying in all respects with its obligations under the syndicated facility agreement; • certain procedural steps being satisfied including those associated with the lodgement of documentation with ASX (including documents required under the Corporations Act and its half year accounts), provision of certificates under the Underwriting Agreement, compliance with timetables, no indication from ASX that quotation will not be granted in respect of the new Company shares and in respect of the new Company shares; • the SPP offer booklet being dispatched, the Company announcing the results of the SPP, and the Company issuing shares under the SPP on terms agreed under the Underwriting Agreement; and • shareholder approval being obtained as required under the Underwriting Agreement. |
| Other Key Terms | <p>The other key terms of the Underwriting Agreement are as follows:</p> <ul style="list-style-type: none"> • The Placement and SPP is fully underwritten by the Underwriters, subject to the terms and conditions of the Underwriting Agreement. • The Underwriters can appoint co-managers, brokers, and sub-underwriters provided that fees payable to such persons are paid out of the fees paid to the Underwriters and are institutional investors. The Underwriters must offer to appoint Ord Minnett Limited as co-manager of the Placement. • The Company is required to honour its repayment milestones under the syndicated facility agreement as agreed with the banking syndicate and warrants that it is not in breach of, or breaches the syndicated facility agreement. The Company gives various warranties, representations and covenants in favour of the Underwriters that are typical for an agreement of this nature. • The Company has agreed to reimburse the Underwriters in respect of out-of-pocket expenses incurred in connection with the Placement and SPP by way of a deduction from the proceeds. • The Company indemnifies and holds harmless the Underwriters and related persons against liabilities they may sustain or incur in connection with the Placement and SPP on terms and with carve outs that are typical for an agreement of this nature. • the Underwriters will be paid: <ul style="list-style-type: none"> ○ a selling and management fee equal to 0.9% of proceeds from the Placement; ○ an underwriting fee equal to 3.6% of proceeds from the Placement; and ○ a selling, management and underwriting fee of 4.5% of the amount calculated as the number of shares issued under the SPP plus the shares to be issued as part of any shortfall under the SPP multiplied by the issue price. |
| Termination | <p>An Underwriter may, by notice to the Company and the other Underwriter, terminate the Underwriting Agreement in a number of circumstances, including where:</p> <ul style="list-style-type: none"> • the S&P/ASX 300 Metals and Mining Index or the price of gold by reference to the Nymex Comex Gold Price falls below a certain amount between specified timetable milestones; • the timetable is delayed (other than events solely within the control of the Underwriters) or the Company withdraws the Placement or the SPP, or a circumstance arises that results in |

| Term | Summary |
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| | <p>the Company repaying the money received from applicants or offering applicants the opportunity to withdraw their application;</p> <ul style="list-style-type: none"> • a certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission); • ASIC or the Takeovers Panel holds, gives notice of intention to hold, prosecutes, or gives notice of an intention to prosecute a hearing, notice, investigation, prosecution or proceeding against the Company or its related persons in relation to the Placement; • ASX announces that the Company's shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation; • there is an alteration of the Company's capital structure without the prior consent of the Underwriters except as contemplated; • the Company is in breach of the syndicated facility agreement in any respect or makes an announcement to ASX that it is in breach or default of, or has not complied with or makes an announcement to ASX that it is in breach or default of, or has not complied with the syndicated facility agreement in any respect; • the Company is unable to issue or prevented from issuing new Company shares as contemplated by the Underwriting Agreement by virtue of the ASX Listing Rules, applicable laws, a government agency or an order of a court of competent jurisdiction; • a cleansing notice is or becomes defective (within the meaning of section 708A(10) of the Corporations Act) or any amendment, update or correcting notice to the cleansing notice is required under the Corporations Act to be issued (including as a result of the operation of sections 708A(9) of the Corporations Act); • ASIC makes a determination under section 708A(2) of the Corporations Act; • there is an event or occurrence, including any statute, order, rule, regulation, directive or request compliance with which is in accordance with the general practice of persons to whom the request is addressed of any governmental agency which makes it illegal for an Underwriter to satisfy an obligation under the Underwriting Agreement, or to market or promote the Placement or subscribe for the offer shortfall; • unconditional approval (or approval conditional only on customary conditions which are reasonably acceptable to the Underwriters) is refused or not granted to the official quotation of all of the new Company shares by the time required to conduct the Placement; • any material licence, lease, permit, concession, tenement, authorisation or concession of the group (Authorisation) is, or is likely to be, invalid, revoked or unenforceable, including as a result of the introduction of new legislation in the relevant jurisdiction; • any Authorisation is breached or not complied with in a material respect; • any director or officer of the Company is investigated for, or charged with, a criminal offence relating to any financial or corporate matter relating to the Company (including the Placement), or any director of the Company is disqualified from managing a corporation under the Corporations Act or investigated for any act which could give rise to a disqualification; • a director or the chief executive officer or chief financial officer of the Company resigns or indicates that he or she does not intend to be a director or executive (as applicable) of the Company, for any reason other than incapacity, other than as expressly disclosed; • the Company or one of its substantial subsidiaries becomes insolvent or there is an act or omission which may result in the Company or a substantial subsidiary becoming insolvent; • proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Company's ability to agree to and complete the Placement; |

| Term | Summary |
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| | <ul style="list-style-type: none"> • the Company is or becomes in default of any of the terms and conditions of the Underwriting Agreement or a representation or warranty by the Company is or becomes false or incorrect; • any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an offer document is or becomes incapable of being met or, in the reasonable opinion of the Underwriters, unlikely to be met in the projected timeframe; • the Company commits a breach of the Corporations Act, ASX Listing Rules, the Constitution, or other applicable laws, or has failed to comply with its continuous disclosure obligations or its Constitution; • legal proceedings against the Company or any other member of the Company's corporate group are commenced or any regulatory body commences any enquiry or public action against a member of the Company's corporate group; • any offer document includes a statement or fact that is misleading or deceptive or omits to state a fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or deceptive; • a new circumstance arises which is a matter adverse to investors in new Company shares and which would have been required by the Corporations Act to be included in the offer documents had the new circumstance arisen before the offer documents were given to ASX; • any adverse change or effect occurs, or an event occurs which is likely to give rise to an adverse change or effect, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance, results of operations, profits, losses or prospects of the Company from that existing at the date of the Underwriting Agreement; • there is any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, the United States, Hong Kong, the United Kingdom, any member country of the European Union, China, Singapore or New Zealand from those existing at the date of the Underwriting Agreement; • there is an outbreak or major escalation of hostilities, whether war has been declared or not, or an act or acts of terrorism, involving any one or more of Australia, the United States, the United Kingdom, any member country of the European Union, Russia, Ukraine, China, Singapore or New Zealand; • a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, any member country of the European Union, China, Singapore or New Zealand is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; and • trading of securities quoted on ASX, the London Stock Exchange, the New York Stock Exchange, the Hong Kong Stock Exchange or the Singapore Stock Exchange is suspended, or there is a material limitation in trading, for more than one business day on which the exchange is open for trading. <p>In respect of certain events above, the obligations of the Underwriters under the Underwriting Agreement can only be terminated on reasonable grounds and in fact before that the event has had or is likely to have, a material adverse effect on:</p> <ul style="list-style-type: none"> • the outcome or success of the Placement or the SPP; • the likely price at which the new Company shares will trade on ASX; • the ability of the Underwriters to settle the Placement or SPP shortfall shares; or • the willingness of investors to subscribe for new Company shares; or • the event has given rise to, or is reasonably likely to give rise to, a contravention by the Underwriters, of or liability for the Underwriters under, the Corporations Act or any applicable laws. |