

23 February 2023

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Red 5 completes fully underwritten A\$90 million equity raising to support steady-state operations at King of the Hills and provide a robust platform for growth

- **Successful completion of an underwritten two-tranche Placement to raise A\$80 million and confirmation of an underwritten A\$10 million Share Purchase Plan**
- **The equity raising has received strong support from both new and existing shareholders**
- **Proceeds from the equity raising will ensure Red 5 is well funded, with sufficient working capital to support steady-state operations at the newly commissioned King of the Hills mine and the balance sheet flexibility to accelerate future investment in production and mine life growth**

Further to the Company's ASX announcement dated 22 February 2023, Red 5 Limited (ASX: RED) (**Red 5** or **the Company**) is pleased to announce the successful completion of the bookbuild for a fully underwritten A\$80 million two-tranche placement (**Placement**). The Placement is being conducted in conjunction with a fully underwritten A\$10 million Share Purchase Plan (**SPP**), to raise aggregate proceeds of A\$90 million (before costs)¹.

The equity raising has received strong support from new and existing shareholders, both in Australia and internationally, with a number of new high-quality institutional investors joining the Red 5 share register.

Offer proceeds will be used to strengthen the Company's balance sheet, ensuring a working capital position to support steady-state operations at the Company's flagship King of the Hills (**KOTH**) Gold Project in WA, and provide a robust platform from which Red 5 can assess and accelerate future investment in production and mine life growth.

Red 5 Managing Director, Mark Williams, said:

"We are delighted with the support for the Placement. I would like to sincerely thank our existing shareholders for their ongoing support and welcome a number of new highly credentialled investors to the register.

"Following the completion of the equity raising, the KOTH operations will benefit from a stronger balance sheet and is well positioned for future growth."

¹Subject to Tranche 2 of the Placement and the SPP and the issue of any shortfall of shares under the SPP being approved by shareholders at the Company's upcoming General Meeting expected to be held in mid-April 2023

Placement

The fully underwritten Placement comprises the issue of approximately 593 million new Red 5 Shares (**New Shares**) at the fixed offer price of A\$0.135 per New Share (**Offer Price**) to raise gross proceeds of A\$80 million. The Placement will take place in two tranches:

- Tranche 1 to raise approximately A\$56.5 million via the issue of approximately 419 million New Shares utilising the Company's existing placement capacity under ASX Listing Rule 7.1 (**Tranche 1**); and
- Tranche 2 to raise approximately A\$23.5 million via the issue of approximately 174 million New Shares subject to shareholder approval to be sought at a general meeting of the Company expected to be held in mid-April 2023 (**Tranche 2**).

The Offer Price of A\$0.135 per New Share represents a:

- 22.9% discount to the last traded price on 20 February 2023 of A\$0.175;
- 24.5% discount to the 5-day volume weighted average price of A\$0.179; and
- 26.7% discount to the 10-day volume weighted average price of A\$0.184.

Details of the General Meeting time and venue will be provided in the notice of meeting, expected to be dispatched to shareholders in March 2023.

Share Purchase Plan

In addition to the Placement, Red 5 is pleased to announce that the SPP to raise up to a further A\$10 million as previously announced on 21 February 2023, is now fully underwritten.

The SPP will enable Red 5 eligible shareholders as at the record date of 7:00 pm (AEDT) on Monday, 20 February 2023 with a registered address in Australia or New Zealand (**Eligible Shareholders**) to have the opportunity to apply for up to A\$30,000 worth of New Shares at the same price as the Placement, being the Offer Price of A\$0.135 per New Share.

Red 5 has applied to the ASX for a waiver of ASX Listing Rules 7.1 and 10.11 to permit the offering of shares under the SPP (**ASX Waiver**) within 12 months of the Company's previous Share Purchase Plan and to permit certain related parties to participate in the SPP. Eligible shareholders can apply for up to \$30,000, less any participation under the Share Purchase Plan announced in October 2022.

In the event that the ASX Waiver is not granted, the Company intends to seek shareholder approval to issue the SPP shares and/or related party participation under the SPP, and the issue of shares under the SPP would be conditional on receipt of such shareholder approval. The Company also intends to seek shareholder approval for the issue of any shortfall shares under the SPP.

The terms and conditions of the SPP will be detailed in an SPP offer booklet to be dispatched to Eligible Shareholders and released to the ASX, presently scheduled for 2 March 2023.

New Shares issued under the Placement and SPP will rank equally with Red 5's existing fully paid ordinary shares currently on issue.

Canaccord Genuity (Australia) Limited and Petra Capital Pty Limited acted as Joint Lead Managers, Joint Underwriters and Joint Bookrunners to the Offer.

Further details on the Equity Raising can be found in the Investor Presentation lodged with the ASX on 21 February 2023.

Key dates

Event	Date ¹
Placement	
Announcement of results of Placement and trading halt lifted Lodgement of Appendix 3B	Thursday, 23 February 2023
Settlement of Tranche 1	Wednesday, 1 March 2023
Allotment of New Shares issued under Tranche 1 Lodgement of Appendix 2A and cleansing notice with ASX	Thursday, 2 March 2023
EGM to approve Tranche 2 and Underwriting of SPP	Expected to be held in mid-April 2023
Settlement of Tranche 2	Expected to be in mid-April 2023
Allotment of New Shares issued under Tranche 2 Lodgement of Appendix 2A and cleansing notice with ASX	Expected to be in mid- April 2023

Event	Date ¹
SPP²	
Record date to be eligible to participate in the SPP	7:00pm on Monday, 20 February 2023
Announcement of SPP Lodgement of Appendix 3B	Tuesday, 21 February 2023
Dispatch of SPP documentation and SPP offer open date	Thursday, 2 March 2023
SPP closing date	Tuesday, 21 March 2023
Announcement of SPP results and allotment of New Shares issued under the SPP Lodgement of Appendix 2A with ASX	Friday, 24 March 2023
Settlement of SPP Shortfall Shares	Expected to be in mid-April 2023
Allotment of SPP Shortfall Shares Lodgement of Appendix 2A and cleansing notice with ASX	Expected to be in mid-April 2023

- 1) *The Placement and SPP timetable are indicative only and subject to variation. In the event the ASX grants ASX waivers, the SPP shares will be issued shortly following the close of the SPP. The Company reserves the right to alter the timetable at its discretion and without notice, subject to ASX Listing Rules and the Corporations Act (Cth).*
- 2) *Times above are Sydney, Australia time.*

Underwriting Agreement

Term	Summary
Outline of Underwriting Agreement	<p>The Company has engaged Canaccord Genuity (Australia) Limited ACN 075 071 466 and Petra Capital Pty Ltd ACN 110 952 782 (Underwriters) as the underwriters for the Placement and the share purchase plan (SPP) under the underwriting agreement dated 23 February 2023 (Underwriting Agreement). The underwriting is conditional upon a number of conditions, including but not limited to:</p> <ul style="list-style-type: none"> • the Underwriters having received all due diligence deliverables as contemplated by the due diligence planning documentation; • the Company complying in all respects with its obligations under the syndicated facility agreement; • certain procedural steps being satisfied including those associated with the lodgement of documentation with ASX (including documents required under the Corporations Act and its half year accounts), provision of certificates under the Underwriting Agreement, compliance with timetables, no indication from ASX that quotation will not be granted in respect of the new Company shares and in respect of the new Company shares; • the SPP offer booklet being dispatched, the Company announcing the results of the SPP, and the Company issuing shares under the SPP on terms agreed under the Underwriting Agreement; and • shareholder approval being obtained as required under the Underwriting Agreement.
Other Key Terms	<p>The other key terms of the Underwriting Agreement are as follows:</p> <ul style="list-style-type: none"> • The Placement and SPP is fully underwritten by the Underwriters, subject to the terms and conditions of the Underwriting Agreement. • The Underwriters can appoint co-managers, brokers, and sub-underwriters provided that fees payable to such persons are paid out of the fees paid to the Underwriters and are institutional investors. The Underwriters must offer to appoint Ord Minnett Limited as co-manager of the Placement. • The Company is required to honour its repayment milestones under the syndicated facility agreement as agreed with the banking syndicate and warrants that it is not in breach of, or breaches the syndicated facility agreement. The Company gives various warranties, representations and covenants in favour of the Underwriters that are typical for an agreement of this nature. • The Company has agreed to reimburse the Underwriters in respect of out-of-pocket expenses incurred in connection with the Placement and SPP by way of a deduction from the proceeds. • The Company indemnifies and holds harmless the Underwriters and related persons against liabilities they may sustain or incur in connection with the Placement and SPP on terms and with carve outs that are typical for an agreement of this nature. • For details of the fees payable to the Underwriters, see the Appendices 3B released to ASX on 23 February 2023.
Termination	<p>An Underwriter may, by notice to the Company and the other Underwriter, terminate the Underwriting Agreement in a number of circumstances, including where:</p>

- the S&P/ASX 300 Metals and Mining Index or the price of gold by reference to the Nymex Comex Gold Price falls below a certain amount between specified timetable milestones;
- the timetable is delayed (other than events solely within the control of the Underwriters) or the Company withdraws the Placement or the SPP, or a circumstance arises that results in the Company repaying the money received from applicants or offering applicants the opportunity to withdraw their application;
- a certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission);
- ASIC or the Takeovers Panel holds, gives notice of intention to hold, prosecutes, or gives notice of an intention to prosecute a hearing, notice, investigation, prosecution or proceeding against the Company or its related persons in relation to the Placement;
- ASX announces that the Company's shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation;
- there is an alteration of the Company's capital structure without the prior consent of the Underwriters except as contemplated;
- the Company is in breach of the syndicated facility agreement in any respect or makes an announcement to ASX that it is in breach or default of, or has not complied with or makes an announcement to ASX that it is in breach or default of, or has not complied with the syndicated facility agreement in any respect;
- the Company is unable to issue or prevented from issuing new Company shares as contemplated by the Underwriting Agreement by virtue of the ASX Listing Rules, applicable laws, a government agency or an order of a court of competent jurisdiction;
- a cleansing notice is or becomes defective (within the meaning of section 708A(10) of the Corporations Act) or any amendment, update or correcting notice to the cleansing notice is required under the Corporations Act to be issued (including as a result of the operation of sections 708A(9) of the Corporations Act);
- ASIC makes a determination under section 708A(2) of the Corporations Act;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request compliance with which is in accordance with the general practice of persons to whom the request is addressed of any governmental agency which makes it illegal for an Underwriter to satisfy an obligation under the Underwriting Agreement, or to market or promote the Placement or subscribe for the offer shortfall;
- unconditional approval (or approval conditional only on customary conditions which are reasonably acceptable to the Underwriters) is refused or not granted to the official quotation of all of the new Company shares by the time required to conduct the Placement;
- any material licence, lease, permit, concession, tenement, authorisation or concession of the group (**Authorisation**) is, or is likely to be, invalid, revoked or unenforceable, including as a result of the introduction of new legislation in the relevant jurisdiction;

- any Authorisation is breached or not complied with in a material respect;
- any director or officer of the Company is investigated for, or charged with, a criminal offence relating to any financial or corporate matter relating to the Company (including the Placement), or any director of the Company is disqualified from managing a corporation under the Corporations Act or investigated for any act which could give rise to a disqualification;
- a director or the chief executive officer or chief financial officer of the Company resigns or indicates that he or she does not intend to be a director or executive (as applicable) of the Company, for any reason other than incapacity, other than as expressly disclosed;
- the Company or one of its substantial subsidiaries becomes insolvent or there is an act or omission which may result in the Company or a substantial subsidiary becoming insolvent;
- proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Company's ability to agree to and complete the Placement;
- the Company is or becomes in default of any of the terms and conditions of the Underwriting Agreement or a representation or warranty by the Company is or becomes false or incorrect;
- any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an offer document is or becomes incapable of being met or, in the reasonable opinion of the Underwriters, unlikely to be met in the projected timeframe;
- the Company commits a breach of the Corporations Act, ASX Listing Rules, the Constitution, or other applicable laws, or has failed to comply with its continuous disclosure obligations or its Constitution;
- legal proceedings against the Company or any other member of the Company's corporate group are commenced or any regulatory body commences any enquiry or public action against a member of the Company's corporate group;
- any offer document includes a statement or fact that is misleading or deceptive or omits to state a fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or deceptive;
- a new circumstance arises which is a matter adverse to investors in new Company shares and which would have been required by the Corporations Act to be included in the offer documents had the new circumstance arisen before the offer documents were given to ASX;
- any adverse change or effect occurs, or an event occurs which is likely to give rise to an adverse change or effect, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance, results of operations, profits, losses or prospects of the Company from that existing at the date of the Underwriting Agreement;
- there is any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, the United States, Hong Kong, the United Kingdom, any member country of the European Union, China, Singapore or New Zealand from those existing at the date of the Underwriting Agreement;

	<ul style="list-style-type: none">• there is an outbreak or major escalation of hostilities, whether war has been declared or not, or an act or acts of terrorism, involving any one or more of Australia, the United States, the United Kingdom, any member country of the European Union, Russia, Ukraine, China, Singapore or New Zealand;• a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, any member country of the European Union, China, Singapore or New Zealand is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; and• trading of securities quoted on ASX, the London Stock Exchange, the New York Stock Exchange, the Hong Kong Stock Exchange or the Singapore Stock Exchange is suspended, or there is a material limitation in trading, for more than one business day on which the exchange is open for trading. <p>In respect of certain events above, the obligations of the Underwriters under the Underwriting Agreement can only be terminated on reasonable grounds and in fact before that the event has had or is likely to have, a material adverse effect on:</p> <ul style="list-style-type: none">• the outcome or success of the Placement or the SPP;• the likely price at which the new Company shares will trade on ASX;• the ability of the Underwriters to settle the Placement or SPP shortfall shares; or• the willingness of investors to subscribe for new Company shares; or• the event has given rise to, or is reasonably likely to give rise to, a contravention by the Underwriters, of or liability for the Underwriters under, the Corporations Act or any applicable laws.
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ENDS

Authorised for release by the Board.

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