

# Notice of General Meeting

**Red 5 Limited** ABN 73 068 647 610

---

Date of Meeting: Thursday, 7 May 2020

Time of Meeting: 11.00 am (Perth Time)

Place of Meeting: Red 5 Limited's office at Level 2, 35 Ventnor Avenue, West Perth, Western Australia and virtually on line at [www.lumiagm.com](http://www.lumiagm.com) with meeting ID 351-589-278

# Notice of General Meeting

Dear Shareholder

Enclosed is a notice for a general meeting (**Meeting**) of shareholders of Red 5 Limited (**Company** or **Red 5**) to be held on Thursday, 7 May 2020 at Red 5's offices and will also be held virtually on an online platform at [www.lumiagm.com](http://www.lumiagm.com) with meeting ID 351-589-278 to enable shareholders to attend on-line.

The Meeting has been convened to consider Resolutions for the ratification and approval of the issue of shares in two tranches under a placement to raise gross proceeds of \$125 million as announced on 30 March 2020 (**Placement**). Resolution 1 seeks shareholder approval to ratify the first tranche issue of shares on 6 April 2020 (**First Tranche Placement**), while Resolution 2 seeks shareholder approval to for the further issue of shares on or about 13 May 2020 (**Second Tranche Placement**).

The Placement significantly de-risks the funding requirements for the King of the Hills stand-alone bulk mining project. Proceeds from the Placement will be used towards funding the development of the King of the Hills planned integrated bulk open pit and underground mine and stand-alone 4Mt pa process plant (final feasibility study due in the September 2020 quarter), to fund ongoing exploration at King of the Hills and at Darlot and for general working capital purposes.

Resolutions 3 to 6 seek shareholders' approval for the participation of directors in the Second Tranche Placement for \$470,300, representing in aggregate 2,612,778 shares.

**Given current COVID-19 circumstances, attendance by shareholders at the physical location for the Meeting will not be permitted.**

On behalf of the Board, I encourage you to consider all Meeting materials carefully and participate in the Meeting by lodging the proxy form accompanying the Notice of Meeting. I would also encourage shareholders to participate in the Meeting on the on-line platform at [www.lumiagm.com](http://www.lumiagm.com).

The directors unanimously recommend that you vote **FOR** all Resolutions (save that for Resolutions 3 to 6, the applicable director abstains from making a recommendation on that Resolution relating to that director).

Please take the opportunity to review the presentation and related announcements as to the Placement released to the market by the Company on 30 March 2020.

Yours faithfully



**Kevin Dundo**  
Chairman

# Notice of General Meeting

Notice is given that a General Meeting of shareholders of Red 5 Limited (ABN 73 068 647 610) (**Red 5** or **Company**) will be held on Thursday, 7 May 2020 commencing at 11.00 am (Perth time) at the Company's office at Level 2, 35 Ventnor Avenue, West Perth, Western Australia and will be available online via the Lumi platform at [www.lumiagm.com](http://www.lumiagm.com) with meeting ID 351-589-278.

## Agenda

### Ordinary Business

#### **Resolution 1 - Ratification of the Issue of Shares under the First Tranche 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 7.4 and for all other purposes, the prior allotment and issue of 171,500,000 fully paid ordinary shares at an issue price of \$0.18 per share to the First Tranche Placement Recipients, on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting, be approved and ratified."

*Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of the First Tranche Placement Recipients, or any Associate of those persons. However, this does not apply to a vote cast in favour of 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:
  - (1) 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
  - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 2 - Approval of Issue of Shares under the Second Tranche 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, approval be and is hereby given for the issue and allotment of 522,944,445 fully paid ordinary shares at \$0.18 per share to the Second Tranche Placement Recipients as set out in the Explanatory Memorandum accompanying this Notice of Meeting."

*Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of the Second Tranche Placement Recipients, any Associates of the Second Tranche Placement Recipients, 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 2 is passed, and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 2 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:
  - (1) 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
  - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# Notice of General Meeting

## **Resolution 3 – Approval of Issue of Placement Shares to Director – Mark Williams**

---

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 10.11 and for all other purposes, approval be and is hereby given for the issue of up to 334,167 Shares to Mark Williams or his nominee on the terms and conditions as set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

*Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Mark Williams and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being the holder of ordinary securities in the Company), and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 3 by:*

- (a) a person as proxy or attorney for another 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;
- (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:
  - (1) 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
  - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 4 – Approval of Issue of Placement Shares to Director – Ian Macpherson**

---

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 10.11 and for all other purposes, approval be and is hereby given for the issue of up to 334,167 Shares to Ian Macpherson or his nominee on the terms and conditions as set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

*Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Ian Macpherson and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being the holder of ordinary securities in the Company), and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 4 by:*

- (a) a person as proxy or attorney for another 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;
- (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:
  - (1) 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
  - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# Notice of General Meeting

## **Resolution 5 – Approval of Issue of Placement Shares to Director – Steven Tombs**

---

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 10.11 and for all other purposes, approval be and is hereby given for the issue of up to 277,778 Shares to Steven Tombs or his nominee on the terms and conditions as set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

*Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Steven Tombs and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being the holder of ordinary securities in the Company), and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 5 by:*

- (a) a person as proxy or attorney for another 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;
- (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:
  - (1) 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
  - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 6 – Approval of Issue of Placement Shares to Director – Colin Loosemore**

---

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 10.11 and for all other purposes, approval be and is hereby given for the issue of up to 1,666,666 Shares to Colin Loosemore or his nominee on the terms and conditions as set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

*Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Colin Loosemore and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being the holder of ordinary securities in the Company), and any Associates of those persons. However, this does not apply to a vote cast in favour of Resolution 6 by:*

- (a) a person as proxy or attorney for another 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;
- (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:
  - (1) 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
  - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Other Business**

---

To consider any other business that may be brought before the Meeting in accordance with the Company's Constitution.

### **Explanatory Memorandum**

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of General Meeting.

### **Snapshot Time**

Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the Meeting, at which a “snapshot” of Shareholders will be taken for the purposes of determining Shareholders' entitlements to vote at the Meeting.

# Notice of General Meeting

The Directors have determined that all Shares of the Company on the register as at 7.00 pm (Perth time) on Tuesday, 5 May 2020 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

## Virtual general meeting

The Company is mindful of the recommendations and guidelines of the Federal and State Governments with respect to the current COVID-19 circumstances, non-essential meetings and travel, and social distancing requirements and has decided to locate its physical Meeting at the Company's offices, located at Level 2, 35 Ventnor Avenue, West Perth, Western Australia whilst also holding the meeting simultaneously on-line via the Lumi platform at [www.lumiagm.com](http://www.lumiagm.com) with meeting ID 351-589-278.

The Company will be enforcing the Government's guidelines in place at the date of the meeting as regards attendance at the meeting, meaning shareholders will be prevented from accessing the Meeting physically.

Please note that you are strongly encouraged to lodge proxy votes for the Meeting.

Shareholders may also participate in the Meeting virtually via an online platform provided at the Lumi platform at [www.lumiagm.com](http://www.lumiagm.com) with meeting ID 351-589-278.

This can be accessed by navigating to [web.lumiagm.com](http://web.lumiagm.com) on any internet browser. Alternatively, the Lumi AGM app can be downloaded for free from the Apple or Google Play stores.

The ID for this meeting that will need to be entered in to the Lumi platform is: 351-589-278

Shareholders should then log in to the meeting using their SRN/HIN and postcode. Any appointed third party proxies should contact the registrar, Automic, to receive their login information.

Shareholders attending the Meeting virtually via the online platform will be able to ask questions during the Meeting. More information regarding virtual attendance at the Meeting (including how to ask questions virtually during the Meeting) will be available in the virtual meeting guide, which will be available prior to the Meeting, on the Company's website.

## Poll

All Resolutions shall be conducted by poll, as they are all resolutions relating to the ASX Listing Rules.

## Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form for the Meeting provides further details on appointing proxies and lodging the Proxy Form. Proxies must be returned by 11.00 am (Perth time) on Tuesday, 5 May 2020.

## Voting by Proxy

A Shareholder can direct its proxy to vote for, against or abstain from voting on each resolution by marking the appropriate box in the Voting Directions section of the proxy form. If a proxy holder votes, they must cast all votes as directed. Any directed proxies that are not voted will automatically default to the Chairman, who must vote the proxies as directed.

If the Chairman is to act as your proxy in relation to the meeting (whether by appointment or by default) and you have not given directions on how to vote by marking the appropriate box in the Voting Directions section of the proxy form, the Chairman intends to vote all valid undirected proxies in respect of each of the Resolutions in favour of the relevant resolution.

# Notice of General Meeting

As noted above, given health risks created by the current COVID-19 situation shareholders will not be able to attend at the physical meeting, and the Company strongly encourages shareholders to lodge a directed proxy, and to appoint the Chairman as your proxy.

If you are in any doubt as to how to vote, you should consult your professional adviser.

**Voting Online at [www.automicgroup.com.au](http://www.automicgroup.com.au)**

Please see the accompanying Proxy Form for instructions as to how to lodge your proxy, including lodging on-line.

**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 pro forma certificate if required.

**By Order of the Board**

Red 5 Limited

***Frank Campagna***

Company Secretary

6 April 2020

# Explanatory Memorandum

## 1. Introduction

---

This Explanatory Memorandum is provided to shareholders of Red 5 Limited (**Red 5** or **Company**) to explain the Resolutions to be put to Shareholders at the General Meeting to be held at Level 2, 35 Ventnor Avenue, West Perth, Western Australia on Thursday, 7 May 2020 commencing at 11.00 am (Perth time) and at the same time virtually online at [www.lumiagm.com](http://www.lumiagm.com).

The Notice of Meeting sets out details of proposals concerning the Resolutions to be put to Shareholders.

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Unless otherwise defined, the Terms used in this Explanatory Memorandum are defined in section 6.

## 2. Background to the Placement

---

### 2.1 Background

On 30 March 2020 the Company announced a Placement to raise gross funds of \$125 million to use towards funding the development of the King of the Hills planned integrated bulk open pit and underground mine and stand-alone 4Mt pa process plant (final feasibility study due in the September 2020 quarter), to fund ongoing exploration at King of the Hills and at Darlot and for general working capital purposes. The capital raising consists of a two tranche placement (**Placement**) to sophisticated or professional investors.

The first tranche of the Placement consists of 171.5 million new shares (**First Tranche Placement**) at an issue price of \$0.18 per share (**Placement Price**).

The second tranche of the Placement consists of 522.94 million new shares (**Second Tranche Placement**) at the Placement Price.

Petra Capital was the sole lead manager and sole bookrunner to the Placement. Canaccord Genuity acted as broker to the Placement.

### 2.2 Purpose and Intended use

The Placement proceeds will be used towards funding the development of the King of the Hills planned integrated bulk open pit and underground mine and stand-alone 4Mt pa process plant (final feasibility study due in the September 2020 quarter), to fund ongoing exploration at King of the Hills and at Darlot and for general working capital purposes.

### 2.3 First Tranche Placement

Resolution 1 seeks the ratification and approval of Shareholders for the prior issue of 171,500,000 fully paid ordinary shares at the Placement Price of \$0.18 per Share (**First Tranche Placement Shares**), raising \$30.87 million (before costs) under the First Tranche Placement.

The First Tranche Placement Shares to be issued on or about 6 April 2020 and represents approximately 14% of the fully diluted shares the Company had on issue at the time of the announcement of the First Tranche Placement. The First Tranche Placement Shares will be issued to the First Tranche Placement Recipients under the Company's existing 15% placement capacity prior to the date of the Meeting and as such, are not subject to Shareholder's prior approval under Listing Rule 7.1. Resolution 1 seeks Shareholder approval under Listing Rule 7.4 to ratify the issue of the First Tranche Placement Shares. Shareholder ratification will enable the Company to issue Shares in the next 12 months under its 15% placement capacity without the need to seek prior shareholder approval.

### 2.4 Second Tranche Placement

Resolution 1 seeks Shareholder approval for the issue of up to 522,944,445 fully paid ordinary shares at the Placement Price of \$0.18 per share (**Second Tranche Placement Shares**) to raise a further \$94.13 million (before costs).



# Explanatory Memorandum

Although as at the date of this Notice of Meeting the Company has retained a portion of its Listing Rule 7.1 capacity (being approximately 14 million shares) after the issue of the First Tranche Placement Shares, the issue of the Second Tranche Placement Shares requires and the Company is seeking Shareholder approval pursuant to Listing Rule 7.1. If the issue of the Second Tranche Placement Shares is approved by Shareholders, it is anticipated that the Second Tranche Placement Shares will be issued and allotted to the Second Tranche Placement Recipients on or about 12 May 2020.

## **3. Resolution 1 – Ratification of Issue of First Tranche Placement Shares**

---

### **3.1 Background**

Resolution 1 is an ordinary resolution and proposes to ratify the issue of the First Tranche Placement Shares. The First Tranche Placement Shares to be issued to the First Tranche Placement Recipients on or about 6 April 2020 pursuant to the Placement. Further details in relation to the Placement are set out in Section 2 above.

### **3.2 ASX Listing Rules 7.1 and 7.4**

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 First Tranche Placement does not fit within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity 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.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Ratification by the Shareholders of the Company to the First Tranche Placement is now sought pursuant to Listing Rule 7.4 under Resolution 1 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 this Resolution 1 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 1 is passed, the First Tranche Placement will be excluded in calculating the Company's 15% limit 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 1 is not passed, the First Tranche Placement will be included in calculating the Company's 15% limit 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.

# Explanatory Memorandum

## 3.3 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 1:

- (a) the First Tranche Placement Shares were allotted to the First Tranche Placement Recipients, who were determined on the basis of applications received from institutional and sophisticated investors, who are clients of the sole lead manager and sole bookrunner, Petra Capital, together with clients of Canaccord Genuity and other brokers to the Placement, and include current substantial shareholders Franklin Resources and Ruffer;
- (b) the number of fully paid ordinary shares issued by the Company is 171,500,000 Shares;
- (c) the First Tranche 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 First Tranche Placement Shares will settle on 3 April 2020 and will be allotted and issued on 6 April 2020;
- (e) the price of each Share was \$0.18;
- (f) funds raised by the First Tranche Placement Shares are intended to be used towards funding development of the planned integrated bulk open pit and underground mine and stand-alone 4Mt pa process plant at King of the Hills (final feasibility study due in the September 2020), to fund ongoing exploration at King of the Hills and at Darlot and for general working capital purposes;
- (g) no First Tranche Placement Recipient is a related party of the Company; and
- (h) a voting exclusion statement is included in the Notice of Meeting.

## 3.4 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.

## 4. Resolution 2 - Approval of Issue of Second Tranche Placement Shares

---

### 4.1 Background

Resolution 2 is an ordinary resolution and seeks Shareholder approval for the issue of the Second Tranche 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 in Section 2 above.

### 4.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in section 3.2 above.

The Second Tranche Placement does not fall within any of these exceptions and in aggregate 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 2 is passed, the Company will be able to proceed with the Second Tranche Placement and proceed with the intended uses for the full funding of the Placement, as set out in the announcement to the ASX on 30 March 2020 and summarised above in section 2.2. In addition, the Second Tranche 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 can proceed without using up any of the Company's 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the Second Tranche Placement and will only be able to partially proceed with the intended uses for the full funding of the Placement, as set out in the announcement to the ASX on 30 March 2020 and summarised above in section 2.2.

# Explanatory Memorandum

The effect of Resolution 2 will be to allow the Company to issue the Second Tranche Placement Shares pursuant to the Second Tranche 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 Second Tranche Placement Shares is 13 May 2020.

## 4.3 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 Second Tranche Placement:

- (a) the Second Tranche Placement Shares will be allotted to the Second Tranche Placement Recipients, who were determined on the basis of applications received from institutional and sophisticated investors, who are clients of the sole lead manager and sole bookrunner, Petra Capital, together with clients of Canaccord Genuity and other brokers to the Placement, and include current substantial shareholders Franklin Resources, Regal Funds Management and Ruffer;
- (b) the number of fully paid ordinary shares the Company will issue will be 522,944,445 Shares;
- (c) the Second Tranche 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 Shares are anticipated to settle on 12 May 2020 and allotted and issued on 13 May 2020 and, in any event, no later than 3 months after the date of the Meeting;
- (e) the price of each Share is \$0.18;
- (f) funds raised by the Second Tranche Placement Shares are intended to be used towards funding the development of the King of the Hills planned integrated bulk open pit and underground mine and stand-alone 4Mt pa process plant project (final feasibility study due in the September 2020), to fund ongoing exploration at King of the Hills and at Darlot and for general working capital purposes; and
- (g) a voting exclusion statement is included in the Notice of Meeting.

## 4.4 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.

## 5. Resolutions 3 to 6 – Approval of Issue of Placement Shares to Directors

---

### 5.1 General

Resolutions 3 to 6 are Ordinary Resolutions and seek Shareholder approval pursuant to Listing Rule 10.11 for Mark Williams, Ian Macpherson, Steven Tombs and Colin Loosemore, being Directors of the Company, to participate in the Placement on the same terms as unrelated investors. Further details in relation to the Placement are set out in Section 2 above.

# Explanatory Memorandum

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to, inter alia, a related party of the Company, unless it obtains the approval of its shareholders. Mark Williams, Ian Macpherson, Steven Tombs and Colin Loosemore are related parties of the Company and, accordingly, approval under Listing Rule 10.11 is required in order to issue Placement Shares to them.

If approval is given under Listing Rule 10.11 approval will not be required under Listing Rule 7.1, and the Shares issued pursuant to Resolution 3 to 6 will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a related party unless one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

An issue of shares may constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act. However, as the issue of Placement Shares to the related parties is proposed to occur on the same terms as the issue of Placement Shares to unrelated investors, the issue is considered to be on "arms' length" terms and therefore falls within the exception in section 210 of the Corporations Act. Shareholder approval is therefore not sought for the purposes of Chapter 2E of the Corporations Act.

If Resolutions 3 to 6 are passed, the directors the subject of those resolutions will participate in the Second Tranche Placement for the amount specified.

If any or all of Resolutions 3 to 6 are not passed, then the Company would seek to place that amount of director participation (to the extent not approved) to sophisticated and exempt investors, on the same terms, and in the time periods provided in Resolution 2.

## 5.2 **Technical information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 3 to 6:

- (a) The Placement Shares will be issued to Mark Williams, Ian Macpherson, Steven Tombs and Colin Loosemore (or their respective nominees). These parties are directors and related parties for the purpose of Listing Rule 10.11.1;
- (b) the maximum number of Shares to be issued pursuant to Resolutions 3 to 6 is 2,612,778 comprising:
  - (1) 334,167 Shares to Mark Williams;
  - (2) 334,167 Shares to Ian Macpherson,
  - (3) 277,778 Shares to Steven Tombs; and
  - (4) 1,666,666 Shares to Colin Loosemore.
- (c) the 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 Shares are anticipated to be settled on 12 May 2020 and be issued on 13 May 2020 and, in any event, no later than 1 month after the date of the Meeting;
- (e) the price of each Share is \$0.18;
- (f) the funds raised will be used for the same purposes as all the other funds raised under the Placement; and
- (g) a voting exclusion statement is included in the Notice of Meeting.

# Explanatory Memorandum

## 5.3 Directors Recommendations

The Directors recommend that Shareholder vote in favour of Resolution 3, (Mark Williams abstaining). Any undirected proxies held by the Chairman will be voted in favour of Resolution 3.

The Directors recommend that Shareholder vote in favour of Resolution 4, (Ian Macpherson abstaining). Any undirected proxies held by the Chairman will be voted in favour of Resolution 4.

The Directors recommend that Shareholder vote in favour of Resolution 5, (Steven Tombs abstaining). Any undirected proxies held by the Chairman will be voted in favour of Resolution 5.

The Directors recommend that Shareholder vote in favour of Resolution 6, (Colin Loosemore abstaining). Any undirected proxies held by the Chairman will be voted in favour of Resolution 6.

## 6. Interpretation

---

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

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange;

**Board** means the board of directors of the Company;

**Canaccord Genuity** means Canaccord Genuity (Australia) Limited;

**Company** means Red 5 Limited;

**Constitution** means the constitution of the Company from time to time;

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time;

**Director** means a director of the Company;

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Meeting;

**First Tranche Placement** has the meaning given to that term in section 2.1 of the Explanatory Memorandum;

**First Tranche Placement Recipients** means the sophisticated or professional investor recipients of the First Tranche Placement Shares;

**First Tranche Placement Shares** has the meaning given to that term in section 2.2 of the Explanatory Memorandum;

**Listing Rule** means the official listing rules of the ASX as amended from time to time;

**Meeting** or **General Meeting** means the general meeting to be held on Thursday, 7 May 2020;

**Notice of Meeting** or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders;

**Petra Capital** means Petra Capital Pty Ltd;

**Placement** has the meaning given to that term in Section 2.1 of the Explanatory Memorandum.

# Explanatory Memorandum

**Placement Price** has the meaning given to that term in section 2.1 of the Explanatory Memorandum.

**Resolution** means a resolution proposed at the Meeting;

**Second Tranche Placement** has the meaning given to that term in section 2.1 of the Explanatory Memorandum;

**Second Tranche Placement Recipients** means the sophisticated or professional investor recipients of the Second Tranche Placement Shares, and if approved by shareholders, the directors the subject of Resolutions 3 to 6;

**Second Tranche Placement Shares** has the meaning given to that term in section 2.4 of the Explanatory Memorandum;

**Share** means an ordinary fully paid share in the issued capital of the Company;

**Shareholder** means a holder of Shares in the Company.

---



RED 5 LIMITED | ACN 068 647 610

# Proxy Card

If you are attending the virtual Meeting please retain this Proxy Card For online Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]  
[EntityRegistrationDetailsLine2Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

# [HolderNumber]

Holder Number:  
[HolderNumber]

## Vote by Proxy: RED

Your proxy voting instruction must be received by **11.00am (WST) on Tuesday, 5 May 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>



Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.

### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

- Individual:** Where the holding is in one name, the Shareholder must sign.
- Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE VIRTUAL MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the virtual Meeting online if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the virtual Meeting online, then the proxy's authority to speak for that Shareholder is suspended while the Shareholder is present at the virtual Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



