

RED 5 LIMITED

ABN 73 068 647 610

CORPORATE GOVERNANCE STATEMENT

Red 5 Limited (the **Company**) is committed to achieving best practice standards of corporate governance. The Board has implemented and operates in accordance with a set of corporate governance principles, which the Board sees as fundamental to the Company's continued growth and achievement of its corporate ambition and strategy. The Board continues to review the Company's corporate governance framework and practices to ensure they meet the interests of shareholders.

This Corporate Governance Statement outlines the key aspects of the Company's corporate governance framework established by the Board and its compliance with ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**ASX Principles**) for the period 1 July 2022 to 30 June 2023.

The Board approved this Corporate Governance Statement on 28 September 2023.

This Corporate Governance Statement should be read in conjunction with the Company's 2023 Annual Report (**Annual Report**). Further information about the Company's corporate governance practices and copies of key governance documents referred to in this document are available on the Company's website at:

<https://www.red5limited.com/site/about-red5/corporate-governance>

BOARD OF DIRECTORS

The Board is responsible for protecting the rights and interests of shareholders and enhancing long-term shareholder value.

The Board's primary role is to formulate the strategic direction of the Company and to oversee the Company's business activities and management. The Company has established functions reserved for the Board and those delegated to senior management. Day to day management of the Company's affairs and implementing corporate strategies are delegated by the Board to the Managing Director.

The Board has a charter that sets out its authority, responsibilities and membership and the arrangements by which it operates. The charter also describes those matters expressly reserved for the Board and those delegated to management. The Board Charter states that the Board is responsible for the following:

- the corporate governance of the Company;
- the overall strategic direction and leadership of the Company;
- approving and monitoring management's implementation of objectives and strategies;
- reviewing performance against stated objectives by receiving regular management reports on the business situation, opportunities and risks; and
- the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company.

Board Composition and Independence

The Board currently has seven Directors, comprising of six Non-Executive Directors and the Managing Director. The roles of Chairman and Managing Director are not combined.

The current composition of the Board is considered suitable for the Company's current size and level of operations and includes an appropriate mix of skills, expertise and experience relevant to the Company's business. Details of Directors' skills, experience, and qualifications are set out in the Directors' Report section of the Annual Report.

The Board has adopted ASX Principles in relation to the assessment of Directors' independence, which identifies shareholdings, executive roles and contractual relationships that may affect independent status. The Managing Director, Mark Williams, is not considered independent by virtue of his executive position. Non-Executive Directors Russell Clark, Ian Macpherson, Colin Loosemore, Steven Tombs, Andrea Sutton and Peter Johnston are considered independent.

Board and Committee Membership – as at the date of this report*

Director	Role & Independence	Appointment	Audit & Risk Committee	Remuneration & Nomination Committee	Sustainability Committee	Health, Safety & Community Committee
Russell Clark	Independent Chair	1 July 2023	Member	Member		Member
Mark Williams	Managing Director	14 Jan 2014				
Ian Macpherson	Independent	14 April 2014	Chair	Member	Member	
Colin Loosemore	Independent	12 Dec 2014	Member			Chair
Steven Tombs	Independent	01 Aug 2018		Chair	Member	
Andrea Sutton	Independent	11 Nov 2020			Chair	Member
Peter Johnston	Independent	10 Aug 2023				

* The composition of the committees and member details changed during the reporting period. Details of the number of Board and Committee meetings held during the reporting period and attendance by Directors are set out in the Directors' Report in the Company's Annual Report.

Board Skills Matrix

The Board is committed to ensuring that the composition of the Board continues to include Directors who bring an appropriate mix of skill, experience, and expertise to Board decision-making. The Board also aims to retain a balance between Directors with experience and knowledge of the Company's business and history and new Directors who bring an external perspective and different insights.

To the extent that any skills are not directly represented on the Board, they are realised through management and external advisors.

The current mix of skills and experience on the Board is as follows:

Experience and skills	Number of directors
Mining operations	6
Mining engineering	3
Geology	2
Finance and accounting	3
Strategic planning and risk management	7
Governance and compliance	7
Business development	6
Public company directorship and management	7

Each director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment, including their duties, rights and responsibilities.

Before the Board appoints a new Director or puts forward a candidate for election, the Nominations Committee undertakes appropriate checks, including but not limited to reviewing the person's character, experience, education, criminal record, and bankruptcy history. Existing Directors conduct interviews with potential candidates to ensure there is an appropriate fit for the Company's strategic direction.

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, subject to the prior written approval of the Chairman, which will not be unreasonably withheld.

Board Performance Review

The Board has adopted a formal process for an annual self-assessment of its collective performance, the performance of individual directors and of Board committees. Such an assessment involves reviewing the role of the Board, assessing its performance over the previous 12 months and examining ways in which the Board can better perform its duties. This assessment was undertaken in August 2022, using a self-assessment checklist as the basis for evaluation of performance against the requirements of the Board Charter.

Managing Director's Performance Review

An annual performance appraisal of the Managing Director is undertaken by the Board, and the performance of other senior executives is reviewed annually by the Managing Director through formal performance appraisal meetings, incorporating measurement against pre-determined key performance indicators. Executive remuneration and other terms of employment are reviewed annually by the Remuneration Committee with regard to performance, relevant comparative information, and, where appropriate, expert advice. Formal evaluations of the Managing Director and other senior executives were undertaken during the year in accordance with the Company's performance appraisal procedures.

Appointment Documentation

Upon appointment, each new Director receives a letter of appointment, which sets out the formal terms of their appointment. Directors also receive and execute a deed of indemnity, insurance, and access.

Induction For New Directors

New Directors are provided with an induction that includes meeting with the Board Chairperson, the Managing Director, the Chief Financial Officer, the Company Secretary, and other executives to gain valuable insights into relevant operational and corporate matters. This is followed up by additional meetings or information that the new Director may request.

Director's Right to Independent Advice

To help Directors fulfil their responsibilities, each Director has the right (with the prior approval of the Chairperson) to seek independent professional advice, at the Company's expense, about his or her responsibilities.

In addition, the Board and each Board Committee may, at the Company's expense and with the approval of the Chairperson, obtain any independent professional advice it requires to assist in its work.

Continuing Education for Directors and Executives

All Directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake professional development programmes and training to develop and maintain the skills and knowledge needed to perform their role as Directors of the Company.

Company Secretary

The Board is responsible for the appointment of the Company Secretary. The Company Secretary is directly accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The profiles, qualifications and experience of the Company Secretary are set out in the Directors' Report in the Company's Annual Report.

BOARD COMMITTEES

The Board has established four standing Committees to assist in the discharge of its responsibilities:

- Audit & Risk Committee – combined in April 2023
- Remuneration and Nominations Committee
- Sustainability Committee – Formed in April 2023
- Health, Safety, & Community Committee

Each of the Board Committees:

- is comprised of Non-Executive Directors – and has at least three members;
- has its own charter;
- has the powers necessary to discharge their responsibilities; and
- has the Board appoint one of its members as Committee Chair.

Each Board Committee has a charter setting out its role and responsibilities, objectives, composition, structure, membership requirements, and how the Committee operates.

During the year, the Audit & Risk Committee was formed by combining the two previous Committees, the Audit Committee and the Risk and Environment Committee.

Audit & Risk Committee

The Audit & Risk Committee Charter sets out the responsibilities of the Committee, including:

- reviewing and approving statutory financial reports and all other financial information distributed externally;
- reviewing the effectiveness of the Company's risk management, internal controls, and compliance with applicable laws and regulations;
- monitoring the performance of the external auditor and review of the scope and adequacy of the external audit;
- considering whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence; and
- maintaining procedures for verifying the integrity of any periodic corporate reports released to the market and not audited or reviewed by an external auditor.

Financial Reporting

The Managing Director and Chief Financial Officer provide a declaration to the Board that the Company's external financial reports present a true and fair view of the Company's financial position and operational results and that the declaration in relation to the integrity of the Company's external financial report is founded on sound risk management and internal control systems and that those systems are operating effectively in relation to financial reporting risks.

The Audit & Risk Committee oversees procedures for the preparation of periodic corporate reports, including those not subject to audit and monitors the review and approval of such reports. Material non-audited periodic reports are prepared by, or under the supervision of, subject-matter experts from the executive leadership team before being reviewed and approved by the Managing Director, Chief Corporate Development Officer, Chief Operating Officer, Chief Financial Officer and Chief Geologist, as applicable and finally reviewed and authorised for release to the market by the Board.

External Audit

The *Corporations Act (Cth) 2001* requires the External Auditor to make an annual independence declaration to the Board, declaring that the auditor has maintained its independence in accordance with the *Corporations Act (Cth) 2001* and the rules of professional accounting bodies. The External Auditor has provided an independence declaration to the Board for the reporting period. The External Auditor's independence declaration is contained in the Directors' Report in the Company's Annual Report.

The External Auditor's practice is to rotate the lead audit engagement partner at least every five years.

The performance of the external auditors is reviewed annually.

The Company has procedures to monitor the independence of the External Auditor. The provision of permissible non-audit services above a defined amount must be pre-approved by either the Audit & Risk Committee or the Chair of that Committee.

Risk Management

Responsibility for internal controls and risk management is delegated to the appropriate level of management within the Company, with the Managing Director having ultimate responsibility to the Board for the risk management and control framework. The Committee works closely with management to identify and manage operational, financial and compliance risks that could prevent the Company from achieving its objectives.

The Managing Director is required to report to the Committee on material business risks and whether those risks are being managed effectively. A risk register has been established, which details material business risks arising from the Company's operations. Changes to key risk factors and mitigation measures are reported to the Committee and the Board on a regular basis. The effectiveness of the Company's management of material business risks is monitored and reported on a regular basis, and accordingly, no formal report is required from management.

The Company undertakes mining and exploration activities and recognises that there are inherent risks in conducting its business operations. Material risks associated with economic, environmental and social sustainability are included in the Company's risk register to ensure that they form part of a robust risk assessment and management process.

Some of these risks are beyond the Company's direct control and require risk mitigation strategies, whilst other risks are within the control of the Company and can be managed through operational and management procedures. Major risk areas for the Company include operational risks, health and safety, community and environmental risks, mineral

resource estimates, metal prices and exchange rate fluctuations, financing and working capital requirements, sovereign and political risks, compliance and regulatory.

The systems and processes implemented to manage material risks include monthly operations and financial reporting; regular reports to the Board by management and/or independent advisers outlining the nature of particular risks and related risk mitigation measures; clearly defined management responsibilities and organisational structure; delegated limits of authority; treasury and accounting controls and reconciliations; comprehensive management reporting systems; budgeting and strategic planning processes; segregation of duties; appropriate policies and procedures that are widely disseminated to employees; development of integrated management systems; and specific health and safety policies and procedures.

Operational, financial, legal, compliance and strategic risks are managed primarily by senior executives and divisional managers as part of the day-to-day management of the Company's affairs with the support of relevant external professional advisers as required.

Internal Audit

The Company does not have a separate internal audit function as the Board believes that existing internal controls and management systems provide sufficient assurance that the Company's risk management, governance and internal control processes are operating effectively. The Company will review this assessment on a regular basis as the business continues to evolve and grow.

Remuneration and Nominations Committee

The Remuneration and Nomination Committee Charter sets out the responsibilities of the Committee.

The Remuneration and Nomination Committee advises the Board on remuneration and incentive policies and practices generally and makes specific recommendations concerning remuneration arrangements for Executive and Non-Executive Directors and regarding all equity-based remuneration plans.

Information about the structure of the Non-Executive Directors' remuneration and the remuneration of the executives is set out in the Remuneration Report in the Company's Annual Report.

The Remuneration and Nomination Committee is also responsible for regularly reviewing the composition and membership of the Board and, when a Board vacancy exists, initiating the selection process for potential directors. This includes an assessment of the necessary and desirable competencies of Board members, Board succession plans and an evaluation of the Board's performance.

The appropriate mix of skills and diversity for membership of the Board is considered by the Remuneration and Nomination Committee as part of ongoing nomination and succession planning and which recognises the value of broader gender representation. Plans are being developed to continue to broaden gender diversity both on the Board and across the entire workforce.

Prior to a candidate being considered for appointment as a director of the Company, appropriate enquiries are made as to the person's character, experience, education, criminal record and bankruptcy history. Shareholders are provided with relevant information on any directors standing for re-election at a general meeting of the Company, including relevant qualifications and experience.

Sustainability Committee

The Sustainability Committee was formed in May 2023, and its Charter sets out the responsibilities of the Committee.

The Sustainability Committee is responsible for assisting the Board in carrying out its responsibilities concerning the Company's environmental, social, and governance (ESG) matters.

The Committees responsibilities include:

- reviewing and recommending the Group's public statements on sustainability targets;
- considering the reports provided by Management on the sustainability performance against Standards;
- reports and investigations into significant environmental incidents with the potential to have a material impact on any Group business unit, including the timeliness of the response to the incident, remediation, and the status of corrective actions to prevent reoccurrence; and
- monitoring the Group's cultural heritage obligations and initiatives to promote indigenous affairs.

Health, Safety and Community Committee

The Health, Safety and Community (HSC) Committee Charter sets out the responsibilities of the Committee.

The Health, Safety and Community Committee is responsible for assisting the Board in its oversight of health and safety as they affect the Company's employees, contractors and the communities in which the Company operates.

The Committee also assists the Board in carrying out its responsibilities in relation to health and safety standards in the workplace and environmental and community development practices.

ETHICAL CONDUCT AND RESPONSIBLE DECISION-MAKING

Values and Code of Conduct

The Company is committed to conducting its business with integrity and in an open and accountable manner. The Board believes that lawful, ethical, and responsible business practices are essential to achieving sustainable long-term performance and creating shareholder value.

The Board recognises its role in setting the ethical tone and standards of the Company and its responsibility in monitoring and developing a corporate culture.

The Company's Code of Conduct sets out a statement of the Company's identity, purpose and commitment to values, including the Company's primary objective of being a successful multi-operational exploration and mining company, providing benefits to all stakeholders through the consistent application of technical excellence and responsible and sustainable industry practices.

The Company's CORRE values are aligned with our vision and mission for the Company, drive our safety & performance, and are intended to attract the right people who embrace our CORRE values.

- ✓ **Courage** - We take initiative with integrity and have the strength to speak to our convictions.
- ✓ **Ownership** - We are committed to our Vision and accountable for our individual/team safety and performance.
- ✓ **Respect** - We trust and empower each other, and show respect to country and our stakeholders.
- ✓ **Reliability** - We do what we say.
- ✓ **Excellence** - We are agile and efficient and work relentlessly to achieve our Mission.

The Code of Conduct also aims to encourage the appropriate standards of conduct and behaviour of the Directors, employees and contractors of the Company and guides compliance with the legitimate interests of all stakeholders. All personnel are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. Material breaches of the Code are reported to the Board.

Health and Safety Policy

The Board has approved an Occupational; Health and Safety Policy, which is available on the Company's website. The Company prioritises a healthy and safe workplace for all employees, contractors, customers, and the community while seeking to minimise the impacts of injuries.

Health and Safety is, therefore, a critical part of the Company's business and decision-making. Health and Safety is also a critical area of focus for the Board, with the Board regularly briefed on safety performance, strategies to improve safety performance and awareness, and employee and contractor physical and mental wellbeing.

Environment and Sustainability

Details on our commitment to sustainability initiatives and our goals for the future are set out in our Environmental Social and Governance Report on the website: <https://www.red5limited.com/site/sustainability/environmental-social-and-governance-report>

Diversity Policy

The Board has approved a Diversity Policy designed to encourage diversity in employment and in the composition of the Board, to enhance the Company's performance and organisational capabilities.

The Company aims to achieve an appropriate mix of diversity on its Board, senior management and throughout the organisation. A summary of the proportion of females employed throughout the Company is as follows:

	Actual 30 June 2023	Objectives 2023/2024
Whole organisation	16%	25 to 30%
In senior management positions	6%	15 to 20%
Appointed to the Board	20%	20-30%

Senior management is defined as a member of the senior leadership team.

The Company acknowledges that the mining and exploration industry has been historically male dominated in many of the operational sectors, and the pool of female candidates with appropriate skills and experience has been limited in some instances. However, the Company recognises the benefits of diversity in a competitive labour market and the importance of attracting and retaining employees from the widest possible pool of available talent. Programmes are being developed to encourage diversity within employment in the Company, including within senior management positions.

The Remuneration and Nomination Committee monitors and evaluates the progress in achieving diversity objectives.

Anti-Bribery and Anti-Corruption Policy

The Company has established an Anti-Bribery and Anti-Corruption Policy to provide a framework for the Company to conduct its business activities fairly, honestly and with integrity and comply with all applicable laws, rules and regulations. Any material breaches under the policy are required to be reported to the Board.

Whistleblower Policy

The Company has established a Whistleblower Policy, which provides an independent mechanism for the legitimate reporting of illegal or unethical practices by company employees. Any material incidents are reported to the Board.

Securities Trading Policy

The Company's share trading policy prohibits the purchase or disposal of shares by directors, officers and specified employees in the period of two weeks before the release of quarterly reports and four weeks before the release of half year and full year results and for one business day thereafter. Any proposed transactions to be undertaken must be notified to the Chairman or Managing Director in advance.

Where the Company grants securities under an equity based remuneration scheme, participants are prohibited from entering into arrangements for the hedging, or otherwise limiting their exposure to risk in relation to unvested shares, options or rights issued or acquired under the scheme.

Indigenous Engagement

The Company promotes the involvement of Indigenous people in its operations. It is committed to offering Indigenous people meaningful and sustainable employment and supporting long-term careers with the Company.

TIMELY AND BALANCED DISCLOSURES

The Company is committed to providing shareholders and the market with equal and timely access to material information concerning the Company in a factual, clear and balanced way.

The Company has adopted a Continuous Disclosure Policy, which sets out how it complies with its disclosure obligations under the *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

The Board considers potential disclosure issues at each of its meetings.

The Company values and facilitates two-way dialogue with shareholders and investors and is committed to ensuring that shareholders have access to accurate, timely and effective information about the Company and its governance both through its website and other communication technologies.

The Managing Director & CEO is responsible for shareholder and investor relations activities with the assistance of the Chief Corporate Development Officer. The Chairperson is responsible for engaging with shareholders on Board, governance and remuneration matters.

The Company has an active investor relations program to facilitate effective two-way communication with investors. This includes communicating through several channels and technologies to allow shareholders to participate in shareholder meetings and to have their enquiries heard.

The Company also hosts briefings for institutional investors and analysts to discuss information already released to the market via ASX and provide background information to assist analysts and institutions in understanding the Company's business.

Copies of any material market announcements are provided to each member of the Board promptly after the release of the announcement. A record of the circumstances surrounding each material continuous disclosure announcement is maintained and presented at the next Board meeting.

Material information is lodged immediately with the ASX and then disseminated by posting to the Company's web-site. Shareholders, potential investors and interested parties can avail themselves of an email alert facility. Any new or substantive presentations to be made to investors or analysts are firstly released to the ASX and included on the Company's web-site. A strict protocol is practiced for all investor/analyst meetings, group briefings and conference calls.

Ready access to information about the Company and all relevant corporate governance information, and ASX Announcements are available via the Company's website at <https://www.red5limited.com/>

Shareholder Communications

The Board has approved a Shareholder Communications Policy covering arrangements to promote communications with shareholders and to encourage effective participation at general meetings. All substantive resolutions to be considered at shareholders meeting are decided by a poll rather than by a show of hands.

The Company and the share registry offer mechanisms for electronic communication by shareholders, including an e-mail alert facility available through the Company's website. The external auditor is required to attend annual general meetings and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.