# **RED 5 LIMITED**

ABN 73 068 647 610



# NOTICE OF ANNUAL GENERAL MEETING

# **EXPLANATORY MEMORANDUM**

# **PROXY FORM**

# Date and time of meeting

27 November 2012 at 10.00 a.m.

# Place of meeting

Duxton Hotel 1 St. George's Terrace Perth, Western Australia

# **RED 5 LIMITED**

#### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Red 5 Limited (Company) will be held at the Duxton Hotel, 1 St. George's Terrace, Perth, Western Australia on Tuesday, 27 November 2012 at 10.00 a.m.

#### **AGENDA**

#### **ORDINARY BUSINESS**

# Financial statements and reports

To receive and consider the annual financial report of the Company and the reports of the directors and auditors for the financial year ended 30 June 2012.

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

# 1. Re-election of Gary Scanlan as a director

"That Mr Gary Scanlan, being a director of the Company, who retires by rotation in accordance with Clause 7.1(d) of the Constitution and being eligible for re-election, be hereby re-elected as a director of the Company."

To consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary, non-binding resolution.

#### 2. Remuneration report

"That for the purposes of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report as contained in the annual financial report of the Company for the year ended 30 June 2012."

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 2 (in any capacity) by or on behalf of either a member of KMP (details of whose remuneration are included in the Remuneration Report) or a Closely Related Party of a member of KMP, unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form or by the Chairman pursuant to an express authorisation to exercise the proxy.

# **SPECIAL BUSINESS**

The special business of the meeting is to consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution.

# 3. Ratification of share issue

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the placement made by the Company in March 2012 of 7,075,472 ordinary fully paid shares at an issue price of \$2.12 each, further details of which are set out in the explanatory memorandum accompanying the notice of meeting."

For the purposes of ASX Listing Rule 7.5, the Company will disregard any votes cast on this resolution by any shareholder who participated in the share placement and any of their associates. However, the Company need 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 Chairman as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board

Frank Campagna
Company Secretary

Perth, Western Australia 15 October 2012

### **Proxy** appointments

A member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote for the member at the meeting. 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 registrar in accordance with the proxy instructions on that form.

# Voting prohibition statement for key management personnel

Members of KMP (which includes each of the directors) will not be able to vote as proxy on Resolution 2 unless you instruct them how to vote or, in the case of the Chairman of the meeting, unless you expressly authorise him to do so.

If you intend to appoint a member of KMP (other than the Chairman) as your proxy, you should ensure that you direct the member of KMP how to vote on Resolution 2.

If you intend to appoint the Chairman of the meeting as your proxy for Resolution 2, you can direct the Chairman how to vote by marking one of the boxes on the proxy form for Resolution 2 (for example, if you wish to vote 'for', 'against' or to 'abstain' from voting). If you do not direct the Chairman how to vote, then by submitting the proxy form, you will be expressly authorising the Chairman to exercise the proxy in respect of Resolution 2 even though it is connected to the remuneration of members of KMP.

#### Voting entitlements

In accordance with Regulation 7.11.37 of the Corporations Regulations, the directors have determined that the identity of those entitled to attend and vote at the meeting is to be taken as those persons who held shares in the Company as at 10.00 a.m. on 25 November 2012.

### **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 annual general meeting of the Company and should be read in conjunction with the accompanying notice of meeting.

#### ANNUAL FINANCIAL REPORT

The financial report of the Company for the year ended 30 June 2012 (including the financial statements, directors' report and auditors' report) was included in the 2012 annual report of the Company, a copy of which is available on the Company's web-site at www.red5limited.com.

There is no requirement for shareholders to approve these reports. However, time will be allowed during the annual general meeting for consideration by shareholders of the financial statements and the associated directors' and auditors' reports.

### RESOLUTION 1 - RE-ELECTION OF GARY SCANLAN AS A DIRECTOR

In accordance with ASX Listing Rule 14.4 and Clause 7.1(d) of the Constitution, at every annual general meeting, one third of the directors in office (other than any managing director) must retire by rotation and are eligible for re-election.

Mr Gary Scanlan therefore retires at the annual general meeting in accordance with the Constitution and being eligible, has offered himself for re-election at the meeting.

Mr Scanlan has over 20 years' experience in the mining industry preceded by 10 years' experience with PricewaterhouseCoopers. His previous roles include Executive General Manager – Finance for Newcrest Mining Limited and also as Managing Director of Castlemaine Goldfields Limited. Mr Scanlan is chairman of the audit committee and a member of the remuneration committee.

The Board (other than Mr Scanlan) recommends that shareholders vote in favour of the re-election Mr Scanlan as a director of the Company.

#### **RESOLUTION 2 - REMUNERATION REPORT**

The Remuneration Report is contained in the Directors' Report section of the Company's 2012 annual report. The Remuneration Report describes the underlying principles and structure of the remuneration policies of the Company and sets out the remuneration arrangements in place for directors and senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of shareholders of the Company. Shareholders should note that the vote on Resolution 2 is not binding on the Company or the directors. However, the directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Members of KMP of the Company will be excluded from voting on Resolution 2. The Chairman of the meeting intends to vote all available proxies in favour of Resolution 2.

### **RESOLUTION 3 – RATIFICATION OF SHARE ISSUE**

On 20 March 2012, the Company announced a share placement of 7,075,472 ordinary shares at an issue price of \$2.12 to raise \$15 million in working capital for the Company. The placement was made to existing institutional shareholders and sophisticated investors and was managed by a syndicate comprising Casimir Capital LP and Petra Capital Pty Ltd.

Funds raised by the placement provided a working capital contingency during the initial pre-stripping and production ramp-up phase at the Siana gold mine in the Philippines.

ASX Listing Rule 7.1 prohibits a listed company from issuing shares representing more than 15% of its issued capital in any 12 month period without obtaining shareholder approval (subject to certain exceptions).

Under ASX Listing Rule 7.4, a company can seek ratification of issues that have been made within the 12 month period. The effect of such ratification is that the issue of shares is then deemed to have been made as if shareholder approval had been obtained, thus not counting towards the 15% limit.

Resolution 3 seeks the ratification by shareholders of the issue of the 7,075,472 shares to clients of Casimir Capital LP and Petra Capital Pty Ltd. If the resolution is approved then those shares will be deemed to have been issued pursuant to shareholder approval thus they will not be counted in the 15% capacity.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of securities issued was 7,075,472 fully paid shares;
- (b) the issue price of the securities was \$2.12 per share;
- (c) the shares were allotted and credited as fully paid and rank equally with the existing shares on issue:
- (d) the shares were allotted and issued to institutional shareholders and sophisticated investors who are clients of Casimir Capital LP and Petra Capital Pty Ltd and who are not related parties of the Company; and
- (e) the funds raised provided a working capital contingency during the initial pre-stripping and production ramp-up phase at the Siana project.

The Board recommends that shareholders vote in favour of Resolution 3 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 month period.

#### **GLOSSARY OF TERMS**

- "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.
- "Board" means the board of directors of the Company.
- "Closely Related Party" is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of KMP.
- "Company" or "Red 5" means Red 5 Limited (ABN 73 068 647 610).
- "Constitution" means the constitution of the Company.
- "Corporations Act" means the Corporations Act 2001 (Commonwealth).
- "Corporations Regulations" means the Corporations Regulations 2001 (Commonwealth).
- "Director" means a director of the Company.
- "KMP" is defined in the Corporations Act and includes the people who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director.
- "Remuneration Report" means the report contained in the annual financial report of the Company for the year ended 30 June 2012.
- "Share" means an ordinary fully paid share in the capital of the Company.

### **PROXY FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

# **RED 5 LIMITED**

ABN: 73 068 647 610

**REGISTERED OFFICE:** 

Level 2

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd All Correspondence to: PO BOX 535,

35 Ventnor Avenue West Perth WA 6005										APPLECR +61 8 931 E: registr	OSS WA 6953	ing Highway, AUSTRALIA 8 9315 2233 Insfer.com.au
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								Holder	Number	:		
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2. REMUNERATION REPOR	श											
3. RATIFICATION OF SHAR	E ISSUE											
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My/Our contact details in case of enquiries are:							
NAME	TELEPHONE NUMBER						

#### **NOTES**

#### 1. Name and Address

This is the name and address on the Share Register of RED 5 LIMITED. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

# 2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your Proxy please mark "X" in the box in Section A.

If the person you wish to appoint as your Proxy is someone other than the Chairman of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairman of the Meeting will be your Proxy. A Proxy need not be a Shareholder of RED 5 LIMITED.

#### 3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

#### 4. Default to the Chairman of the meeting

Any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman of the meeting, who is required to vote proxies as directed.

#### 5. Proxy voting by key management personnel

If you intend to appoint a member of the Company's key management personnel (other than the Chairman of the meeting) as your proxy, please ensure that you direct them how to vote on Resolution 2, otherwise they will not be able to cast a vote as your proxy on that Resolution. If the Chairman of the meeting is your proxy and you do not direct the Chairman how to vote on Resolution 2, then by submitting this form, you expressly authorise the Chairman to vote as he sees fit on that Resolution.

### 6. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

#### 7. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

 $\underline{\mbox{Joint Holding:}}$  where the holding is in more than one name, all of the Shareholders must sign.

<u>Power of Attorney:</u> to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

<u>Companies:</u> where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

#### 8. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 10:00am (WST) on 25th November 2012, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd PO BOX 535 Applecross, Western Australia 6953

Street Address: Alexandrea House, Suite 1 770 Canning Highway Applecross, Western Australia 6153

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

# PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.