

RED 5 LIMITED

ABN 73 068 647 610



NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date and time of meeting

22 November 2017 at 2.00 p.m.

Place of meeting

Celtic Club
48 Ord Street
West 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 Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 22 November 2017 at 2.00 p.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 2017.

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

1. Re-election of Colin Loosemore as a director

“That Mr Colin Loosemore, being a director of the Company, who retires by rotation in accordance with Clause 7.1(d) of the Constitution and ASX Listing Rule 14.4 and being eligible for re-election, is 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 2017.”

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 2 by or on behalf of either a member of Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or a Closely Related Party of a member of Key Management Personnel, unless the vote is cast as proxy for a person entitled to vote on the resolution, and the voter is:

- (a) appointed as proxy in writing that specifies the way the proxy is to vote on the resolution; or*
- (b) the Chairman appointed pursuant to a proxy that does not specify the way the proxy is to vote on the resolution and expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel.*

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. Approval of Non-Executive Directors Share Plan

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes under the ASX Listing Rules and all other purposes, the Red 5 Non-Executive Directors’ Share Plan, as last approved by shareholders on 22 November 2016, including the issue of securities under the plan, be approved.”

The Company will disregard any votes cast on Resolution 3 by non-executive directors of the Company or 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 of 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.

By order of the Board

Frank Campagna
Company Secretary

Perth, Western Australia
10 October 2017

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 prohibition statement for key management personnel

Members of Key Management Personnel (which includes 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 Key Management Personnel (other than the Chairman) as your proxy, you should ensure that you direct the member of Key Management Personnel 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 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 Key Management Personnel.

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 4.00 p.m. WST on 20 November 2017.

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 2017 (including the financial statements, directors' report and auditors' report) was included in the 2017 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 COLIN LOOSEMORE AS A DIRECTOR

In accordance with 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. In addition, pursuant to ASX Listing Rule 14.4 and Clause 7.1(e) of the Constitution, no director may hold office without re-election beyond the third annual general meeting following the meeting at which the director was last re-elected.

Mr Loosemore 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 Loosemore is a geologist with over 40 years' experience in multi-commodity exploration including over 30 years as a director of public exploration companies within Australia and overseas. He graduated from London University in 1970 and the Royal School of Mines in 1977. Mr Loosemore was most recently Managing Director of Archipelago Resources plc where he oversaw development of the Toka Tindung Gold Mine in Sulawesi Indonesia. Mr Loosemore is chairman of the Health, Safety, Environment and Community Committee and a member of the Audit Committee and Remuneration Committee.

The Board (other than Mr Loosemore) recommends that shareholders vote in favour of the re-election Mr Loosemore as a director of the Company. The Chairman of the meeting intends to vote all available proxies in favour of Resolution 1.

RESOLUTION 2 – REMUNERATION REPORT

The Remuneration Report is contained in the Directors' Report section of the Company's 2017 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 advisory only and 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.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 2.

RESOLUTION 3 – APPROVAL OF NON-EXECUTIVE DIRECTORS SHARE PLAN

Background

The Red 5 Non-Executive Directors Share Plan (the **NED Plan**) was approved by shareholders at the Company's 2016 annual general meeting. The purpose of the NED Plan is to provide non-executive directors of the Company with the ability to sacrifice their directors' fees to acquire ordinary fully paid shares in the capital of the Company. The salary sacrifice serves as an effective cash preservation mechanism whilst further aligning the interests of directors with those of shareholders of the Company.

ASX Listing Rule 10.14 provides that a company must not issue or agree to issue securities under an incentive plan to a director, or an associate of a director, without the approval of shareholders.

Pursuant to the exception in ASX Listing Rule 7.1(14), approval under ASX Listing Rule 7.1 is not required in order to issue shares to the non-executive directors of the Company as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of shares to the non-executive directors of the Company pursuant to Resolution 3 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

As the NED Plan was last approved by shareholders in 2016, the Board is seeking to refresh the approval of the NED Plan, including the issue of securities under the NED Plan, for the purposes of ASX Listing 10.14 and for all other purposes.

Summary of NED Plan and ASX Listing Rule 10.15

In summary, and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of shares to the non-executive directors of the Company under the proposed NED Plan:

- (a) all non-executive directors of the Company are eligible to participate in the NED Plan.
- (b) each non-executive director who wishes to participate in the NED Plan must provide notice to the Company indicating the percentage of their directors' fees that they elect to sacrifice under the terms of the NED Plan. The specified percentage must be at least 10% (unless otherwise determined by the Board) and may be up to 100%.
- (c) the maximum number of securities that can be issued under the NED Plan is the total remuneration of the non-executive directors exclusive of superannuation, being up to \$350,000 in the current financial year (comprising \$250,000 of directors fees for current non-executive directors and allowance of up to \$100,000 in connection with the appointment of any additional non-executive directors), divided by the issue price of the shares (as determined in paragraph (e) below). In any case, the total number of shares in any financial year that can be issued pursuant to the NED Plan will not exceed 5% of the Company's outstanding issued capital at any time.
- (d) the Company, at its discretion, may either issue new ordinary fully paid shares to the non-executive directors or procure that shares are acquired on the ASX in the name of the eligible non-executive directors under the NED Plan.
- (e) each non-executive director will be provided with the number of ordinary fully paid shares in the Company equal to the amount of fees sacrificed by the director in the relevant year, divided by:
 - in the case of shares being purchased on the ASX, the average price paid for shares on the ASX under the plan (inclusive of costs associated with their acquisition); or
 - in the case of shares being issued by the Company, the volume weighted average price for sales of the Company's shares on ASX for the five trading days immediately leading up to the date of the issue of the shares.

- (f) the following non-executive directors received a total of 2,649,984 shares under the NED Plan since it was last approved at the Company's 2016 annual general meeting:

Non-executive director	Number of Shares
Kevin Dundo	1,194,560
Colin Loosemore	995,467
Ian Macpherson	459,957

- (g) the Company will issue the shares under the NED Plan from time to time, but in any case, it will not issue any shares under the NED Plan more than 12 months after this annual general meeting pursuant to any approval granted under Resolution 3.
- (h) there are no restrictions on the transfer of shares issued to the non-executive directors under the NED Plan.
- (i) the NED Plan is administered by the Board who, subject to the ASX Listing Rules, the Corporations Act and any other regulatory requirements that apply to the Company, may by resolution amend or vary the NED Plan provided that no such right may, without the consent of the participant, in any manner adversely affect their rights under any share rights already granted under the NED Plan.
- (j) no loans have been or will be made by the Company in connection with the NED Plan.
- (k) a voting exclusion statement for Resolution 3 is included in the notice of annual general meeting preceding this explanatory memorandum.

The following amendments to the NED Plan may be made by the Board without the approval of shareholders:

- any amendments necessary to ensure that the NED Plan is in compliance with the ASX Listing Rules and any other applicable legal requirements;
- amendments that are of an administrative nature;
- amendments to the definitions of Eligible Persons under the NED Plan unless such changes would expand the class of Eligible Persons; and
- amendments to the manner in which the NED Plan is administered.

The following amendments to the NED Plan will require shareholder approval:

- amendments to the maximum number of ordinary shares in the Company that may be issued to any one participant under the NED Plan;
- amendments to the provisions with respect to the assignment of share rights;
- amendments which would expand the definition of persons eligible to participate in the NED Plan;
- amendments to the amending provisions of the NED Plan; and
- amendments to reduce the price at which shares are issued under the NED Plan.

If a non-executive director ceases (for whatever reason) to be a director during a year:

- (a) but before any Shares have been provided to that Eligible Director under the NED Plan in respect of that financial year, no Shares will be provided to the non-executive director in relation to the financial year, but the Company must pay to the Eligible Director the amount, in cash, equal to the portion of the sacrificed amount for that year on a pro-rata basis;
- (b) but before all Shares have been provided to that Eligible Director under the NED Plan in respect of that financial year, no further Shares will be provided to the Eligible Director, but the Company must pay to the Eligible Director the amount, in cash, equal to the portion of the sacrificed amount for the year that remains unsatisfied by the issue of Shares, on a pro-rata basis; or

- (c) but after all Shares have been provided to that Eligible Director under the NED Plan in respect of that financial year, the Eligible Director must pay to the Company the amount, in cash, equal to the portion of the sacrificed salary that remains unearned, on a pro-rata basis.

An analysis of any Shares issued to non-executive directors during the year will be included in the Company's annual report for the relevant year.

Recommendation

The Managing Director, Mark Williams, who is the only director not entitled to participate in the NED Plan, recommends that shareholders vote in favour of Resolution 3.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 3.

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 Key Management Personnel.

"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* (Cth).

"Corporations Regulations" means the *Corporations Regulations 2001* (Cth).

"Key Management Personnel" or "KMP" means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise) of the Company.

"Remuneration Report" means the report contained in the annual financial report of the Company for the year ended 30 June 2017.

"Share" means an ordinary fully paid share in the capital of the Company.

"WST" means Western Standard Time being the time of Perth, Western Australia.

+

RED 5 LIMITED

ABN: 73 068 647 710

REGISTERED OFFICE:

LEVEL 2
35 VENTNOR AVENUE
WEST PERTH WA 6005

+

«EFT_REFERENCE_NUMBER»



«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

RED

Holder Number:

«HOLDER_NUM

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.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 2:00pm WST on Wednesday, 22 November 2017 at Celtic Club, 48 Ord Street, West Perth, Western Australia and at any adjournment of that meeting.

Chairperson authorised to exercise undirected proxies on remuneration related resolutions:

Where I/we have appointed the Chairperson of the meeting as my/our proxy (or the Chairperson of the meeting becomes my/our proxy by default) and I/we am/are entitled to vote on the relevant resolutions, I/we expressly authorise the Chairperson of the meeting to exercise my/our proxy in respect of each of proposed Resolutions 2 and 3 even though each of those resolutions is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company, and even though the Chairperson of the meeting is a member of key management personnel for the Company.

Please note: If the Chairperson of the meeting is (or becomes) your proxy, you can direct the Chairperson of the meeting how to exercise your proxy on proposed Resolutions 2 and 3 by marking the appropriate box in Section B below.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Re-election of Colin Loosemore as a Director
2. Remuneration Report
3. Approval of Non-Executive Directors Share Plan

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 2:00pm WST on Monday 20 November 2017.

+ REDPX1221117

1

1

RED

REDPX1221117

+



My/Our contact details in case of enquiries are:

Name:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number:

(

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

)

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. 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 the person you wish to appoint as your Proxy is someone other than the Chairperson 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 Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

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. 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 contacting the Company's share registry 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.

5. SIGNING INSTRUCTIONS

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 must sign.

Power of Attorney: 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.

Companies: 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.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, 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 Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

