



Environmental Social and Governance Report

“Our vision is to be a successful multi-operational exploration and mining company, providing benefits to all stakeholders through the consistent application of technical excellence and responsible and sustainable industry practices.”

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Corporate PROFILE

Red 5 Limited (ABN 73 068 647 610) is an Australian gold producer with established mines located in the Eastern Goldfields of Western Australia. The Company is listed on the Australian Securities Exchange (Ticker: RED).

Red 5 owns and operates the King of the Hills (KOTH) Gold Mine, located approximately 900 kilometres north-east of Perth and 25 kilometres north of Leonora in Western Australia. KOTH comprises a recently constructed 4.7 Mtpa processing plant, underpinned by an Ore Reserve of 2.4Moz of contained gold, with ore being fed from a bulk open pit and underground mining operation. The A\$226 million development and construction of the KOTH project was completed on time and within budget in 2022, with first gold produced on 5 June 2022.

Red 5 also owns the Darlot Gold Mine located approximately 100 kilometres north of KOTH. Darlot’s processing plant was recently suspended, with ore from the Darlot underground mine now being transported to the KOTH processing hub.

Message from **THE MANAGING DIRECTOR**

I am delighted to present Red 5's Environmental Social and Governance (ESG) Report for the 2022 Financial Year (FY22), providing a formal framework to articulate the Company's sustainability initiatives and our goals for the future.

FY22 has been a very busy and successful period for Red 5, with the construction, commissioning and ramp up of Australia's newest major gold mine, the King of the Hills (KOTH) Mine in the Eastern Goldfields region of Western Australia.

The delivery and ramp up of this \$226 million project during the year is an enormous achievement, with the first gold pour on 5 June 2022 marking a very pleasing milestone for our entire team.

Considering the challenging conditions being experienced in the Western Australian resource sector with widespread labour and skills shortages, border closures, shortages in the international supply chain and the onset of the COVID-19 pandemic, the delivery of the KOTH mine on time and within budget is testament to the dedication and commitment of the entire Red 5 team supported by our Tier-1 contracting partners MACA-Interquip and Macmahon.

In parallel with our activities at King of the Hills, Red 5 also maintained gold operations at our Darlot and Great Western mines, which delivered gold production for the reporting period of 64,667 ounces. With King of the Hills now in operation, in FY23 Darlot will transition to become a satellite source of ore feed for the new, cost efficient KOTH processing plant.

Throughout the year, I am pleased to report that the Company has expanded our commitment to ESG principles, which are core to our business values. During FY22, the Company's main ESG focus was on maintaining compliance, maximising water efficiency, minimising waste, improving our carbon footprint, and stakeholder engagement.

You will find further details on our key initiatives in the following pages.

Looking to the future, during the year Red 5 engaged an external specialist expert to assist with the development of a strategic ESG roadmap. This roadmap is expected to be finalised in H1 FY23, providing Red 5 with a strong plan for managing, monitoring and reporting our ESG performance.

I would like to thank you for taking the time to read our ESG Report and welcome any feedback you have on our ESG reporting.

Mark Williams
Managing Director

12 August 2022



FY22 OVERVIEW

FY22 marked a defining period in Red 5’s growth pathway to becoming a mid-tier Australian gold producer. The construction, ramp up and delivery of the King of the Hills (KOTH) mine was achieved on time and within budget, representing a major achievement by the Red 5 team and business partners.

Our Darlot operations delivered in FY2022 total production of 64,667 ounces at an all-in sustaining cost of \$2,479 per ounce.

From the start of FY23, the Darlot processing plant will be suspended, with ore from Darlot to be trucked to the new, cost efficient KOTH mill for processing.

Throughout the year, the Company’s key ESG focus was:

1. maintaining compliance,
2. maximising water efficiency,
3. minimising waste,
4. improving our carbon footprint, and
5. stakeholder engagement.

1.1 ENVIRONMENT

1.1.1 WATER MANAGEMENT

Darlot

Borefield water is used for ablutions, drinking, elution circuit and carbon rinsing. Borefield levels have continued to decline over the FY due to below-average rainfall. With the suspension of processing operations from July 2022 and the resulting reduction in workforce, we expect water demand to reduce. This will allow the borefield to recharge over the coming years.

Additional water supply from the neighbouring British King mine continued to be utilised in the processing plant throughout the year. Plans are in place to relocate the pump, generator and pipeline as the Darlot processing plant is suspended.

KOTH

KOTH mine dewatering and existing production bores around the pit provided the necessary water supply for the KOTH processing plant construction, commissioning and ramp up during FY22. The re-commissioned Sullivan Creek borefield, including four new production bores, mine dewatering and recycled tailings decant water will continue to support operations going forward.



Routine monitoring is vital to the sustainability of our groundwater resources.

1.1.2 WASTE MANAGEMENT

Darlot

Existing waste management practices continued throughout the year. The latest waste metal recycling program was successfully conducted in June-July 2021. The next program will be coordinated in conjunction with the suspension of the Darlot Processing Plant.

Materials recovered for recycling from Darlot in FY22.

	Total (kg)
Heavy Melting Steel	175,050
Heavy Melting Steel Oxy	175,970
Mesh and Bolts	472,660
Batteries	10,550
Copper Cable	6,000
Manganese	221,560
Hi Crome	600
Conveyor Belt	7,550

Hydrocarbon wastes are all removed from site by a certified contractor who processes waste oils through the latest re-refining technology to achieve total re-use.

FY22 OVERVIEW *(cont.)*

KOTH

In H2 FY22 a specialist waste management contractor was engaged to demolish the remains of the historical processing and administration infrastructure, as well as provide waste management services for the operations. Disposal and recycling processes across the operation will continue to be refined and improved in collaboration with business partners, which will include a new landfill, scrap storage/salvage and bioremediation area planned for construction in early FY23.

1.1.3 GREEN HOUSE GAS (GHG) MANAGEMENT

KOTH

Power for the KOTH operation is sourced from an onsite hybrid gas-solar power station. This has significantly reduced the operation's carbon footprint relative to a diesel fuelled power generation alternative. The installation includes a 2MW solar farm and solar arrays to power some production bores which further reduces the operation's carbon emissions.



Solar farm at KOTH providing 2MW to the operation.



Borefield powered by a solar array.

FY22 OVERVIEW *(cont.)*

1.2 SOCIAL

1.2.1 CULTURAL HERITAGE

The landscape in the region holds special significance for local traditional owners. Surveys involving specialist archaeologists, anthropologists and the traditional owners have taken place in all areas of our operation. Sites of importance have been mapped and integrated into our mine

planning process to avoid impact on these sites and protecting them for the future. A cultural heritage awareness program was rolled out across all operations at both KOTH and Darlot in FY22 and will continue into FY23.



Cultural awareness training at KOTH.

A local elder from Leonora conducted a welcome to country for guests at KOTH, including the Western Australian Minister for Mines, in September 2021.

Red 5 is committed to engaging and consulting with traditional owners to ensure protection of important cultural heritage values and to maintain a positive relationship between the Darlot people and Red 5.

FY22 OVERVIEW *(cont.)*

1.2.1 CULTURAL HERITAGE *(cont.)*



Local Elder Gay Harris presenting to a stakeholder group at the King of the Hills operation (Hon Bill Johnston, MLA Minister for Mines and Petroleum in centre).



Sullivan Creek at KOTH, an important feature for the local traditional owners.

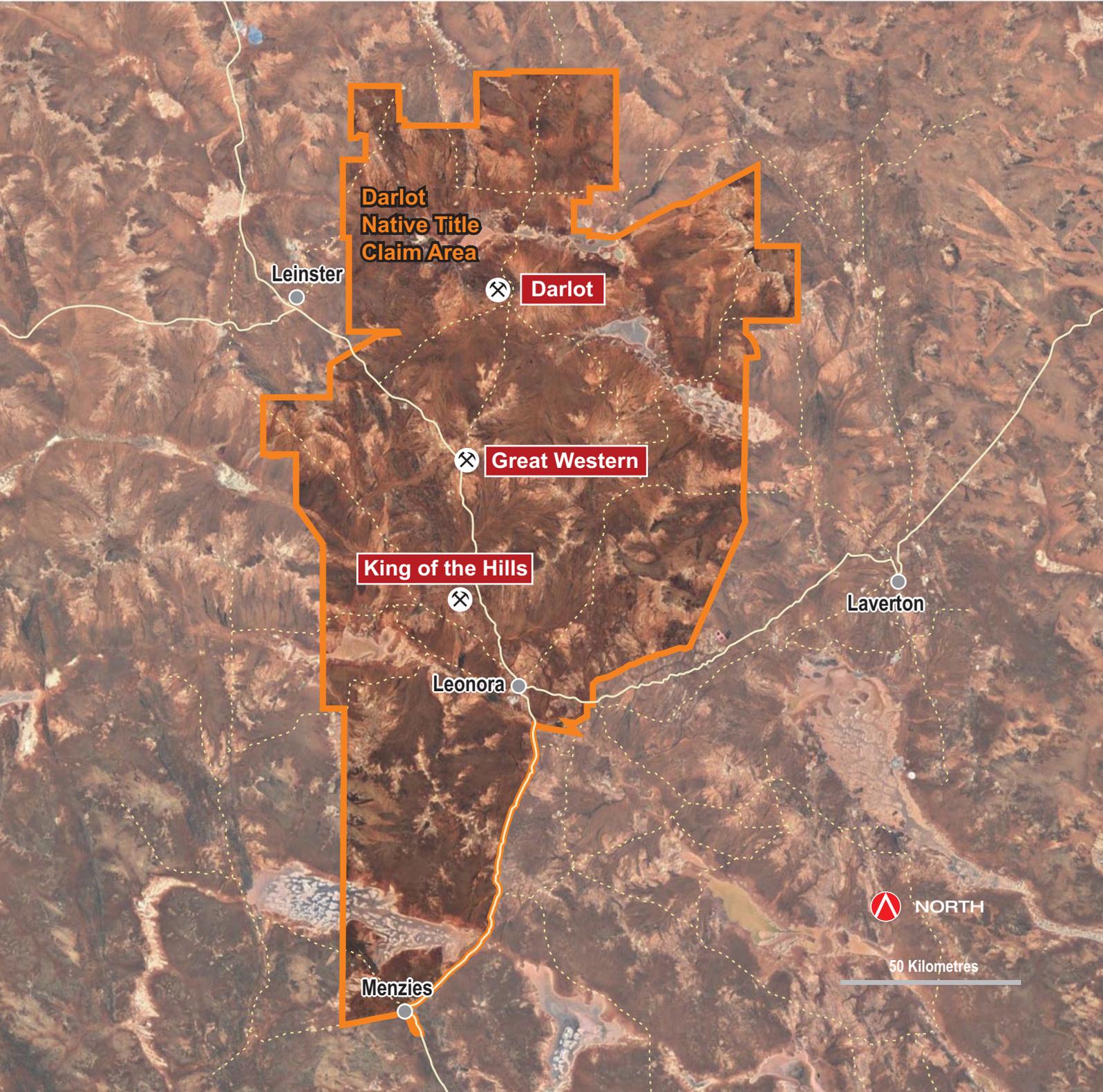
Sullivan Creek, to the west of our KOTH operation, is a site of significant importance to the traditional owners. The KOTH operation required the construction of a gas lateral spur pipeline from the main Goldfields Gas Pipeline at KOTH. This gas lateral crossed Sullivan Creek. To avoid any potential disturbance to the creek bed and banks, including a 100m buffer either side of the creek, horizontal directional drilling was used to allow the pipeline to pass beneath the creek and buffer zone with no surface impact. Traditional owner representatives were engaged to oversee and advise this process.

FY22 OVERVIEW *(cont.)*

1.2.1 CULTURAL HERITAGE *(cont.)*

Darlot Native Title Claim

The Darlot Native Title Claim was successfully accepted for registration on 9 July 2021. The claim covers an area that includes our operations at KOTH, Darlot and Great Western. The Darlot Native Title Claim was determined on 5 July 2022, which will see negotiations towards an agreement with Red 5 in FY23.



Darlot Native Title Claim map.

FY22 OVERVIEW *(cont.)*

1.2.2 HUMAN CAPITAL

Red 5 is committed to ensuring that it is an employer of choice and that it provides a safe, respectful work environment for all its employees. It has in place a Diversity Policy and will look to further develop its diversity activities having regard to the challenging Western Australian market for talent.

Red 5 notes the reports prepared for the Western Australian Parliament in 2022 titled “Sexual Harassment on Women in the FIFO Mining Industry” and has developed a program in response for implementation during FY23.

1.2.3 COMMUNITY RELATIONS

Red 5 operates in a sparsely populated region with the main communities being in the township of Leonora and several local landowners. A number of providers located in the region benefit from the Red 5 operations through provision of services.

Red 5 has also been a supporter of a number of programs in recent years including:

1. the Leonora District High School Indigenous Hip Hop program;
2. sponsorship of the Leonora District High School in attending the Sydney INDIGI HACK event; and
3. the Leonora Golden Gift.

Red 5 also donated funds to a suicide prevention charity in Australia, to the MACA Cancer 200, Ride for Research which is a 200km journey, raising vital funds for cancer research by the Harry Perkins Institute of Medical Research in Western Australia.

Red 5’s presence additionally benefits the community through our emergency medical facilities and medical response capability and various levels of assistance to our surrounding pastoralists.

1.3 GOVERNANCE

1.3.1 APPROVALS AND COMPLIANCE

KOTH Start Up

Mining proposals and works approvals were in place for the construction and commissioning of the new processing plant, TSFs and associated infrastructure that occurred during FY22.

Groundwater abstraction licences were amended for the additional production bores and increased water allocation required for the operation.

KOTH 6 Mtpa approvals

A revised mining proposal that includes a production throughput increase for up to 6 Mtpa was submitted in FY22. Approval is expected in early FY23.

Compliance Activities

Routine monthly, quarterly and annual compliance monitoring, sampling and reporting have continued across the operations during the year with no issues to report. There were no fines or penalties imposed on the Company and no serious environmental incidents.

Increased compliance and reporting requirements for KOTH associated with environmental licence and groundwater licence requirements, approvals and closure plan revisions and amendments, along with ongoing compliance, care and maintenance and rehabilitation requirements at Darlot and Great Western, will continue into FY23.

FY22 OVERVIEW *(cont.)*

1.3.1 APPROVALS AND COMPLIANCE *(cont.)*

Great Western Care and Maintenance

Progressive rehabilitation of the Great Western mine has been successfully implemented throughout the year culminating in near completion of the works by the end of FY22. A care and maintenance plan has been completed and will be submitted to DMIRS in early FY23 as the open pit

operation concludes with all equipment and infrastructure removed and the site secured in August 2022. Dewatering will remain operational to supply water for suppression of dust from Darlot Road. Environmental inspections and reporting will continue.

Corporate Governance Policy Structure

	Governance	Social	Environment
Board responsibility			
Board charter	▲	▲	
Constitution	▲		
Continuous disclosure policy	▲	▲	
Code of conduct	▲	▲	▲
Corporate governance statement	▲		
Securities trading policy	▲	▲	
Shareholder communications policy	▲	▲	
Modern slavery statement	▲	▲	▲
Audit Committee responsibility			
Audit committee charter	▲	▲	▲
Anti-bribery and corruption policy	▲		
Selection and performance of external auditor	▲		
Whistleblower policy	▲	▲	▲
Remuneration Committee responsibility			
Remuneration committee charter	▲		
Selection and nomination of new directors	▲		
Diversity policy	▲	▲	
Risk and Environment Committee responsibility			
Risk and environment committee charter	▲	▲	▲
Risk management policy	▲	▲	▲
Environmental policy statement	▲		▲
Health, Safety and Community Committee responsibility			
HSC committee charter	▲	▲	
Occupational health and safety policy	▲	▲	

▲ Board and Committee ESG responsibilities.

FY22 OVERVIEW *(cont.)*

1.3.1 APPROVALS AND COMPLIANCE *(cont.)*

Top strategic risks and mitigation activities as at the reporting date

Key risks	Key controls and mitigation measure examples
Health and safety	<p>Red 5 maintained 15 critical risk standards for its operations.</p> <p>With implementation of the new Workplace Health and Safety legislation, regulations and codes of practices Red 5 commenced the alignment of its health and safety management system to these new requirements.</p> <p>Implementation of new workplace behaviour complaint process has commenced and will be implemented during Q1 FY23.</p>
COVID-19 pandemic	<p>With the WA border opening in March 2022, Red 5 implemented airport COVID screening for all employees and contractors mobilising to a Red 5 site. The same process was implemented for all Drive in Drive out employees and contractors.</p> <p>Implementation of onsite testing was also undertaken so that for cause and surveillance testing could be undertaken.</p> <p>These strategies had the desired impact of reducing the occurrence of COVID 19 on our worksite.</p>
Mining operations	<p>King of the Hills</p> <p>Q1 to Q3 Operational Readiness related risks.</p> <p>This included:</p> <ul style="list-style-type: none"> ▲ Management of Commercial Risks during the engagement phase of our mining contractor. ▲ Ensuring compliance with our statutory obligations and license to operate. ▲ Red 5 ramping up employment of new team ▲ Darlot Transition Strategy <p>Q4 Operations Phase related risks.</p> <p>This included:</p> <ul style="list-style-type: none"> ▲ Integration of both Red 5 and Macmahon employees into one team focus on the safe operation of the mine. <p>Darlot Mine</p> <p>The mining operational risk focused on the transition to satellite operation to King of the Hills. Including the upgrade to Darlot road to support the Darlot to King of the Hills Trucking Strategy.</p> <p>The operation was also managing significant labour shortage issues which translated into safety management and production constraints which required local management focus and interventions.</p>
Employee recruitment and retention	<p>In FY22 Red 5 implemented a number of retention-based strategies to reduce the impact of turnover. This includes a retention bonus for all Level 1 to Level 3 employees who joined the company in FY22 to be paid in December 2023.</p> <p>Recruitment marketing was also improved with the creation of a recruitment micro-site for the King of Hills Project and extensive engagement via social media channels.</p>

FY23 OBJECTIVES

2.1 MATERIAL TOPICS ASSESSMENT

With the support of Future Proof, a sustainability consulting firm, a materiality assessment was undertaken to identify key sustainability topics which are important to us and our stakeholders in FY22.

Workshop sessions were completed based on a list of potential material topics detailed below:

Potential Material Topics					
Emissions	Air Quality	Energy Management	Water & Wastewater Management	Waste & Hazardous Materials Management	Ecological Impacts
Human Rights & Community Relations	Customer Privacy	Data Security	Access & Affordability	Product Quality & Safety	Customer Welfare
Selling Practices & Product Labeling	Labor Practices	Employee Health & Safety	Employee Engagement, Diversity & Inclusion	Product Design & Lifecycle Management	Business Model Resilience
Supply Chain Management	Materials Sourcing & Efficiency	Physical Impacts of Climate Change	Business Ethics	Competitive Behavior	Management of the Legal & Regulatory Environment
			Critical Incident Risk Management	Systemic Risk Management	

 Environment	 Business Model & Innovation
 Social Capital	 Leadership & Governance
 Human Capital	

FY23 OBJECTIVES (cont.)

2.1 MATERIAL TOPICS ASSESSMENT (cont.)

Based on these workshops the following list of potential material topics has been developed.

ESG Material Topics Summary

This is a summary of the material topics of focus for FY23.

01 HUMAN CAPITAL

- ▲ Workplace Health and Safety
- ▲ Employee Engagement
- ▲ Diversity

02 BUSINESS MODEL

- ▲ Economic Performance

03 GOVERNANCE

- ▲ Critical Risk Management
- ▲ Corporate Governance
- ▲ Business Partner ESG Performance

04 SOCIAL CAPITAL

- ▲ Cultural Heritage & Native Title
- ▲ Socio-economic and community contribution

05 ENVIRONMENT

- ▲ Energy Management & renewables
- ▲ Water Management

Based on the above priority lists the following work program has been developed for the focus of the ESG program in FY23.

2.2 ESG ROADMAP FOR FY23

FY23 will see Red 5 further develop its ESG Framework and implement the building blocks for the FY24-26 ESG Plan.

