

Red 5 Limited

ABN 73 068 647 610

Rights Issue Offer Document

Pursuant to section 708AA(2) *Corporations Act 2001* (Cth)

A non-renounceable rights issue to existing shareholders of Red 5 Limited of 1 (one) new fully paid ordinary share at an Issue Price of \$0.05 each for every 3 (three) Shares held at the Record Date, to raise up to approximately \$12,741,000 before costs of the Offer.

The Rights Issue is partially underwritten as to the sum of \$8,500,000 by St Ives Gold Mining Company Pty Ltd, with \$1,500,000 of that sum being sub-underwritten by Saracen Mineral Holdings Limited.

Important notice

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

This document may not be released or distributed in the United States except by Red 5 Limited to Approved US Shareholders.

Important information

Offer statistics

Number of New Shares to be issued: approximately 254,835,049 *

Issue Price: \$0.05

* Subject to rounding of entitlements.

Key dates for investors

Record Date for determining entitlements under the Issue: 22 August 2017

Offer opens: 25 August 2017

Offer expected to close: 25 September 2017

Commencement of trading of New Shares on ASX: 3 October 2017

Expected date for despatch of New Shareholding statements: 3 October 2017

Further details regarding the timetable for the Offer are set out in section 1.3. All dates are subject to change and accordingly are indicative only. In particular, the Company reserves the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

Important notice

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This Offer Document is not a disclosure document for the purposes of chapter 6D of the Corporations Act. The Company is offering the securities under this Offer Document without disclosure to investors under chapter 6D of the Corporations Act pursuant to section 708AA of the Corporations Act. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 16 August 2017 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of chapter 2M of the Corporations Act, as they apply to the Company; and
- section 674 of the Corporations Act.

The Offer is only made to those Shareholders who are Eligible Shareholders on the Record Date (being Shareholders who have a registered address in Australia or New Zealand).

No excluded information

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA(8) and (9) of the Corporations Act.

Foreign shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia and New Zealand except to the extent permitted in section 1.18.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the costs of complying with the legal and regulatory requirements in those jurisdictions. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside of Australia and New Zealand except to the extent contemplated in section 1.18.

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

In particular, the Offer is not being made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States other than Approved US Shareholders, or to any person in any other country who is ineligible under applicable securities laws to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

See section 1.18 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Offer Document or making payment of Application Money by BPAY® in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

This Offer Document is available in electronic form on the internet at www.red5limited.com. If you wish to obtain a free copy of this Offer Document, please contact the Company on +61 8 9322 4455.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, how to complete the Entitlement and Acceptance Form, or take up your Entitlement, please contact the Share Registry by:

- (a) Telephone: 1300 992 916 for callers within Australia;
- (b) Telephone: +61 3 9628 2200 for overseas callers; or
- (c) Email: registrar@securitytransfer.com.au.

Deciding to accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of Red 5, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 4. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's web-site at www.red5limited.com.

Terms used

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the definitions and glossary in section 6.

Money as expressed in this Offer Document is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Offer Document constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Offer Document details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Offer Document.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

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Corporate directory

Directors	Solicitors to the Offer
Kevin Dundo (Chairman) Mark Williams (Managing Director) Colin Loosemore (Non-Executive Director) Ian Macpherson (Non-Executive Director)	HopgoodGanim Lawyers Level 27 Allendale Square 77 St Georges Terrace Perth WA 6000
Registered Office	Share Registry
Level 2, 35 Ventnor Avenue West Perth WA 6005 Telephone: + 61 8 9322 4455 Facsimile: +61 8 9481 5950 Web-site: www.red5limited.com	Security Transfer Australia Pty Ltd Suite 913, Exchange Tower 530 Little Collins Street Melbourne Vic 3000 Telephone: 1300 992 916 Overseas: +61 3 9628 2200 Facsimile: +61 8 9315 2233 E-mail: registrar@securitytransfer.com.au Web-site: www.securitytransfer.com.au

Chairman's letter

Dear Shareholder

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Red 5 Limited (**Issue**).

The Company is making a non-renounceable rights issue of 1 New Share for every 3 Shares held in Red 5 on the Record Date at an Issue Price of \$0.05 per Share, to raise up to approximately \$12,741,000 before the costs of this Issue.

As announced to ASX on 3 August 2017, the Company has initiated a new Eastern Goldfields strategy and has entered into binding agreements to acquire:

- (a) the Darlot Gold Operations, located approximately 900 kilometres north east of Perth in Western Australia, from a subsidiary of Gold Fields Limited (**Darlot Acquisition**) conditional on necessary shareholder, regulatory and third party approvals and consents; and
- (b) the King of the Hills tenement package, located approximately 80 kilometres south west of the Darlot Gold Operations, from a subsidiary of Saracen Mineral Holdings Limited (**KoTH Acquisition**) conditional on necessary regulatory and third party approvals and consents.

Details of these acquisitions and the consideration payable are set out in section 1.6 below and Shareholders should also refer to the announcement and Investor Presentation provided to the ASX on 3 August 2017. It is proposed that the funds raised from the Issue will be applied to assist in the funding of the initial cash component of the Darlot Acquisition, to cover the costs of the Issue and to provide additional working capital funding. The issue and allotment of New Shares under the Offer is conditional on settlement of the Darlot Acquisition occurring on (or before) the allotment date. It is intended that funding for the initial cash component of the KoTH Acquisition will be from existing cash resources.

The Issue is partially underwritten to the sum of \$8,500,000 (being approximately 67% of the Rights Issue amount) by St Ives Gold Mining Company Pty Ltd (**SIGMC**) (a subsidiary of Gold Fields Limited), with \$1,500,000 of that sum being sub-underwritten by Saracen Mineral Holdings Limited.

The Directors intend to take up their entitlement to New Shares.

Pursuant to the Corporations Act, Red 5 is not required to prepare a prospectus for the Issue. A summary of the key information with respect to the Issue is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is enclosed with this Offer Document and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form or making payment of Application Money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer. The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely



Kevin Dundo
Chairman
Red 5 Limited

1. Offer details

1.1 The Offer

This Offer Document is for the non-renounceable rights issue of approximately 254,835,049 New Shares at an Issue Price of \$0.05 per New Share, on the basis of 1 New Share for every 3 Shares held by Eligible Shareholders as at the Record Date.

The Offer is an offer to Eligible Shareholders only.

The Offer is partially underwritten to a maximum amount of \$8.5 million by SIGMC (being approximately 67% of the Rights Issue amount), a subsidiary of Gold Fields Limited, of which \$1.5 million is sub-underwritten by Saracen Mineral Holdings Limited.

The Issue Price of \$0.05 per New Share represents a premium to the market price immediately prior to lodgement of the Offer Document. However, given the recently announced acquisitions (refer ASX announcement of 3 August 2017 and section 1.6 below), the purpose of the Offer and the circumstances of the Company, the Board considers the Offer to be appropriately structured and priced and encourages participation by Eligible Shareholders.

On the same date as this Offer Document was lodged with ASX for the Issue, the Company applied to the ASX for the New Shares to be granted official quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 3 October 2017.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all Application Money (without interest) within 28 days of giving notice of such withdrawal.

1.2 Minimum subscription

There is no minimum subscription to the Issue.

1.3 Important dates

Lodge Offer Document with ASX and application for official quotation of New Shares	16 August 2017
Section 708AA notice given to ASX	16 August 2017
Notice provided to Shareholders	18 August 2017
Ex Date	21 August 2017
Record Date for the Issue	22 August 2017 at 7.00 pm (Perth time)
Despatch of Offer Document and Acceptance Form	25 August 2017
Opening Date of Offer	25 August 2017 at 9.00 am (Perth time)
General Meeting	20 September 2017
Closing Date of Offer	25 September 2017 at 5.00 pm (Perth time)
Completion date for Darlot Acquisition and KoTH Acquisition	2 October 2017
Issue of New Shares	2 October 2017
Commencement of trading of New Shares on ASX	3 October 2017
Despatch of New Shares holding statements	3 October 2017

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without notice.

The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

1.4 Purpose of the Issue

The Directors intend to apply the proceeds from the Issue to provide funds for the following purposes:

- (a) funding the initial cash component of the Darlot Acquisition;
- (b) the costs of the Issue; and
- (c) working capital.

The proceeds from the Issue (assuming it is fully subscribed) are proposed to be allocated in the following manner:

Proposed use of funds	
Funding initial cash component for the acquisition of the shares in Darlot Mining Company Pty Ltd, being \$7,000,000 less \$500,000 deposit already paid	\$6,500,000
Estimated costs of the Issue (including legal fees, printing and despatch costs, Share Registry fees, ASX fees and other miscellaneous costs associated with the Offer)*	\$90,000
Working capital	\$6,151,000
Total (maximum raising)	\$12,741,000

** Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 5.4.*

Although there is no minimum subscription, the Company notes that the Offer is underwritten to the amount of \$8.5 million. In order of priority, subscription funds will be applied to the initial cash component for the Darlot Acquisition. However, in the event that circumstances change or alternative opportunities arise, the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

1.5 Conditions of Offer

The issue of New Shares under this Offer is conditional on completion of the Darlot Acquisition occurring on (or before) the date of allotment of the New Shares. The Darlot Acquisition is conditional on a number of other factors including but not limited to:

- (a) receipt of shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the share consideration; and
- (b) the vendor, Darlot Holding Company Pty Ltd, obtaining consent from certain key contractors to the change of control of Darlot Mining Company Pty Ltd to the Company.

If settlement of the Darlot Acquisition does not occur for any reason, all Application Money will be returned in full without interest.

1.6 About the Darlot Acquisition and KoTH Acquisition

On 3 August 2017, the Company announced that it had entered into binding agreements to acquire:

- (a) all of the shares in Darlot Mining Company Pty Ltd, from vendor, Darlot Holding Company Pty Ltd, which is a subsidiary of Gold Fields Limited; and
- (b) the King of the Hills project from vendor, Saracen Metals Pty Ltd, a subsidiary of Saracen Mineral Holdings Limited.

Details of the acquisitions are set out in the Company's announcement of 3 August 2017 and the investor presentation released to the ASX on the same date, to which Shareholders should refer. In summary:

- (a) the Company will acquire all of the shares in Darlot Mining Company Pty Ltd, which owns and operates the Darlot Gold Operations, in consideration for:
 - (1) a cash payment of A\$7,000,000 on completion, noting that the Company has as at the date of this Offer Document already paid a \$500,000 deposit;
 - (2) the issue of 130,000,000 Shares to SIGMC (as the vendor's nominee) on completion (escrowed for 12 months);
 - (3) a cash payment of A\$5,000,000 on the date 24 months after settlement. The vendor (or nominee) may elect to receive Shares in lieu of this cash payment, either 12 or 24 months from settlement. The number of Shares to be issued will be calculated based on the 30 day volume weighted average price of Shares (**30 Day VWAP**) immediately prior to the relevant anniversary date. If the Shares are taken at the 12 month anniversary, they will be issued at the 30 Day VWAP, and will be escrowed until the 24 month anniversary (unless otherwise determined by the Company). If the Shares are taken at the 24 month anniversary they will be issued at 15% discount to the 30 Day VWAP. The number of shares issued is subject to any necessary Listing Rule 7.1 approval and will be limited so that their (including any related entities, such as SIGMC) shareholding does not exceed 20%. Any remaining balance will be settled by way of a cash payment.
- (b) the Company will acquire the King of the Hills project from Saracen Metals Pty Ltd in consideration for:
 - (1) a cash payment of \$7,000,000 at completion, noting that the Company has as at the date of this Offer Document already paid a \$500,000 deposit;
 - (2) the issue of 90,000,000 Shares to the vendor (or its nominee) at completion (escrowed for 12 months);
 - (3) 12 months after completion, either:
 - (A) a cash payment of \$4,500,000; or
 - (B) the issue of Shares in lieu of the cash payment (either in whole or part), with the number of Shares to be issued calculated based the 30 Day VWAP of Shares immediately prior to the date 12 months from settlement. The number of shares issued to Saracen is subject to any necessary Listing Rule 7.1 approval and will be limited so that their shareholding does not exceed 15%. Any remaining balance will be settled by way of a cash payment.

Completion under both the Darlot Acquisition and the KoTH Acquisition is scheduled for 2 October 2017. It is intended that funding for the initial cash component of the KoTH Acquisition will be from existing cash resources.

The potential impact on the control of the Company, taking into account the issue of Shares under the Offer, the Darlot Acquisition, the KoTH Acquisition and Top-Up Rights to the two vendors, is set out in section 3.

1.7 Risk factors

Eligible Shareholders should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of income and the principal invested. Investors should carefully read the section on risk factors outlined in section 4. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

However, these risks should not be taken to be exhaustive of the risks faced by the Company or its shareholders. Those risk factors referred to section 4, and others not specifically referred to in section 4, may materially affect the financial performance of the Company and the value of its Shares in the future.

The Company has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price, future price or value of New Shares issued under the Offer may be more or less than the Issue Price.

The New Shares offered under this Offer carry no guarantee of profitability, dividends, return of capital or the market price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to future performance.

1.8 **New Share terms**

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.9 **No rights trading**

Entitlements to New Shares pursuant to the Issue are non-renounceable and accordingly no Entitlements will be traded on the ASX.

1.10 **Acceptance of Entitlement to New Shares**

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

1.11 **Partial Underwriting**

The Company and SIGMC, a subsidiary of Gold Fields Limited, have entered into an underwriting agreement dated 3 August 2017 (**Underwriting Agreement**). Pursuant to the Underwriting Agreement, SIGMC has agreed to partially underwrite the Offer to the amount of \$8,500,000, on the basis that Saracen Mineral Holdings Limited has sub-underwritten an amount of \$1,500,000.

The key terms of the Underwriting Agreement¹ are as follows:

- (a) the Underwriter is required to subscribe for New Shares in respect of such of the \$7,000,000 remaining after any Eligible Shareholders have taken up their Entitlements (in part or full), and the Sub-underwriter is then obliged to subscribe for New Shares up to \$1,500,000;
- (b) the Underwriter's obligation is however subject to the Company completing under the Darlot Acquisition on (or before) the date of allotment, lodging this Offer Document with the ASX, and providing the Underwriter with a Shortfall Notice and Closing Certificate by the specified time in the Underwriting Agreement;
- (c) no underwriting fee is payable;
- (d) if there is any Shortfall remaining after the Underwriter (and Sub-underwriter) has subscribed for the underwritten amount of \$8,500,000, the Company has the discretion to conduct a placement of the remaining Shortfall;

1. Capitalised terms in this Section 1.11 are as defined in the Underwriting Agreement.

- (e) the underwriting obligations can be terminated by the Underwriter in a number of circumstances including if:
- (1) **Acquisition:** termination of the share sale agreement for the Darlot Acquisition; or
 - (2) **Offer Materials:** a statement contained in the Offer Materials is or becomes misleading or deceptive or likely to mislead or deceive, or the Offer Materials omit any information they are required to contain (having regard to the provisions of section 708AA of the Corporations Act and any other applicable requirements), or there are no, or there are no longer, reasonable grounds for the making of any statements relating to future matters (including financial forecasts) contained in the Offer Materials; or
 - (3) **ASX approval:** unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Entitlement Offer) by the ASX for official quotation of the Underwritten Shares is refused, or is not granted by the Trading Date (or such later date agreed in writing by the Underwriter in its absolute discretion) or is withdrawn on or before the Trading Date, or ASX makes an official statement to any person or indicates to the Company that official quotation of any of the Underwritten Shares will not be granted; or
 - (4) **Certificate:** a Certificate which is required to be furnished by the Company under the agreement is not furnished when required or a statement in that Certificate is untrue, incorrect or misleading or deceptive; or
 - (5) **non-compliance with disclosure requirements:** it transpires that the Company has not complied with its continuous disclosure obligations pursuant to Chapter 6CA of the Corporations Act; or
 - (6) **ASIC application:** an application is made by ASIC for an order under section 1324B of the Corporations Act; or
 - (7) **Termination events:** subject always to clause 11.2 of the Underwriting Agreement, any of the following events occurs:
 - (A) **default:** default by the Company of any of its obligations under the agreement;
 - (B) **incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the agreement is or becomes untrue or incorrect;
 - (C) **contravention of constitution or law:** a contravention by a Group Company of any provision of its constitution, the Corporations Act, the Listing Rules, or any other applicable law or requirement of ASIC or ASX;
 - (D) **restriction on issue:** the Company is prevented from issuing the Underwritten Shares within the time required by the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
 - (E) **hostilities:** political or civil unrest not presently existing commences (whether war has been declared or not) or a major escalation in existing hostilities, political or civil unrest occurs (whether war has been declared or not) involving any one or more of Australia, the United States of America, the United Kingdom, any member state of the European Union, Japan, Singapore, or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

- (F) **misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the affairs of any Group Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (G) **Prescribed Occurrence:** a Prescribed Occurrence occurs, other than as disclosed;
- (H) **suspension of debt payments:** the Company suspends payment of its debts generally;
- (I) **Event of Insolvency:** an Event of Insolvency occurs in respect of a Group Company;
- (J) **litigation:** litigation, arbitration, administrative or industrial proceedings of a material nature are, after the date of the agreement, commenced or threatened against any Group Company, other than any claims foreshadowed by the Company;
- (K) **Timetable:** there is a delay in any specified date in the Timetable which is greater than 10 Business Days;
- (L) **indictable offence:** a director or a senior manager of a Group Company is charged with an indictable offence;
- (M) **certain resolutions passed:** a Group Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act, or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (N) **breach of material contracts:** any material contract as advised to the Underwriter is terminated or substantially modified;
- (O) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of a Group Company;
- (P) **market conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; or
- (Q) **suspension:** the Company is removed from the official list of ASX or the Shares become suspended from quotation on ASX and that suspension is not lifted within 48 hours following such suspension.

- (f) the Company gives various warranties, indemnities and covenants in favour of the Underwriter that are considered standard for an agreement of this nature.

1.12 Sub-Underwriting

The Company, SIGMC and Saracen Mineral Holdings Limited have entered into a sub-underwriting agreement dated 3 August 2017 (**Sub-underwriting Agreement**). Pursuant to the Sub-underwriting Agreement, Saracen Mineral Holdings Limited has agreed to sub-underwrite the Issue to the amount of \$1,500,000. The parties also agreed that SIGMC, as the Underwriter, would have priority in any Shortfall over Saracen as Sub-underwriter, in that the first \$7,000,000 of any Shortfall would be taken up by SIGMC and then the balance, to the extent of \$1,500,000 to Saracen.

1.13 Placement of Shortfall

The Offer is partially underwritten. This Offer Document does not provide for Eligible Shareholders to apply for additional New Shares in addition to their Entitlement (and any Shortfall would in any event only be available to sophisticated or exempt investors).

If there is a Shortfall, the Company will, subject to any necessary shareholder approval to issue the Shortfall, place the Shortfall Shares to the Underwriter (to 140 million New Shares), then the Sub-underwriter (to 30 million New Shares) and to the extent there remains Shortfall intends to actively work during, and after, the Offer in order to secure commitments to place any Shortfall of New Shares not subscribed for by Eligible Shareholders or the Underwriter or Sub-underwriter. The Company and the Underwriter have agreed a dispersion strategy to ensure that the Underwriter would not exceed 19.9% by way of take up of any Shortfall.

SIGMC has submitted a binding commitment to subscribe for up to 140,000,000 New Shares and Saracen Mineral Holdings Limited has submitted a binding commitment to subscribe for up to 30,000,000 New Shares under the Shortfall. Refer sections 1.11 and 1.12.

In the event that there is a Shortfall in subscriptions under the Issue after the operation of the Underwriting Agreement and Sub-underwriting Agreement, the Directors reserve the right, as contemplated within the Listing Rules, to allocate any Shortfall of New Shares in their discretion and to conduct a placement of the remaining Shortfall in conjunction with and pursuant to the Underwriting Agreement and Sub-underwriting Agreement so as to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor (including the Underwriter and Sub-underwriter) will as a consequence of taking up their Entitlement and being issued any Shortfall hold a relevant interest of more than 19.99% of all of the Shares in the Company after this Issue.

Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Issue Price under this Offer.

1.14 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the event that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors in consultation with the Underwriter reserve the right, as contemplated within the Listing Rules, to issue any Shortfall at their discretion, in conjunction with and pursuant to the Underwriting Agreement, subject to any necessary shareholder approval under Listing Rule 7.1.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

1.15 ASX listing

On the same date as lodging this Offer Document with ASX, the Company applied to the ASX for the New Shares to be issued pursuant to this Offer Document to be listed for official quotation by the ASX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should the New Shares not be granted official quotation on the ASX within three months after the date of this Offer Document, none of the New Shares offered under this Offer Document will be issued and all Application Money will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

1.16 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

1.17 **Existing Right Holders**

Existing Right Holders will not be entitled to participate in the Issue unless they:

- (a) have become entitled to exercise their Existing Rights under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Issue as a result of being an Eligible Shareholder at 7.00 pm (Perth time) on the Record Date.

There are currently 6,000,000 performance rights on issue. These Existing Rights are subject to various vesting conditions (which have not been met as at the date of this Offer Document), have a vesting date of 15 April 2018 and are each exercisable into 1 share for no exercise price.

1.18 **Overseas Shareholders**

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or accompanying Form.

The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has determined that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand, except to institutional Shareholders in the jurisdictions as contemplated below, having regard to the small number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those jurisdictions (**Ineligible Shareholders**). Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States other than any Approved US Shareholder, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

Hong Kong

WARNING: This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these New Shares is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Offer Document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. 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.

United Kingdom

Neither the information in this Offer Document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

This Offer Document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Offer Document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Offer Document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This Offer Document may not be released or distributed in the United States except to Approved US Shareholders.

The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except to Approved US Shareholders in transactions exempt from the registration under the US Securities Act and applicable US state securities laws.

1.19 Notice to nominees and custodians

Due to legal restrictions, nominees and custodians may not send copies of this Offer Document or accept Entitlements on behalf of any person in any jurisdiction outside Australia or New Zealand, except to beneficial shareholders who are institutional or professional investors in Hong Kong, the United Kingdom or the United States as contemplated in section 1.18 or as otherwise permitted in compliance with applicable laws. Shareholders resident in Australia holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach laws and regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.20 Electronic Offer Document

An electronic version of this Offer Document is available on the internet at www.red5limited.com.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Offer Document. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Offer Document or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Offer Document has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Offer Document should immediately request a paper copy of the Offer Document directly from the Company or the Share Registry.

2. How to apply

2.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. This Offer Document does not allow for additional shares to be applied for.

The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Shareholders take no action in respect of their Entitlement they will have no right to subscribe for the New Shares pursuant to this Offer.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Share Registry by no later than 5.00 pm (Perth time) on the Closing Date. Payment may be made by cheque, bank draft or BPAY®. The Issue Price of \$0.05 per New Share is payable in full on acceptance of part or all of your Entitlement.

Cheques should be in Australian currency and made payable to "Red 5 Limited Trust Account" and crossed "not negotiable".

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

Security Transfer Australia Pty Ltd
Red 5 Limited Offer
PO Box 52 Collins Street West VIC 8007
<i>or</i>
Suite 913, Exchange Tower 530 Little Collins Street MELBOURNE VIC 3000

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, you do not need to take any further action and that part of your Entitlement will lapse. If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Offer may be issued to the Underwriter, Sub-underwriter or placed by the Directors to third parties. See sections 1.13 and 3.3 for further details.

2.2 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and, excluding any Approved US Shareholder, are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia and New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3. Control issues arising from the Offer on the Company

3.1 Present position

At the date of this Offer Document the Company is of the view that there is no one entity which controls the Company.

The Shareholders who have lodged a notice of substantial shareholding in the Company prior to the date of this Offer Document are as follows:

Name	Shares	%
Franklin Resources, Inc	135,474,313	17.74%
Ruffer LLP	81,783,621	10.71%
Matchpoint Asia Fund Limited	66,316,693	8.68%

3.2 Capital structure

Assuming full subscription under the Offer, and completion of the Darlot Acquisition and the KoTH Acquisition, the share capital structure of the Company immediately following the Issue will be as follows:

	Shares	%
Ordinary Shares on issue at the date of the Offer Document	764,505,148	61.69%
New Shares under the Offer Document ¹	254,835,049	20.56%
Initial consideration Shares to be issued to Saracen in connection with the KoTH Acquisition	90,000,000	7.26%
Initial consideration Shares to be issued to Gold Fields Limited's subsidiary SIGMC in connection with the Darlot Acquisition	130,000,000	10.49%
Total	1,239,340,197^{1,2}	100.00%

Notes:

- If any of the Existing Rights are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Offer Document. If all Existing Rights on issue as at the date of this Offer Document were exercised prior to the Record Date, the Company's issued shares would increase by 6,000,000 resulting in a further 2,000,000 New Shares being issued pursuant to this Offer Document. This would increase the Company's total Shares on issue after completion of the Offer to 1,241,340,197 Shares.*
- If Saracen and SIGMC do not receive sufficient New Shares in any Shortfall to the Offer pursuant to their underwriting or sub-underwriting so as to retain or maintain a holding (after issue of the initial consideration shares for both acquisitions and the maximum New Shares under the Offer), of 10.54% and 14.54% respectively, then subject to any necessary shareholder approval (or ASX waiver), those parties are entitled to a further placement (at \$0.05 per Share) to top up to those stated percentages (**Top-Up Rights**). Refer to Resolutions 3 and 4 of the Notice of Extraordinary General Meeting lodged with ASX on 16 August 2017.*

As at the date of this Offer Document, the Company has a total of 6,000,000 Existing Rights on issue as follows:

Description	Number	Vesting date/performance hurdle	Expiry date
Performance rights	6,000,000 ³	15 April 2018 Subject to satisfaction of performance hurdles including above median share price scaled performance against the S&P/ASX All Ordinaries Gold Index, a positive share price performance and minimum share price thresholds at the end of the performance period including that the Red 5's Shares as quoted on ASX must be above \$0.125 per share at the end of the performance period.	15 April 2019

3. The Company intends to issue 5,616,400 further rights pursuant to its Performance Rights Plan. Refer to Resolutions 5 and 6 of the Notice of Extraordinary General Meeting lodged with ASX on 16 August 2017.

3.3 Potential effect of the Offer

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Existing Rights Holders exercise their Existing Rights and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, Shareholders who do not take up all of their Entitlements will have their interest in the Company diluted. In addition, the proportional shareholdings of Shareholders who do not have registered addresses in Australia and New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company does not expect that the issue of Shares under the Offer will materially affect the control of the Company.

The final percentage interests of the Underwriter and Sub-underwriter will also be dependent on the extent to which Shareholders take up their Entitlements. The table below sets out the notional impact on the Underwriter's and Sub-underwriter's percentage shareholdings in the Company of 0%, 50% and 100% of Shareholders taking up their Entitlements. The table assumes the issue of the consideration shares to both Saracen and SIGMC under the KoTH Acquisition and the Darlot Acquisition and further assumes that the Shortfall (beyond the \$8,500,000 to be taken up via the partial underwriting and sub-underwriting) is not issued:

	Current (including consideration shares to be issued to Saracen and SIGMC)		0% take up of Entitlements		50% take up of Entitlements		100% take up of Entitlements	
	Shares (No.)	Shares (%)	Shares (No.)	Shares (%)	Shares (No.)	Shares (%)	Shares (No.)	Shares (%)
Shareholder								
SIGMC¹	130,000,000	13.20	270,000,000	23.39	257,417,525	20.77	130,000,000	10.49
Saracen	90,000,000	9.14	120,000,000	10.39	90,000,000	7.26	90,000,000	7.26
Existing Shareholders	764,505,148	77.66	764,505,148	66.22	891,922,672	71.97	1,019,340,197	82.25
Total²	984,505,148	100.00	1,154,505,148	100.00	1,239,340,197	100.00	1,239,340,197	100.00

Notes:

1. The table above shows notional impact on voting power. However, the Underwriter has agreed with the Company that it will implement a dispersal strategy in relation to any Shortfall, so that in no circumstances will the Underwriter acquire an interest in the Company of more than 19.9% via the Shortfall. In that event, the Company would nominate other allottees or sub-underwriters for the Shortfall.

2. *If Saracen and / or SIGMC do not receive sufficient New Shares in the Shortfall so as to retain or maintain a holding (after issue of the initial consideration shares for both acquisitions and the maximum New Shares under the Offer), of 10.54% and 14.54% respectively, then subject to any necessary shareholder approval (or ASX waiver), those parties are entitled to a further placement (at \$0.05 per Share) to top up to those stated percentages. Refer Resolutions 3 and 4 of the Notice of Extraordinary General Meeting lodged with ASX on 16 August 2017.*

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Underwriting Agreement, the Corporations Act and the Listing Rules, on the basis Shortfall is issued within 3 months of the Closing Date.

3.4 Director intentions

All of the Directors have shown their support for the Offer by indicating that they intend to subscribe for their Entitlements under the Offer.

4. Risk factors

4.1 Introduction

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has actions, systems and safeguards for known risks; however, some are outside its control.

Prior to making any decision to accept the Offer, Eligible Shareholders should carefully consider the risk factors which the Company has previously disclosed (many of which are listed below), as well as those risks of which the Eligible Shareholder is aware, or should be aware of through their own knowledge and enquiries.

There are a number of risks, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operational and financial performance of the Company and the value of its shares. Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of the Company and are not capable of mitigation. There are also general risks associated with any investment in shares.

The risks listed below (and previously disclosed by the Company) should not be taken as exhaustive of the risks faced by the Company. The Company, however, considers that these risks represent key risks to an investment in the Company. Additional risks and uncertainties that the Company is unaware of, or that the Company considers to be immaterial, may also become key risks that can adversely affect the Company's operational and financial performance in the future. Factors other than those listed may in the future materially affect the financial performance of the Company and the value of the New Shares. These key investment risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor. Before investing, or increasing any investment in the Company, participants should consider whether this investment is suitable for them having regard to the risk factors set out below, publicly available information, your investment objectives, and personal financial and other circumstances. Eligible Shareholders should read this Offer Document in its entirety and consult their stockbroker, accountant or other professional advisor without delay before deciding whether to accept the Offer.

Mining and processing operations at the Siana gold project in the Philippines are currently suspended. The recommencement of operations in the future may be affected by a range of factors including the failure to obtain all government approvals (including to allow open pit mining, to re-commence mining and milling operations or environmental approvals for construction of additional tailing storage facilities), projected grades in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical issues which may affect extraction rates, recoveries and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increases in the cost of labour consumables, spare parts, plant and equipment and rebel and extremist activities in the region.

4.2 Risks related to Red 5 and its operations

Exploration and development of minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

(a) Share price fluctuations

The value of the Company's shares will be determined by the stock market and will be subject to varied and often unpredictable influences in the share market beyond the Company's control. These factors include, but are not limited to, the demand for, and availability of the Company's shares, movements in interest rates, exchange rates, and rates of inflation, fluctuations in the Australian and international stocks markets, changes in fiscal, monetary and regulatory policies, and general domestic and international and economic activity. Depending on general market conditions and Red 5's share price, Red 5 may not be able to attract new investors or raise capital as and when required.

(b) Gold price

The success of Red 5's operations will be primarily dependent on the price of gold bullion as substantially all of Red 5's potential revenues will be derived from the sale of gold. Gold prices are volatile and may fluctuate as a result of numerous factors, which are beyond the control of Red 5. Such factors include, but are not limited to:

- (1) speculative positions taken by investors or traders in gold;
- (2) changes in global demand for gold (as an investment and/or for other uses);
- (3) global and regional recessions or reduced economic activity and/or inflationary expectations;
- (4) financial market expectations regarding the rate of inflation;
- (5) the strength of the U.S. dollar (the currency in which gold trades internationally);
- (6) gold hedging and de-hedging by gold producers;
- (7) decisions made by central banks and multilateral organisations to purchase, hold or sell portions of their gold reserves; and
- (8) changes in production costs in major gold producing regions.

Historically, the price of gold has fluctuated widely and is currently trading significantly above long-term historical average prices. The possible adverse consequences of future price declines could include the following:

- (1) Red 5's operations may become uneconomic because the projected future revenues no longer justify the cost of development;
- (2) Red 5 may be unable to raise finance to construct or complete required infrastructure on acceptable terms, or at all;
- (3) Red 5's revenues may decline to a point at which its operations are uneconomic, as a result of which Red 5 may cease production;
- (4) the value of Red 5's assets may decline, causing it to write down asset values and thereby incur losses;
- (5) Red 5 may be required to restate its gold reserves and resources; and
- (6) Red 5's operations may experience delays while assessments are made of the economics of the Siana mine, and once acquired, the Darlot mine and KoTH project under different gold price assumptions.

(c) Exchange Rates

Revenue from gold sales at the Siana mine (when restarted) will be received in U.S. dollars, and it is expected from the Darlot mine and KoTH project in Australian dollars, while operating expenses will be primarily incurred in Australian dollars and Philippine Pesos. Because Red 5's financial statements are reported in Australian dollars, appreciation of the Australian dollar against the U.S. dollar, without offsetting improvement in U.S. dollar denominated gold prices, could adversely affect Red 5's reported profitability and financial position.

In addition, certain capital expenditure will be made in U.S. dollars or Philippine Pesos and certain consumable items required for operations will be priced in U.S. dollars or Philippine Pesos. These costs may increase in Australian dollar terms if there is a depreciation of the Australian dollar against the U.S. dollar or Philippine Peso, which could adversely affect Red 5's profitability, results of operations and financial position.

(d) **Adequacy of funding and additional requirements for capital**

Red 5's capital requirements depend on numerous factors. Depending on Red 5's ability to generate revenue from its operations, and the amount raised under the Offer, Red 5 may require further financing in addition to amounts raised under the Offer.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that the Company will be able to obtain additional debt or equity funding when required, or that the terms associated with that funding will be acceptable to the Company and this may have a material adverse effect on the Company. If Red 5 is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. Any ongoing funding restrictions may also impact on the Company's ability to continue as a going concern.

(e) **Taxation**

Changes to corporate income tax, import duties, property tax, excise tax, withholding tax or any other applicable taxation legislation or policies in Australia, Philippines or other jurisdictions where the Company operates may adversely affect the Company's financial profitability, net assets and cash flow and the returns to investors. The countries in which Red 5 operates may impose additional taxes on Red 5. The recoupment of taxation losses accrued by Red 5 from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in relevant jurisdictions. There is no guarantee that Red 5 will satisfy all these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of Red 5.

(f) **Dependence on key personnel**

Red 5's success depends on the continued services of its key personnel, including the continued support of key personnel at the Darlot Gold operations. Due to management's experience and the important role they have taken in developing Red 5's mining, business and financial plans, Red 5 could be adversely affected if any of them ceased to actively participate in the management of Red 5 or ceased employment with Red 5 entirely. As there may be a limited number of persons with the requisite experience and skills to serve in Red 5's senior management positions if existing management leave Red 5, Red 5 may not be able to locate or employ qualified executives on acceptable terms. If Red 5 cannot attract, train and retain qualified managers, it could adversely affect the Company's current exploration, development and production operations and its future growth plans.

(g) **Conditions and renewal of licences**

The permits and agreements on the Siana gold project and other Philippine projects are governed by Philippine legislation and are evidenced by the granting of permits and agreements and the extension of such permits and agreements. Each permit, agreement or extension is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

The Company's Philippine affiliated company will be required to maintain and obtain current and additional permits for additional tailings storage facilities and will be required to obtain modifications/amendments to existing permits. There is no guarantee that the permit variations or extensions will be granted. There is also a current moratorium imposed by the Philippines Department of Environment and Natural Resources on open pit mining which affects new mining applications and hence there are risks associated with the recommencement or expansion of operations at the Siana mine.

The permits and agreements on the Darlot and KoTH projects are governed by Australian legislation and are evidenced by the granting of permits and agreements and the extension of such permits and agreements. Each permit, agreement or extension is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. There is a risk that tenements, environmental consents and any other land use approvals may not be granted, obtained or renewed, may be granted, obtained or renewed on terms that are not satisfactory to the Company, or may be obtained granted or renewed but not within the timeframes anticipated by the Company. This could have a material adverse effect on the Company's operations and financial performance.

(h) **Native Title Risk**

Access to land for exploration purposes can be adversely affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the *Native Title Act 1993* (Cth) (**NTA**) (or similar legislation in the jurisdiction where the Company operates). The effect of the NTA is that existing and new tenements held by Red 5 may be affected by native title claims and procedures. There is a potential risk that a determination could be made that native title exists in relation to land the subject of a tenement held or to be held by Red 5 which may affect the operation of Red 5's business and development activities. In the event that it is determined that native title does exist or a native title claim has been registered, Red 5 may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title in the land the subject of a tenement. The involvement in the administration and determination of native title issues may have a material adverse impact on the position of Red 5 in terms of cash flows, financial performance, business development, ability to pay dividends and the share price.

(i) **Production and capital costs**

Red 5 and its affiliated companies (Group) business, results of operations and financial condition may vary with fluctuations in production and capital costs. No assurance can be given that the Group will achieve its production and costs estimates. These estimates are subject to a number of factors, many of which cannot be foreseen and are beyond the Group's control. The Group's operations are subject to operating risks that could result in insufficient production and increased costs and, as a result, one or more projects becoming unprofitable or uneconomic. The Group's main production expenses are expected to be ore and waste movement and associated mining costs, and increase waste movement due to geotechnical issues, pit dewatering, fleet maintenance, diesel fuel and materials (including mining consumables) and its main capital costs will be the development capital expenditure required for the Siana mine, including construction of a new tailings storage facility, other tailings deposition solutions and capital development for an underground operation. Changes in the costs of the Group's mining and processing operations as well as its capital costs could occur as a result of unforeseen events, including international and local economic and political events (including movement in exchange rates), and could result in changes in gold resource and reserve estimates. Many of these factors may be beyond the Group's control. In addition, some of the capital cost estimates are based on conceptual engineering design and there may be a material changes to the estimates as works progress.

The Darlot mine and KoTH project being acquired have in recent times been high cost operations and the Company believes that opportunities exist for these operating to be reduced. Operating cash flow will be dependent on the level of operating costs reductions achieved. Operating risks are ever present in mining, including variation in mined grades, technical difficulties in extracting the ore, potential geotechnical issues which may prevent ready access to ore and/or dilute the mined grade, plant and equipment breakdowns, unanticipated metallurgical problems, adverse weather conditions, industrial and environmental accidents, and unexpected shortages and/or increases in costs of consumables, spare parts, plant and equipment.

(j) **Mineral resource and ore reserve estimates**

Mineral resource and ore reserve estimates are a subjective process based on drilling results, past experience with mining properties and modifying factors, knowledge, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore reserve estimation is an interpretive process based on a limited amount of geological data pursuant to JORC and applicable regimes (foreign estimates in the case of Darlot Gold Operations) and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of mineral deposits cannot be known until mining and processing takes place and will almost always differ from the assumptions used to develop mineral resources. Further, ore reserves are valued based on future costs and future prices and consequently, the actual mineral resources and ore reserves may differ from those estimated, which may result in either a positive or negative effect on operations.

Should Red 5's projects encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, mineral resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Red 5's operations.

(k) **Operations generally**

Gold mining and processing ore into gold are susceptible to numerous events that may have an adverse impact on Red 5's ability to extract ore and produce gold.

The Company's ability to generate sufficient annual production of gold in the medium to long term will be partly dependent on the success of its exploration programs. Exploration activities require sustained and substantial expenditure.

Other events which may have an adverse impact on mining operations include (but are not limited to) inclement weather conditions (including cyclones and flooding), seismic activity and other natural disasters; unexpected maintenance or technical problems, failure of key equipment, electrical power interruptions, environmental hazards (including discharge of metals, pollutants or hazardous chemicals), safety related stoppages, ingresses of water, failure of mining pit slopes, dams and waste stockpiles and interruptions due to transportation delays. The island of Mindanao in the Philippines where the Siana mine is located experiences heavy rainfalls which have previously disrupted operations and resulted in significant pit dewatering requirements.

The occurrence of any of these events may result in higher operating costs, increased maintenance costs or ongoing unplanned capital expenditure and an inability to meet gold production targets, which would have a material adverse impact on operational results and financial position.

(l) **Environmental regulations and risks**

National and local environmental laws and regulations in jurisdictions in which Red 5 operates affect nearly all of the operations of Red 5 and its affiliated companies. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. The Group will minimise the potential impact of these laws and regulations by taking steps to ensure compliance with environmental regulations and, where possible, by carrying appropriate insurance.

Significant liability could be imposed on Red 5 for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties acquired by Red 5, including the Darlot mine and the KoTH project, or non-compliance with environmental laws or regulations. This could have an adverse effect on the Company's financial and operational performance.

(m) **Regulations**

The Company's operations are subject to government laws, regulations and policies governing (among other things) taxation, exploration, production, exports, labour standards, occupational health and safety and environmental protection. Any future changes in these laws, regulations or policies may adversely affect the Company's operations.

As an Australian domiciled company listed on the ASX, changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia, may have an adverse effect on operations and ultimately the financial performance of Red 5 and the market price of its securities.

(n) **Occupational health and safety**

Red 5's operations are subject to a variety of industry specific health and safety laws and regulations which are formulated to improve and to protect the safety and health of employees. Mining operations are inherently hazardous. While the Group seeks to implement best practice procedures in occupational health and safety, the occurrence of any industrial accidents, workplace injuries or fatalities may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions.

(o) **Tailings storage facility**

The storage of tailings at Red 5's tailings storage facility(s) may present a risk to the environment. Red 5's Philippine affiliated company made application in July 2016 for an amendment to the Environmental Compliance Certificate (ECC) for the Siana gold mine to enable construction of additional tailings storage facilities for the open pit mining operations. The application is still pending and there can be no certainty that the approval of the requested amendments will be received or within time frames which continue to impact on the economic viability of the operations. Continued delays also impact on the ongoing running costs to maintain the Siana mine which also affects ongoing working capital funding requirements.

(p) **Consents from surface land holders**

The Philippines Mining Act sets out the requirement for entities wishing to access mineral permits for the purpose of exploration, development and utilisation to receive the consent of the surface owners or occupants of the land in writing prior to such access and to pay them an appropriate amount of compensation.

The Group has identified an area which is ideal for the staged development of a new tailings dam. Approximately 40 hectares of land area is required for the first stage. All affected land owners have been identified and the Group has commenced negotiations to purchase the land.

Although seeking such consent is a common task for mining companies in the Philippines, there is no guarantee that it will be a fast or cost effective process.

(q) **Availability and cost of mining equipment and skilled labour**

Increases in worldwide mining activities may create cost pressures for services and skilled personnel in the gold industry, which may affect Red 5's ability to purchase or hire equipment, supplies and services and to recruit skilled personnel. In addition, the availability of equipment and services is affected by the level and location of mining activity around the world. An increase in activity in the Philippines or Western Australia or in other areas in Asia and Australia may reduce the availability of equipment and services to Red 5 and its affiliated companies.

In addition, due to ongoing demand for most mineral commodities, there is significant demand for many mining and processing inputs, which has resulted in shortages, as well as longer lead times for delivery and increases in pricing, of mining equipment and metallurgical plant, strategic spares and critical consumables. The reduced availability of equipment, services and skilled personnel may delay Red 5's development and production activities, which may adversely affect Red 5's operations and increase costs. A shortage of skilled labour in the Philippines, Western Australia and the Asia Pacific regional mining industry generally could result in Red 5 having insufficient skilled and experienced employees or contractors to operate its business, which could adversely affect Red 5's business, results of operations and financial condition.

(r) **Sovereign and political risks associated with operating in the Philippines**

The Siana gold project is located in the Philippines and the Group is therefore subject to the risks associated with operating in that country, including various levels of political, economic and other risks and uncertainties.

Terrorist attacks against mining companies have occurred in the Philippines and on the island of Mindanao, where the Siana mine is located. The Group has not experienced any attacks to its operations since inception, however there is no guarantee that there will not be any terrorist activities against the Group in the future. The Group maintains good relations with the local community and a large proportion of the workforce is sourced from the neighbouring villages, which assists in reducing the risk of any terrorist activity. Recently, the Philippines President has declared Martial Law in Mindanao and though it has not affected industries operating in the region, it brought about rebel unrest and several rebel attacks against the military and private industries in the past months. This may adversely affect the Company's current and future operations in the Philippines.

(s) **Philippines Government Mining Policy, Executive Order 079**

In January 2012 the Philippines Government issued a new mining policy termed Executive Order 079 (**E079**). The Implementing Rules and Regulations (IRR) of the E079 have been issued. However there is a risk that any further changes under the E079 policy may adversely affect the Group's operations in the Philippines.

(t) **Philippine foreign acquisition laws**

A foreign entity may only hold up to a maximum of 40% of the voting rights of any company holding a Philippine MPSA (mineral production sharing agreement). The restriction on foreign ownership relates to the ownership of an MPSA and its holder, the operation of an MPSA, the total physical area that may be held by a foreign held entity and the role that a foreign person may have in an entity that has more than 40% of an MPSA or MPSA holder.

Red 5 has considered this in structuring the holding of its assets and has set up a structure of affiliated companies which comply with the current Philippine foreign ownership laws. However, there is a risk that the current or future structure of Red 5's holdings may be subject to alteration due to changes to Philippine foreign ownership laws.

(u) **Insurance**

Red 5's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures and natural phenomena such as inclement weather conditions (including cyclones), floods and earthquakes. Such occurrences could result in damage to mining or production facilities, personnel injury or death, environmental damage to Red 5's properties and the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although Red 5 maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all of the potential risks associated with its operations. Red 5 may also be unable to maintain insurance to cover those risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Losses from any of these events may cause Red 5 to incur significant costs that could have a material adverse effect on its financial performance and results of operations.

(v) **Litigation**

Legal proceedings may also arise from time to time in the course of Red 5's business. Red 5 may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on Red 5's operations, financial performance and financial position. As at the date of this Offer Document, Red 5 is not involved in any legal proceedings the result of which is likely to have a material adverse effect on the business or financial position of Red 5.

4.3 **Risks related to an investment in the New Shares**

(a) **Dividends**

Dividends to be declared are at the discretion of the directors. There is no guarantee as to future earnings of Red 5 or that Red 5 will be profitable and there is no guarantee that Red 5 will be in a financial position to pay dividends in the future or any franking credits attaching thereto.

At the time of issue of this Offer Document, the Directors do not anticipate that any dividend will be declared in respect of the current financial year and no dividends are anticipated to be declared for the foreseeable future.

(b) **Liquidity and realisation risk**

There can be no guarantee that an active market in Red 5's Shares is maintained. There may be relatively few or many potential buyers or sellers of Shares on ASX at any given time. This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in shareholders receiving a market price for their Shares that is less or more than the Issue Price.

(c) **Share market price risk**

Share market conditions may affect the value of Red 5's quoted securities regardless of Red 5's operating performance. Share market conditions are affected by many factors such as general economic outlook, the behaviour of global share markets, interest rates and inflation rates, commodity price fluctuation, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital and terrorism or other hostilities.

The occurrence of any one or more of these factors may result in Shareholders receiving a market price for their Shares that is less than the Issue Price or below the net asset value per security.

(d) **Dilution risk**

Red 5 may require further financing in addition to amounts raised under the Offer in the future. If any additional funds are raised through the issue of further securities, Shareholders' voting and relevant interest in Red 5 may be diluted if they do not participate in the issue.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

5. Additional information

5.1 Section 708AA Corporations Act

Red 5 is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to section 708AA of the Corporations Act. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to subsections 708AA(8) and (9); and
- (b) state:
 - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
 - (2) the consequences of that effect.

A notice under section 708AA(2)(f) was lodged with the ASX on 16 August 2017.

5.2 Rights and liabilities attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

5.3 Share Price Information

In the last three months before lodgement of the Offer Document trading in the Company's Shares on ASX is as follows:

	Price	Date
High	\$0.049	4 August 2017
Low	\$0.030	7 July 2017
Closing price	\$0.042	16 August 2017

5.4 Expenses of the Offer

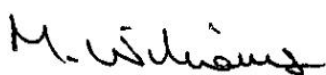
All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$90,000 (assuming the Offer is fully subscribed).

In addition the Company may, if it deems it necessary for the placement of any Shortfall, pay stockbrokers' fees which will be equal to a percentage of the Issue Price (including GST) of New Shares issued under the Shortfall.

5.5 Directors' statement

This Offer Document is issued by Red 5 Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Red 5 Limited by:



Mark Williams
Managing Director

6. Definitions and glossary

Terms and abbreviations used in this Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements
Applicant	A person who submits an Entitlement and Acceptance Form
Application Money	The Issue Price multiplied by the number of New Shares applied for
Approved US Shareholder	An existing US shareholder as at the Record Date who is a "qualified institutional buyer" as that term is defined under Rule 144A of the US Securities Act that is acting for its own account or for the account or benefit of one or more persons, each of whom is a "qualified institutional buyer" and who provides a suitable US investor certificate to the Company.
ASX	ASX Limited ACN 008 624 691
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Ltd
Board	The board of Directors of the Company
CHESS	means the Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	The date by which valid acceptances must be received by the Share Registrar being 5.00 pm (Perth time) 25 September 2017 or such other date determined by the Board
Company or Red 5	Red 5 Limited ACN 068 647 610
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Darlot Acquisition	The acquisition by the Company of all of the shares in Darlot Mining Company Pty Ltd which owns and operates the Darlot gold mine, details of which were announced on 3 August 2017
Directors	The Directors of the Company
Eligible Shareholder	A shareholder of the Company that holds shares in the Company on the Record Date whose registered address is in Australia and New Zealand
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Offer Document
Entitlements	The entitlement to accept New Shares under this Offer Document
Existing Rights	All existing performance rights to subscribe for Shares currently on issue as at the date of this Offer Document
Existing Rights Holder	A holder of an Existing Right
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder
Issue or Offer	The offer and issue of New Shares in accordance with this Offer Document
Issue Price	\$0.05 for each New Share applied for

KoTH Acquisition	The acquisition by the Company of the King of the Hills project from Saracen Metals Pty Ltd details of which were announced on 3 August 2017
Listing Rules	The official listing rules of the ASX
New Shares	Shares proposed to be issued under the Offer
Opening Date	The date of commencement of the Offer, expected to be 25 August 2017
Offer Document	This Offer Document dated 16 August 2017 as modified or varied by the Company
Record Date	22 August 2017
Register	The company register of the Company
Relevant Interest	Has the meaning given to that term in the Corporations Act
Saracen	Means in the case of the vendor of the KoTH Acquisition, Saracen Metals Pty Ltd, and in the case of the Sub-Underwriter, Saracen Mineral Holdings Limited
securities	Has the same meaning as in section 92 of the Corporations Act
Share Registry or STA	Security Transfer Australia Pty Ltd
Shares	The ordinary shares on issue in the Company from time to time
Shareholder or Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
SIGMC	St Ives Gold Mining Company Ltd, being a subsidiary of Gold Fields Limited, and being both the Underwriter and the vendor of the Darlot Acquisition's nominee for receipt of the consideration shares
Sub-underwriter	Saracen Mineral Holdings Limited, being the sub-underwriter of the Offer
Sub-underwriting Agreement	The sub-underwriting agreement between the Company, the Underwriter and the Sub-underwriter dated 3 August 2017 appointing Saracen Mineral Holdings Limited as sub-underwriter of the Offer
Top-Up Rights	Means the top-up rights to Saracen and SIGMC as referred to in section 3.2 and the subject of Resolutions 3 and 4 of the Notice of Extraordinary General Meeting lodged with ASX on 16 August 2017
Underwriter	SIGMC, being the partial underwriter of the Offer
Underwriting Agreement	The underwriting agreement between the Company and SIGMC dated 3 August 2017 appointing SIGMC as the partial underwriter of the Offer
US Securities Act	<i>The US Securities Act of 1933, as amended.</i>

ENTITLEMENT AND ACCEPTANCE APPLICATION 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.

REGISTERED OFFICE:

LEVEL 2
35 VENTNOR AVENUE
WEST PERTH WA 6005
AUSTRALIA

RED 5 LIMITED

ABN: 73 068 647 610

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO Box 52
Collins Street West VIC 8007



«Post_zone»

«Company_code» «Sequence_number»

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«Holder_name»

«Address_line_1»

«Address_line_2»

«Address_line_3»

«Address_line_4»

«Address_line_5»

Code:

RED

Holder Number:

Eligible Holding as at 7.00pm
(Perth time) on 22 August 2017:

Entitlement to Securities 1:3:

Amount payable on acceptance
@ \$0.05 per Security:

NON-RENOUCEABLE SHARE OFFER CLOSING AT 5.00PM (PERTH TIME) ON 25 SEPTEMBER 2017

(1) I/We the above named being registered at 7.00pm (Perth time) on the 22 August 2017 as holder(s) of Shares in the Company hereby accept as follows:

**NUMBER OF NEW SHARES
ACCEPTED/APPLIED FOR**

**AMOUNT ENCLOSED
@ \$0.05 PER SHARE**

Entitlement or Part Thereof

 , ,

\$, , .

- (2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).
(3) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
(4) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.
(5) I/We declare that I/we have received a full and unaltered version of the Offer Document either in an electronic or paper format.
(6) I/We confirm each acknowledgment, representation and warranty set forth in section 2.2 of the Company's Offer Document.
(7) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER

()

EMAIL ADDRESS

PAYMENT INFORMATION - Please also refer to payment instructions overleaf.

Biller code: 159483

Ref: <<EFT_REFERENCE_NUMBER>>

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account. More info: www.bpay.com.au

CHEQUE / MONEY ORDER

All cheques (expressed in Australian currency) are to be made payable to **RED 5 LIMITED** and crossed "Not Negotiable".

REGISTRY DATE STAMP

E & O.E.

Your BPAY reference number is unique to this offer and is not to be used for any other offer.

BPAY PAYMENT OR THE RETURN OF THIS FORM WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.**You do not need to return this form if you have made payment via BPAY.**

LODGEMENT INSTRUCTIONS**PAYMENT INFORMATION****Billers code: 159483**

© Registered to BPAY Pty Ltd ABN 69 079 137 518

Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account.

More info: www.bpay.com.au

Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY® applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

CHEQUE / MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

Applications must be received by Security Transfer Australia Pty Ltd no later than 5.00pm (Perth time) on the closing date.

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Australia Pty Ltd

PO Box 52, Collins Street West, VIC, 8007

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 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 Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.