



2 March 2023

Dear Eligible Shareholder

INVITATION TO PARTICIPATE IN FULLY UNDERWRITTEN SHARE PURCHASE PLAN

On 21 February 2023, Red 5 Limited (“Red 5” or the “Company”) announced its intention to offer shareholders the opportunity to participate in a share purchase plan (**SPP** or the **Plan**) to subscribe for additional fully paid shares (**Shares**) in the Company (**Offer**).

The Board of Directors is now pleased to make that offer to eligible shareholders on the terms and conditions enclosed in this letter (**Terms and Conditions**).

On 23 February 2023, the Company announced that the Plan will be fully underwritten by Canaccord Genuity (Australia) Limited ACN 075 071 466 and Petra Capital Pty Ltd ACN 110 952 782 who are acting as joint lead managers and underwriters to the Placement (details of which are set out below).

Shareholders Eligible to Participate in the Plan

Participation under the Plan is optional and is available exclusively to shareholders of the Company who are registered as holders of Shares at 7.00 pm (AEST) on 20 February 2023 (**Record Date**) and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to \$30,000 worth of Shares at an issue price of \$0.135 (**Price**) per Share, being the same price as the Shares offered under the Placement announced on 21 February 2023. The Price represents a discount of 24.5% to the volume weighted average market price (**VWAP**) for the Shares over the last 5 days on which sales in the Shares were recorded before the day on which the Plan was announced.

The amount proposed to be raised under the Offer is \$10,000,000. The Plan is fully underwritten to the value of \$10,000,000 (**Underwritten Amount**). Further details regarding the terms of the underwriting are set out in the Terms and Conditions.

In the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications on an equitable basis. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary.

An application form for the Plan (**Application Form**) is included in this package.

Current Activities

Details of the Company’s current activities are set out in the announcements made by the Company to the ASX and are available on the ASX web-site, or the Company’s web-site at www.red5limited.com.

The funds raised under the Plan will be used to strengthen the Company's balance sheet, ensuring a working capital position to support steady-state operations at the Company's King of the Hills (KOTH) Gold Project in Western Australia and provide a robust platform from which Red 5 can assess and accelerate future investment in production and mine life growth. Further particulars are available in the Company's announcements of 21 February 2023 and 23 February 2023.

How much can you invest?

Eligible Shareholders may each apply for up to a maximum of \$30,000 worth of Shares and a minimum of \$1,000 worth of Shares under the Plan.

Note however that Eligible Shareholders who participated in the previous share purchase plan undertaken by the Company in October 2022 (**Previous Plan**) will only be able to participate in this Plan to the extent that the maximum amount subscribed under both the Previous Plan and this Plan does not exceed an aggregate amount of \$30,000, subject to the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Instrument 2019/547)* and the ASX Listing Rules. Any applications received under the Plan will be scaled back or declined if the aggregate amount subscribed under the Previous Plan and the current Plan exceeds \$30,000.

How to accept this Offer

To apply for Shares under the Plan, please follow the instructions on the enclosed personalised Application Form.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

Offer	Number of Shares	Total amount payable ¹
Offer A	7,407	\$1,000
Offer B	14,814	\$2,000
Offer C	37,037	\$5,000
Offer D	74,074	\$10,000
Offer E	111,111	\$15,000
Offer F	148,148	\$20,000
Offer G	185,185	\$25,000
Offer H	222,222	\$30,000

¹ Based on the issue price of \$0.135 per Share.

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have elected by the Price, rounded down.

Once an application has been made it cannot be revoked. All Application Forms must be received by no later than the **Closing Date of 7.00 pm AEST on 4 April 2023**. If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- (a) return your Application Form and/or payment and not allot any Shares to you; or
- (b) allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by electronic funds transfer as soon as possible, without interest.

Single Holders

If you are the only registered holder of a holding of Shares, but you receive more than one Offer under the Plan (for example, because you hold Shares in more than one capacity or in multiple registered holdings), you may only apply in aggregate of \$30,000 worth of Shares (inclusive of any participation in the Previous Plan).

Multiple Holdings

The maximum investment any Eligible Shareholder may apply for will remain \$30,000 (inclusive of any participation in the Previous Plan) even if an Eligible Shareholder receives more than one Offer (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$30,000.

Custodians

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in Instrument 2019/547) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan, you may apply for up to a maximum amount of \$30,000 worth of Shares (inclusive of any participation in the Previous Plan) in respect of each beneficiary for whom you act as Custodian who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Issue Price and Market Price

The Company's rationale for pricing the Shares under the Plan at \$0.135 is to ensure that the Company's existing shareholders are treated on the same basis and provided the same opportunity as the persons who participated in the Placement.

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.175 per Share. The VWAP for the last five days of trading prior to the announcement of the Plan on 21 February 2023 was \$0.179. The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under the Offer.

Ordinarily, for a share purchase plan to fall within the exception to the 15% issue capacity under ASX Listing Rule 7.1 as set out in ASX Listing Rule 7.2 (Exception 5), the issue price of shares under the share purchase plan must be more than 80% of the average market price of the company's shares calculated over the 5 days on which sales occurred prior to the announcement of the share purchase plan. In addition, the company may only carry out one share purchase plan in any 12-month period.

Under the terms of the current Plan these conditions have not been met, given that the \$0.135 issue price is lower than the calculated 80% required price, being \$0.143 and the Company conducted a share purchase plan in October 2022.

Accordingly, the Offer of Shares under this Plan is subject to the receipt of shareholder approval for the purposes of ASX Listing Rule 7.1 (and all other purposes) in order to allow the Company to:

- (a) issue Shares under the Plan at an issue price of \$0.135 per Share to existing shareholders, including related parties as applicable; and
- (b) permit the Company to conduct a further share purchase plan within the same 12-month period.

The Company has also applied for a waiver for the purposes of Listing Rule 7.3.9, to the extent necessary, to permit any resolution in the Company's notice of general meeting to approve the issue of Shares under the Plan not to include a voting exclusion statement that excludes the votes of persons who may

participate in the Plan (other than votes cast on the resolution by an underwriter or sub-underwriter of the Plan).

Eligible Shareholders who were issued shares under the Previous Plan are only entitled to apply in aggregate for a maximum of \$30,000 worth of Shares under this Plan and the Previous Plan.

By making an application under this Offer and applying for Shares under the Plan:

- each Eligible Shareholder will be acknowledging that although the purchase price is at a discount, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly; and
- each Eligible Shareholder will be representing to the Company that the total of the application price for this Plan and Previous Plan purchases (as provided for in Instrument 2019/547) does not exceed \$30,000.

The Board recommends that you obtain your own financial and taxation advice in relation to the Offer and consider price movements of Shares in the Company prior to making an application under this Offer.

Additional Information and Important Dates

The offer of Shares under the Plan is made in accordance with Instrument 2019/547 and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act (2001)* (Cth)

The Offer cannot be transferred and the Directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. Shares allotted under the Plan will be issued no later than 7 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Placement

The Company also announced on 23 February 2023 that it had successfully completed a fully underwritten placement to subscribe for a total of 592,592,592 ordinary shares fully paid at an issue price of \$0.135 per share to raise \$80 million (before costs) (**Placement**) in two Tranches, with Tranche 2 also to be subject to shareholder approval. The Price per Share offered to Eligible Shareholders under the Plan is at the same price as the Placement.

Indicative Timetable

Event	Date
Record Date for the Plan	7.00 pm AEST 20 February 2023
Announcement of the Plan and Placement	21 February 2023
Despatch of Plan booklet to Eligible Shareholders	2 March 2023
Opening date for the Plan	7.00 pm AEST 2 March 2023
Closing date for the Plan	7.00 pm AEST 4 April 2023
Announcement of Plan results	6 April 2023
EGM to approve Plan	12 April 2023
Allotment and issue of Shares under the Plan (including shortfall Shares) and lodgement of Appendix 2A	13 April 2023
Despatch of holding statements in respect of Shares issued under the Plan	

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.

If you have any queries regarding the Plan and the Offer, please contact the Company's share registry, Automic Group on telephone 1300 288 664 or +61 2 9698 5414, or by email at corporate.actions@automicgroup.com.au.

Yours sincerely



KEVIN DUNDO
Chairman
Red 5 Limited



Red 5 Limited

ABN 73 068 647 610

Share Purchase Plan – Terms and Conditions

Purpose

The purpose of the Share Purchase Plan (**SPP** or **the Plan**) is to offer shareholders of Red 5 Limited (**Red 5** or the **Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$30,000 and a minimum of \$1,000 worth of Shares (**Offer**). The price of the Shares the subject of the Offer is \$0.135 (**Price**), being the same price as the Shares offered under the Placement announced on 21 February 2023.

The Price is a discount of 24.5% to \$0.179, being the volume weighted average market price (**VWAP**) for the Shares over the last 5 days on which sales in the Shares were recorded before the day on which the Plan was announced. The Company seeks to raise \$10,000,000 under the Plan. The Shares will also be issued without the need to pay brokerage costs and without the need for the Company to issue a prospectus. The Plan is governed upon such terms and conditions as the Board of Directors of the Company, in its absolute discretion, sees fit.

No Financial Advice

This document does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the Plan having regard to your investment objectives, financial situation or particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

Shareholders Eligible to Participate

Participation under the Plan is optional and is available exclusively to shareholders of the Company who are registered as holders of Shares at the Record Date of 7.00 pm (AEST) on 20 February 2023 (**Record Date**) and whose registered address is in Australia or New Zealand (**Eligible Shareholders**). Eligible Shareholders may participate in the Plan, unless such registered shareholder holds Shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, it is not practical for shareholders (or beneficial shareholders) resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the Plan). Eligible Shareholders who wish to take up Shares issued under the Plan agree to be bound by the Company's constitution in respect of Shares issued under the Plan.

An offer may, at the discretion of the Directors of the Company, be made under a share purchase plan once a year, subject to the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Instrument 2019/547)* and the ASX Listing Rules. Eligible Shareholders who participated in the share purchase plan undertaken by the Company in October 2022 (**Previous Plan**) will only be able to participate in this Plan to the extent that the maximum amount subscribed under both the Previous Plan and this Plan does not exceed an aggregate amount of \$30,000, subject to Instrument 2019/547 and the

ASX Listing Rules. Any applications received under the current Plan will be scaled back or declined if the aggregate amount subscribed under the Previous Plan and the current Plan exceeds \$30,000. The Directors may also determine in their discretion the minimum amount for participation, the multiples of Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

If you are the only registered holder of a holding of Red 5 Shares, but you receive more than one offer under the Plan (for example, due to multiple registered holdings), you may only apply in aggregate for a maximum of \$30,000 worth of Shares (inclusive of any participation in the Previous Plan).

If you are registered with one or more persons as the joint Shareholders of a holding of Shares, that joint holding is considered to be a single registered holding for the purpose of this SPP and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only apply in aggregate for a maximum of \$30,000 worth of Shares (inclusive of any participation in the Previous Plan).

Terms of the Offer

The Offer will be open for a period commencing on 7.00 pm AEST 2 March 2023 (**Opening Date**) until, subject to the discretion of the Board, 7.00 pm AEST 4 April 2023 (**Closing Date**).

The Board reserves the right, subject to all applicable laws, to close the Offer at any time prior to the Closing Date or extend the Closing Date without further notification.

In response to the Offer, Eligible Shareholders wishing to apply for Shares under the Plan may apply in parcels, between the minimum subscription amount of \$1,000 and the maximum subscription amount of \$30,000 (inclusive of any participation in the Previous Plan), as set out in the Offer documents. Where the total dollar amount paid by an Eligible Shareholder would result in other than a whole number of Shares, the number of Shares to be issued in relation to that Offer will be rounded down to the nearest whole number.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian as defined in Instrument 2019/547 (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to \$30,000 worth of new Shares (inclusive of any participation in the Previous Plan) for each beneficiary for whom you act as custodian provided you complete and submit, together with an Application Form, a certificate (**Custodian Certificate**) with the following information:

- (a) that you held Shares on behalf of:
 - (i) one or more other persons that are not Custodians; and/or
 - (ii) another custodian (**Downstream Custodian**) that holds beneficial interests in Shares on behalf of one or more other persons who are resident in Australia or New Zealand, to which those beneficial interests relate,

(each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you, and/or the Downstream Custodian, to apply for Shares under the Plan on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through a Downstream Custodian, to apply for on their behalf;

- (e) that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act in addition to the application price for any other Shares issued to you as custodian (as a result of instruction given to you as Custodian or a Downstream Custodian) for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$30,000;
- (f) that a copy of the written offer document was given to each Participating Beneficiary; and
- (g) where you hold shares on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian.

For the purposes of Instrument 2019/547 you are a ‘Custodian’ if you provide a custodial or depository service in relation to shares of a body or interests in a registered scheme and who:

- (a) holds an Australian financial services licence covering the provision of a custodial or depository service;
- (b) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service;
- (c) holds an Australian financial services licence covering the operation of an IDPS or is a responsible entity of an IDPS-like scheme;
- (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company’s share registry, Automic Group at any time from 8.30 am to 5.00 pm Monday to Friday during the Offer period. The completed Custodian Certificate should be returned by email to Automic Group to custodialcertificates@automicgroup.com.au.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

Price of Shares

The price of Shares issued is \$0.135 per Share.

Applications and Notices

At the discretion of the Directors, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Applications will not be accepted after the Closing Date of the Offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution and in accordance with the Corporations Act.

Acknowledgement

By making a payment via Bpay or electronic funds transfer, or by direct deposit for eligible New Zealand shareholders, or by returning an Application Form with a cheque you:

- (a) irrevocably and unconditionally agree to the terms and conditions of the Plan and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the Plan;
- (b) warrant that all details and statements in your application are true and complete and not misleading;
- (c) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn even if the market price of the Shares is less than the Price);
- (d) warrant that you are an Eligible Shareholder and are eligible to participate in the Plan;
- (e) acknowledge that no interest will be paid on any application monies held pending the issue of Shares under the Plan or subsequently refunded to you for any reason;
- (f) acknowledge that the Company and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
- (g) acknowledge and agree that if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand, and you have not sent these Terms and Conditions, an Offer Document, or any materials relating to the Plan, to any person outside Australia and New Zealand;
- (h) if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
 - (i) you are not applying for Shares with an application price of more than \$30,000 under the Plan (including by instructing a Custodian to acquire Shares on your behalf under the Plan); and
 - (ii) the total of the application price for the following does not exceed \$30,000:
 - (A) the Shares the subject of the application;
 - (B) any other Shares issued to you under the Plan or any similar arrangement in the 12 months before the application (including under the Previous Plan but excluding Shares applied for but not issued);
 - (C) any other Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
 - (D) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the Plan.
- (i) if you are a Custodian and are applying on behalf of a Participating Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
 - (i) you are a Custodian (defined above);
 - (ii) you hold Shares (directly or indirectly) on behalf of one or more Participating Beneficiaries;
 - (iii) you held Shares on behalf of the Participating Beneficiary as at the Record Date who has instructed you to apply for Shares on their behalf under the Plan;
 - (iv) each Participating Beneficiary on whose behalf you are applying for Shares has been given a copy of this document;
 - (v) the application price for the Shares applied for on behalf of the Participating Beneficiary, and any other Shares applied for on their behalf under a similar arrangement in the previous 12 months (including under the Previous Plan but excluding shares applied for but not issued), does not exceed \$30,000; and

- (vi) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (j) agree to be bound by the constitution of the Company (as amended from time to time);
- (k) acknowledge that none of the Company, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the Plan, or has any obligation to provide such advice; and
- (l) authorise the Company, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail.

Issue of Shares

Shares to be issued under the Plan will be subject to receipt of Shareholder approval and will be issued as soon as reasonably practicable after the date of the general meeting to be convened for this purpose.

The Company has also applied for a waiver for the purposes of Listing Rule 7.3.9, to the extent necessary, to permit any resolution in the Company's notice of meeting to approve the issue of Shares under the Plan not to include a voting exclusion statement that excludes the votes of persons who may participate in the Plan (other than votes cast on that resolution by an underwriter or sub-underwriter of the Plan).

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the capital of the Company from the date of issue.

The Directors of Red 5 reserve the right to issue to Eligible Shareholders such number of Shares under the Plan as is permitted under the ASX Listing Rules. In the event that the Plan is oversubscribed by the Closing Date, the Directors may, in their absolute discretion, scale-back applications on an equitable basis.

The Directors reserve the right to accept oversubscriptions as they deem appropriate but not exceeding the threshold of \$30,000 per holder under Instrument 2019/547 and not exceeding the threshold of 30% of the Shares on issue imposed under ASX Listing Rules 7.2 (Exception 5) and 10.12 (Exception 4).

Eligible Shareholders who were issued shares under the Previous Plan are only entitled to apply in aggregate for a maximum total of \$30,000 worth of Shares under the combined Plan and the Previous Plan.

Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the Plan. The Company will, promptly after the issue of Shares under the Plan, make application for those Shares to be listed for quotation on the official list of ASX.

Underwriting

The Plan is fully underwritten by Canaccord Genuity (Australia) Limited ACN 075 071 466 and Petra Capital Pty Ltd ACN 110 952 782 (**Underwriters**) to the value of \$10,000,000 (**Underwritten Amount**). In the event that Red 5 does not raise the Underwritten Amount from Eligible Shareholders under the Plan, then the resultant shortfall between the amount raised and the Underwritten Amount will, subject to the terms of the underwriting agreement between Red 5 and the Underwriters, be subscribed for (or the Underwriters will procure the subscription of), or will pay (or the Underwriters will procure payment of) an amount equal to the SPP shortfall by the Underwriters.

The underwriting agreement between the Underwriters and Red 5 contains customary conditions, warranties and undertakings and is subject to various customary termination events exercisable by either party.

In conjunction with the SPP, Red 5 is conducting a fully underwritten two-tranche placement to raise \$80,000,000 (**Placement**). Tranche 1 of the Placement is being undertaken without shareholder approval using the Company's available placement capacity pursuant to ASX Listing Rule 7.1. Tranche 2 of the Placement will be undertaken subject to shareholder approval. The Underwriters are joint lead managing and fully underwriting the Placement.

The Underwriters will be paid:

- (a) a selling and management fee equal to 0.9% of proceeds from the Placement;
- (b) an underwriting fee equal to 3.6% of proceeds from the Placement;
- (c) a selling, management and underwriting fee of 4.5% of the amount calculated as the number of Shares issued under the Plan plus the Shares to be issued as part of any shortfall under the Plan multiplied by the issue price.

Given the issuance of Shares to the underwriter of a share purchase plan is not covered by ASX Listing Rule 7.2 (Exception 5), any Shares the subject of the shortfall under the Plan will only be issued by Red 5 to the Underwriters:

- (a) if Red 5 has sufficient ASX Listing Rule 7.1 and/or ASX Listing Rule 7.1A placement capacity; or
- (b) following receipt of Shareholder approval at the general meeting of Red 5 at which Shareholders approve the making of the issue of Shares the subject of the Plan shortfall to the Underwriters.

Modification and Termination of the Plan

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the Plan if the issue of Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares and may exercise any reserved discretion in any manner it sees fit, including where regard is had to an equitable basis. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the Directors of the Company or any delegate of the Directors of the Company.

The Terms and Conditions of the Plan are governed by the laws in force in Western Australia.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser, or the Company's share registry, Automic Group on telephone 1300 288 664 (within Australia) or +61 2 9698 5414 (international), or by email at:

corporate.actions@automicgroup.com.au.