



16 August 2017

ASX Market Announcements  
ASX Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

### **NON-RENOUCEABLE RIGHTS ISSUE**

Following the recent announcement by Red 5 Limited (**Red 5** or **Company**) on 3 August 2017 of the Company's new Eastern Goldfields consolidation strategy, Red 5 is pleased to announce a non-renounceable rights issue to eligible shareholders, on the basis of 1 new fully paid ordinary share for every 3 shares held at an issue price of \$0.05 per share (**New Share**), to raise approximately \$12,741,000 (before costs) (**Rights Issue**) via the offer of approximately 254,835,049 New Shares (subject to rounding of entitlements).

The Rights Issue will be available to all registered shareholders who hold shares at 7.00 pm Perth time on 22 August 2017 (**Record Date**) with registered addresses in Australia and New Zealand, (**Eligible Shareholders**).

In accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth) (**Corporations Act**), Red 5 has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to those shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Rights Issue to those shareholders.

The Rights Issue is partially underwritten by St Ives Gold Mining Company Pty Ltd, to the sum of \$8.5 million, with a sub-underwriting commitment from Saracen Mineral Holdings Limited of \$1.5 million.

The purpose of the Rights Issue is to raise approximately \$12,741,000 to fund the initial cash consideration component of the acquisition of all of the shares in Darlot Mining Company Pty Ltd (which owns and operates the Darlot Gold Operations), fund the costs of the Rights Issue and to provide working capital. The Company intends to fund the initial cash consideration component of the acquisition of the King of the Hills gold project from existing cash resources.

A proposed timetable for the Rights Issue is set out in the table below:

<b>Event</b>	<b>Date</b>
Offer Document and Appendix 3B lodged with ASX	16 August 2017
Notice of Rights Issue sent to shareholders	18 August 2017
Shares commence trading on an ex basis	21 August 2017

<b>Event</b>	<b>Date</b>
Record Date for the Rights Issue (7:00 pm Perth time)	22 August 2017
Despatch Offer Document to shareholders	25 August 2017
Opening date of Rights Issue (9:00 am Perth time)	25 August 2017
General Meeting	20 September 2017
Closing date of Rights Issue (5:00 pm Perth time)	25 September 2017
Shares commence trading on deferred settlement basis	26 September 2017
Advise ASX of any shortfall	28 September 2017
Completion of Darlot Acquisition and King of the Hills Acquisition	2 October 2017
Allotment of New Shares under Rights Issue	2 October 2017
Deferred settlement trading ends	2 October 2017
Despatch of holding statements for New Shares	3 October 2017
Normal trading of New Shares on ASX begins	3 October 2017

This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the ASX Listing Rules.

The Rights Issue is being made without a disclosure document, in accordance with section 708AA of the Corporations Act. Red 5 has prepared and lodged today with ASX an Offer Document, which will be sent to all Eligible Shareholders on or around 25 August 2017, as set out in the timetable above.

#### **Further information**

The Company anticipates that approximately 254,835,049 New Shares will be issued. The New Shares will be issued for \$0.05 each.

Upon completion of the Rights Issue, and assuming it is fully subscribed, and the issue of the initial consideration shares for the Darlot Acquisition (130,000,000) and for the KoTH Acquisition (90,000,000) the issued capital of Red 5 will comprise approximately 1,239,340,197 shares.

The New Shares will rank equally in all respects with Red 5's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number.

Trading in the New Shares is expected to commence on or around 3 October 2017.

A Cleansing Statement and an Appendix 3B applying for quotation of the New Shares are attached.

Red 5 encourages all Eligible Shareholders to consider participating in the Rights Issue.

#### **For more information:**

Mark Williams, Managing Director  
Red 5 Limited  
Telephone: +61 8 9322 4455



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SYDNEY NSW 2000

### **CLEANSING NOTICE UNDER SECTION 708A**

Red 5 Limited (**Red 5** or **Company**) is undertaking a non-renounceable rights issue to eligible shareholders, on the basis of 1 new fully paid ordinary share for every 3 shares held at an issue price of \$0.05 per share (**New Share**), to raise approximately \$12,741,000 (before costs) (**Rights Issue**). Approximately 254,835,049 New Shares will be offered under the Rights Issue (subject to rounding of entitlements).

The Rights Issue will be available to all registered shareholders who hold shares at 7.00 pm Perth time on 22 August 2017 (**Record Date**) with registered addresses in Australia and New Zealand, (**Eligible Shareholders**).

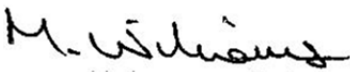
The Rights Issue is partially underwritten to an amount of \$8,500,000 by St Ives Mining Company Pty Ltd (**Underwriter**) of which an amount of \$1,500,000 has been sub-underwritten by Saracen Minerals Holdings Limited.

Pursuant to section 708AA(7) of the Corporations Act, Red 5 provides notice of the following:

1. Red 5 will offer the New Shares for issue without disclosure to investors under part 6D.2 of the Corporations Act.
2. Red 5 is providing this notice under section 708AA(2)(f) of the Corporations Act.
3. As at the date of this notice, Red 5 has complied with:
  - (a) the provisions of chapter 2M of the Corporations Act as they apply to Red 5; and
  - (b) section 674 of the Corporations Act.
4. As at the date of this notice there is no information:
  - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules other than as set out in paragraph 6 below; and
  - (b) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - (1) the assets and liabilities, financial position and performance, profits and losses and prospects of Red 5; or
    - (2) the rights and liabilities attaching to the New Shares.

5. The potential effect that the issue of New Shares under the Rights Issue will have on the control of the Company is as follows:
- (a) If all shareholders take up their entitlement under the Rights Issue, the Rights Issue will have no effect on the control of Red 5. However, the proportional shareholdings of shareholders who are not residents in Australia or New Zealand may be diluted as those shareholders are not entitled to participate in the Rights Issue.
  - (b) If an Eligible Shareholder does not take up their entitlement in full, there will be a dilutionary effect on that shareholder's proportionate shareholding.
  - (c) The Rights Issue is partially underwritten as to the sum of \$8,500,000 (being approximately 67% of the Rights Issue amount) by St Ives Gold Mining Company Pty Ltd, with \$1,500,000 of that sum being sub-underwritten by Saracen Mineral Holdings Limited. The maximum amount of shortfall that is underwritten under the Right Issue is therefore 170,000,000 New Shares, which (assuming no existing shareholders take up their entitlements) would amount to an overall fully diluted interest in the Company (including the issue of the initial consideration shares pursuant to the Darlot and KoTH project acquisitions announced on 3 August 2017) of approximately 23.39% for St Ives Gold Mining Company Pty Ltd and 10.39% for Saracen Mineral Holdings Limited. However, the Underwriter has agreed that it will ensure that, if required, third parties (with the assistance of the Company) subscribe for part of the shortfall so that the Underwriter's interest in the Company will be no more than 19.9% following the Rights Issue. In any event, the Company considers it highly unlikely that no existing shareholders take up their entitlements such that the Underwriter would otherwise exceed 19.9%.
6. For the purposes of paragraph 4(a) above, the Company notes:
- (a) As announced previously, the Company considers the right to receive a royalty over ore processed from the Mt Cattlin lithium-tantalum mine in Western Australia as a valuable asset and is evaluating ways to maximise that value to the Group. This has included the engagement of an external corporate advisor to assist with an assessment of the value of the Mt Cattlin royalty and has also resulted in, and may result in further, non-binding indicative offers being received for the purchase of the royalty. No decision has been made by the Company on the best way to maximise the value of the Mt Cattlin royalty for shareholders and there is no guarantee or certainty that the Mt Cattlin royalty will be sold, or will be sold at any particular price.
  - (b) As announced to ASX previously, a working capital debt facility of between \$10-\$15 million is being actively considered by Red 5. Any sale of the Mt Cattlin royalty would have a bearing on the extent of any necessary debt facility.
  - (c) As part of normal financial year end accounting practices and in circumstances where mining and processing operations at the Siana Gold Project were suspended during the period, Red 5 will undertake an assessment of whether the rehabilitation provision for the Siana project requires adjustment and whether an impairment expense in the carrying value of mine properties and development for the Siana project may be incurred in the June 2017 annual financial statements. Further details of any potential impairment expense or provision adjustment (if any) will be provided following completion of the assessments.

Yours sincerely



**Mark Williams**  
Managing Director  
Red 5 Limited

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Red 5 Limited

ABN

73 068 647 610

We (the entity) give ASX the following information.

### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary fully paid shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	254,835,049 (subject to rounding)
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Ordinary fully paid shares. Shares to be issued pursuant to a non-renounceable rights issue to eligible shareholders issued on the basis of 1 new share for every 3 shares held.
4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?  If the additional +securities do not rank equally, please state: <ul style="list-style-type: none"> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	Yes, ordinary fully paid shares
5	Issue price or consideration	\$0.05 per share

**Appendix 3B**  
**New issue announcement**

<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Rights issue to fund the cash component of the initial purchase consideration for Darlot Mining Company Pty Ltd, to provide working capital and to meet the costs of the rights issue.</p>				
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?           If Yes, complete sections 6b-6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>				
<p>6b The date the security holder resolution under rule 7.1A was passed</p>					
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>					
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>					
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>					
<p>6f Number of +securities issued under an exception in rule 7.2</p>					
<p>6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.</p>					
<p>6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>					
<p>6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements</p>					
<p>7 +Issue dates           Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.</p>	<p>2 October 2017</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="877 1809 1077 1865">Number</th> <th data-bbox="1077 1809 1434 1865">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="877 1865 1077 2045">1,019,340,197</td> <td data-bbox="1077 1865 1434 2045">Ordinary shares  (excludes 220,000,000 shares proposed to be initially issued on or about 2 October 2017 pursuant to acquisitions announced on 3 August 2017)</td> </tr> </tbody> </table>	Number	+Class	1,019,340,197	Ordinary shares  (excludes 220,000,000 shares proposed to be initially issued on or about 2 October 2017 pursuant to acquisitions announced on 3 August 2017)
Number	+Class				
1,019,340,197	Ordinary shares  (excludes 220,000,000 shares proposed to be initially issued on or about 2 October 2017 pursuant to acquisitions announced on 3 August 2017)				

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	6,000,000	Performance Rights
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not presently have a formal dividend policy.	

## Part 2 - Pro rata issue

11	Is security holder approval required?	No	
12	Is the issue renounceable or non-renounceable?	Non-renounceable	
13	Ratio in which the +securities will be offered	One new share for every three shares held	
14	+Class of +securities to which the offer relates	Ordinary fully paid shares	
15	+Record date to determine entitlements	22 August 2017	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes	
17	Policy for deciding entitlements in relation to fractions	Entitlements will be rounded up to the nearest whole number	
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Any jurisdiction in which the Company considers it is unreasonable to make the rights issue offer, having regard to the number of holders in that place and the number and value of securities those holders would be offered and the cost of complying with the legal requirements, and the requirements of a regulatory authority, of that place.	
19	Closing date for receipt of acceptances or renunciations	25 September 2017	
20	Names of any underwriters	Partially underwritten by St Ives Gold Mining Company Pty Ltd, sub-underwritten by Saracen Mineral Holdings Limited	
21	Amount of any underwriting fee or commission	Nil	
22	Names of any brokers to the issue	Not applicable	
23	Fee or commission payable to the broker to the issue	Not applicable	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable	

## Appendix 3B New issue announcement

25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable. However, approval for the inter-conditional acquisitions announced on 3 August 2017 will be sought on or about 20 September 2017
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	25 August 2017
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Issue date	2 October 2017

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

##### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities



**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought

--

39 +Class of +securities for which quotation is sought

--

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

--

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

**Quotation agreement**

1. +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
2. We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

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- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  4. We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: *Frank Campagna*  
(~~Director~~/Company secretary)

Date: 16 August 2017

Print name: FRANK CAMPAGNA

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## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <i>Note:</i> <ul style="list-style-type: none"> <li>• Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>• Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	
<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	

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<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
“C”	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p><b>Total</b> [“A” x 0.15] – “C”</p>	<p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
<b>Step 2: Calculate 10% of “A”</b>	
“D”	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
“E”	
<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract</b> “E” <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>