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Successful A\$60M Capital Raising

- **Successful two-tranche Placement to raise a total of A\$60m**
- **A\$6m Share Purchase Plan at A\$0.16 per New Share to be offered to eligible shareholders**
- **Strong support from domestic and international institutional investors**

Red 5 Limited (ASX: RED) (**Red 5** or **the Company**) is pleased to advise that it has received firm commitments for a A\$60 million two-tranche placement comprising the issue of 375 million new fully-paid ordinary shares (**New Shares**) (**Placement**). The Placement was well supported by domestic and international institutional investors.

The Placement funds will primarily support the ramp-up of its King of the Hills (KOTH) gold mine in Western Australia, Australia's newest major gold mine. Red 5 poured first gold from KOTH on 5 June 2022 after completing the project development on time and within budget, and is now progressing the ramp-up with commercial production expected to be achieved in the December 2022 Quarter.

Specifically, funds raised from the Placement will be applied to:

- Expanding the KOTH Process Plant throughput to ~5.5Mtpa in FY24;
- Completing the KOTH Process Plant Expansion Feasibility Study targeting further incremental throughput growth;
- Exploration and Resource conversion drilling (UG and surface); and
- Working capital and costs of the Placement.

Details of the application of proceeds from the raising, including the working capital to support the continued ramp up at KOTH and the work towards expanding plant capacity, are included in the Company's Presentation released on 29 September 2022 (refer particularly Slide 6 and Slides 8-18).

Petra Capital Pty Limited and Canaccord Genuity (Australia) Limited are acting as Joint Lead Managers and Joint Bookrunners to the Placement, with Ord Minnett Limited acting as Co-Manager to the Placement.

Red 5 Managing Director, Mark Williams, said:

"We are delighted with the support received for the Placement and the Company is also pleased to offer existing eligible shareholders on the record date the opportunity to subscribe under a share purchase plan at the same price as the Placement."

KOTH was delivered within budget and first gold poured on schedule in June 2022. Commercial production and steady-state operations is expected to be achieved during the December Quarter."

The proceeds of this capital raise will strengthen our balance sheet and provide additional working capital to support the completion of the ramp-up of the KOTH plant. The funds will also allow us to pursue additional growth initiatives, including ongoing drilling and a KOTH Process Plant Expansion Feasibility Study to determine the optimum long-term plant capacity."

Red 5 Limited

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Placement

The Placement comprises the issue of 375 million New Shares to be issued at A\$0.16 per Share (**Placement Price**) to raise A\$60 million. The Placement will take place in two tranches:

- Tranche 1 to raise approximately A\$56.7 million via the issue of 354,324,632 New Shares utilising the Company's existing placement capacity under ASX Listing Rule 7.1 (**Tranche 1**)
- Tranche 2 to raise approximately A\$3.3 million via the issue of 20,675,368 New Shares subject to shareholder approval to be sought at a General Meeting of the Company expected to be held in November 2022 (**Tranche 2**)

The Placement Price of A\$0.16 per New Share represents a:

- 15.8% discount to the last traded price on 28 September 2022 of A\$0.19
- 23.0% discount to the 5-day volume weighted average price of A\$0.208
- 28.0% discount to the 10-day volume weighted average price of A\$0.222

Further details of the Placement can be found in the Investor Presentation lodged with the ASX on 29 September 2022.

Details of the general meeting time and venue will be provided in the notice of meeting, expected to be despatched to shareholders in October 2022.

Share Purchase Plan

In addition to the Placement, Red 5 is pleased to offer a Share Purchase Plan (SPP) to raise a further A\$6 million. The Company, however, reserves discretion regarding the final amount raised under the SPP, subject to the ASX Listing Rules.

The SPP will enable Red 5 eligible shareholders as at the record date of 7:00 pm (AEST) on Friday, 30 September 2022 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 A\$0.16 per New Share.

Red 5 has applied to ASX for a waiver of ASX Listing Rules 7.1 and 10.11, to permit the offering of shares under the SPP at an issue price of \$0.16 per share (**Waiver**). In the event that the ASX Waiver is not granted, the Company intends to seek shareholder approval to issue the SPP shares, and the issue of shares under the SPP would be conditional on receipt of such shareholder approval.

New Shares issued under the Placement and SPP will rank equally with existing Shares currently on issue.

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 10 October 2022.

Key dates

Event	Date ¹
Placement	
Trading halt and launch of Placement	Thursday, 29 September 2022
Trading halt lifted and recommencement of trading Lodgement of Appendix 3B	Monday, 3 October 2022
Settlement of Tranche 1	Friday, 7 October 2022
Allotment of New Shares issued under Tranche 1	Monday, 10 October 2022
EGM to approve Tranche 2	Expected to be held in November 2022
SPP²	
Record date to be eligible to participate in the SPP	7:00 pm on Friday, 30 September 2022
Announcement of SPP Lodgement of Appendix 3B	Monday, 3 October 2022
Dispatch of SPP documentation and SPP offer open date	Monday, 10 October 2022
SPP closing date	Thursday, 27 October 2022
Announcement of SPP results and allotment of New Shares issued under the SPP Expected date of issue of shares and lodgement of Appendix 2A with ASX	Wednesday, 2 November 2022

- 1) The Placement and SPP timetable is indicative only and subject to variation. 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) SPP shares will be issued subject to an ASX Waiver. In the event that the ASX Waiver is not granted, the Company intends to seek shareholder approval to issue the SPP shares and the SPP timetable will be amended accordingly and announced to ASX.*

ENDS

Authorised for release by the Board.

For more information:

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