

RED 5 LIMITED

ABN 73 068 647 610



NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date and time of meeting

22 November 2013 at 10.00 a.m.

Place of meeting

Celtic Club
48 Ord Street
West Perth, Western Australia

For personal use only

RED 5 LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Red 5 Limited (Company) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 22 November 2013 at 10.00 a.m.

AGENDA

ORDINARY BUSINESS

Financial statements and reports

To receive and consider the annual financial report of the Company and the reports of the directors and auditors for the financial year ended 30 June 2013.

To consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution.

1. Re-election of Colin Jackson as a director

“That Mr Colin Jackson, being a director of the Company, who retires by rotation in accordance with Clause 7.1(d) of the Constitution and being eligible for re-election, is hereby re-elected as a director of the Company.”

To consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary, non-binding resolution.

2. Remuneration report

“That for the purposes of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report as contained in the annual financial report of the Company for the year ended 30 June 2013.”

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 2 by or on behalf of either a member of Key Management Personnel (KMP) (details of whose remuneration are included in the Remuneration Report) or a Closely Related Party of a member of KMP, unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form or by the Chairman pursuant to an express authorisation to exercise the proxy.

SPECIAL BUSINESS

The special business of the meeting is to consider and if thought fit to pass, with or without amendment, the following resolutions as ordinary resolutions.

3. Approval for issue of Performance Rights

“That for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, approval is given for the issue of 1,282,043 Performance Rights to Mr Johannes (Steve) Norregaard (or his nominee) on the terms and conditions set out in the explanatory memorandum accompanying this notice of meeting.”

The Company will disregard any votes cast on this resolution by Johannes Norregaard and any of his associates.

4. Authority for issue of options pursuant to Employee Share Option Plan

“That for the purposes of ASX Listing Rule 7.2 and for all other purposes, shareholders approve as an exception to the 15% limit in ASX Listing Rule 7.1, any issue of options made within the next three years pursuant to the Red 5 Limited Employee Share Option Plan (as amended from time to time), further details of which are set out in the explanatory memorandum accompanying the notice of meeting.”

The Company will disregard any votes cast on this resolution by any member of KMP and any person who may participate in the Employee Share Option Plan (and any of their associates).

By order of the Board

Frank Campagna
Company Secretary

Perth, Western Australia
27 September 2013

Voting exclusion note

Where a voting exclusion applies, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Proxy appointments

A member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote for the member at the meeting. A proxy need not be a member of the Company.

A proxy form is enclosed. If required it should be completed, signed and returned to the Company's share registry in accordance with the proxy instructions on that form.

Voting prohibition statement for key management personnel

Members of KMP (which includes the directors) will not be able to vote as proxy on Resolutions 2 and 4 unless you instruct them how to vote or, in the case of the Chairman of the meeting, unless you expressly authorise him to do so.

If you intend to appoint a member of KMP (other than the Chairman) as your proxy, you should ensure that you direct the member of KMP how to vote on Resolutions 2 and 4.

If you intend to appoint the Chairman of the meeting as your proxy for Resolutions 2 and 4, you can direct the Chairman how to vote by marking one of the boxes on the proxy form for Resolutions 2 and 4 (for example, if you wish to vote For, Against or Abstain from voting). If you do not direct the Chairman how to vote, then by submitting the proxy form, you will be expressly authorising the Chairman to exercise the proxy in respect of Resolutions 2 and 4 even though it is connected to the remuneration of members of KMP.

Voting entitlements

In accordance with Regulation 7.11.37 of the Corporations Regulations, the directors have determined that the identity of those entitled to attend and vote at the meeting is to be taken as those persons who held Shares in the Company as at 10.00 a.m. on 20 November 2013.

RED 5 LIMITED
EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared for the information of shareholders of Red 5 Limited in connection with the business to be considered at the forthcoming annual general meeting of the Company and should be read in conjunction with the accompanying notice of meeting.

ANNUAL FINANCIAL REPORT

The financial report of the Company for the year ended 30 June 2013 (including the financial statements, directors' report and auditors' report) was included in the 2013 annual report of the Company, a copy of which is available on the Company's web-site at www.red5limited.com.

There is no requirement for shareholders to approve these reports. However, time will be allowed during the annual general meeting for consideration by shareholders of the financial statements and the associated directors' and auditors' reports.

RESOLUTION 1 – RE-ELECTION OF COLIN JACKSON AS A DIRECTOR

In accordance with ASX Listing Rule 14.4 and Clause 7.1(d) of the Constitution, at every annual general meeting, one third of the directors in office (other than any managing director) must retire by rotation and are eligible for re-election.

Mr Colin Jackson therefore retires at the annual general meeting in accordance with the Constitution and being eligible, has offered himself for re-election at the meeting.

Mr Jackson graduated as a mineral process design engineer and spent 10 years with Selection Trust Limited and RGC Group, followed by a 12 year finance career with McIntosh Securities Limited and 10 years corporate/communications responsibility with Newcrest Mining and Normandy Mining. Mr Jackson is a member of the audit, remuneration and health, safety, environment and community committees.

The Board (other than Mr Jackson) recommends that shareholders vote in favour of the re-election Mr Jackson as a director of the Company.

RESOLUTION 2 – REMUNERATION REPORT

The Remuneration Report is contained in the Directors' Report section of the Company's 2013 annual report. The Remuneration Report describes the underlying principles and structure of the remuneration policies of the Company and sets out the remuneration arrangements in place for directors and senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of shareholders of the Company. Shareholders should note that the vote on Resolution 2 is not binding on the Company or the directors. However, the directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Voting exclusion

The Company will disregard any votes cast on Resolution 2 by members of KMP of the Company (and any of their associates). However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a member of KMP and their Closely Related Parties who are appointed as a proxy will not vote on Resolution 2 unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the person chairing the meeting and the appointment expressly authorises the Chairman to exercise the proxy even though Resolution 2 is connected directly or indirectly with the remuneration of a member of KMP.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 2.

RESOLUTION 3 – APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS

Background

Mr Johannes (Steve) Norregaard was appointed as Managing Director of the Company on 1 February 2013 (Commencement Date). Mr Norregaard is a mining engineer with over 25 years experience including 8 years as Managing Director of Tectonic Resources NL, 12 years with Macmahon Holdings Ltd/National Mine Management Pty Ltd and he also previously held the position of Chief Operating Officer for Trelawney Mining and Exploration Inc.

In accordance with the terms of his employment agreement, Mr Norregaard is entitled to participate in the Company's Performance Rights Plan that was approved by shareholders in November 2011. The Board proposes to issue 1,282,043 Performance Rights to Mr Norregaard (or his nominee) subject to the approval of shareholders.

Key terms and conditions of Performance Rights

Each Performance Right will entitle the holder to one ordinary fully paid share upon satisfaction of certain vesting conditions.

The Performance Rights will vest on the following basis:

- (a) 50% of the Performance Rights will vest on 1 February 2016, being the third anniversary from the Commencement Date;
- (b) 50% of the Performance Rights will vest on 1 February 2017, being the fourth anniversary from the Commencement Date; and
- (c) vesting of the Performance Rights will also be based on the performance of the Company's share price relative to the S&P/ASX All Ordinaries Gold Index during the three year period prior to the third anniversary or fourth anniversary as applicable. This key performance indicator will determine the percentage of Performance Rights that vest as follows:
 - (i) top quartile performance: 100% (of the 50% entitlement) of the Performance Rights will vest;
 - (ii) second quartile performance: 50% (of the 50% entitlement) of the Performance Rights will vest;
 - (iii) median performance and below: 0% of the Performance Rights will vest.

The Performance Rights have a vesting period of five years from the Commencement Date.

Unless the Board in its absolute discretion determines otherwise, an unvested Performance Right will automatically lapse upon the earlier of:

- (a) a determination by the Board, acting reasonably, that Mr Norregaard has acted fraudulently, dishonestly or is in breach of his obligations to the Company or a subsidiary of the Company;
- (b) Mr Norregaard ceasing to be a director for any reason other than retirement at age 60 or older (or an earlier age approved or agreed by the Board), permanent disability or death;
- (c) five years from the Commencement Date; or
- (d) a resolution being passed to wind up the Company.

The Company will not apply for official quotation by ASX of any Performance Rights. The Performance Rights will not be transferable except to a legal personal representative of Mr Norregaard, following death.

The Company will issue Shares to Mr Norregaard (or his nominee) as soon as practicable after the vesting of Performance Rights. The Shares allotted will be of the same class and will rank equally with all other issued Shares in the Company at the date of issue. The Company will apply for listing of the new Shares on ASX within the period required by the ASX Listing Rules.

If the Company reorganises its capital, Performance Rights on issue will also be reorganised in accordance with the ASX Listing Rules, such that Mr Norregaard does not receive a benefit that holders of ordinary shares do not receive.

There are no participating rights or entitlements inherent in the Performance Rights and Mr Norregaard will not be entitled as a result of holding Performance Rights to vote at meetings of shareholders, receive dividends or participate in surplus profits or assets of the Company upon a winding up or participate in new issues of securities offered to shareholders.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires, subject to certain exceptions, that an entity must not issue or agree to issue equity securities to a Related Party without the approval of shareholders. Mr Norregaard, as a director, is a Related Party of the Company. Accordingly, shareholder approval is being sought under ASX Listing Rule 10.11 for the issue of Performance Rights to Mr Norregaard.

The following information is provided to shareholders for the purposes of Listing Rule 10.13:

- (a) the Performance Rights will be issued to Mr Johannes (Steve) Norregaard (or his nominee).
- (b) the maximum number of Performance Rights to be issued is 1,282,043 and the maximum number of Shares to be issued upon vesting of the Performance Rights is 1,282,043.
- (c) the Performance Rights will be issued no later than one month after the date of the meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) the Performance Rights will be granted for nil consideration and the Shares to be issued upon vesting of the Performance Rights will be issued for nil consideration.
- (e) the key terms of the Performance Rights are set out above.
- (f) a voting exclusion statement is included in the notice of meeting.
- (g) no funds will be raised by the issue of the Performance Rights.

ASX Listing Rule 7.1

If shareholders approve Resolution 3 pursuant to ASX Listing Rule 10.11, then approval is not required for the purposes of ASX Listing Rule 7.1. Accordingly, if the Resolution is approved and the 1,282,043 Performance Rights are issued, these will not be included in the calculation of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Chapter 2E Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a Related Party of the Company (which includes a director) unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) shareholder approval is obtained to the giving of the financial benefit.

The proposed issue of Performance Rights by the Company to Mr Norregaard constitutes the giving of a financial benefit to a Related Party of the Company. Accordingly, Resolution 3 seeks shareholder approval to the issue of Performance Rights to Mr Norregaard or his nominee for the purposes of Chapter 2E.

In accordance with the requirements of Chapter 2E and in particular with Section 219 of the Corporations Act, the following information is provided to shareholders, together with the other information contained in this explanatory memorandum, to allow them to assess the proposed grant of Performance Rights by the Company to Mr Norregaard:

- (a) Mr Norregaard is a Related Party of the Company to whom Resolution 3, if approved, would permit the financial benefit being given;
- (b) the nature of the financial benefit to be given to Mr Norregaard is the grant of 1,282,043 Performance Rights;
- (c) as at the date of this explanatory memorandum, the issued capital of the Company is 155,788,008 Shares and 220,000 options. If the Performance Rights are granted to Mr Norregaard then the Company's issued capital would include 1,282,043 Performance Rights. If all of the Performance Rights are granted and subsequently vest, the number of Shares on issue in the Company will increase to 157,070,051 (assuming no options were exercised or other securities were issued in the meantime).
- (d) if shareholders approve the grant of the 1,282,043 Performance Rights to Mr Norregaard, the vesting of those Performance Rights may result in a dilution of all other shareholders' holdings in the Company by approximately 0.82% based on the number of Shares on issue in the Company at the date of this explanatory memorandum (assuming all the Performance Rights vest and no options were exercised or other securities were issued in the meantime);
- (e) as at the date of this explanatory memorandum, Mr Norregaard does not hold any securities in the Company. If the Performance Rights are granted to Mr Norregaard and they subsequently vest in full, the number of Shares held by Mr Norregaard will increase to 1,282,043. Based on the number of Shares on issue at the date of this explanatory memorandum and assuming no options are exercised or other securities are issued, if the Performance Rights vest in full, Mr Norregaard's voting power will increase to 0.82%.
- (f) the 1,282,043 Performance Rights and any Shares issued on the vesting of the Performance Rights, will be issued by the Company to Mr Norregaard for nil consideration and therefore no funds will be raised by the grant or vesting of the Performance Rights. The only costs the Company will incur in respect of the Performance Rights (and the vesting of those Performance Rights) are legal, valuation and minimal administrative costs.
- (g) details of the indicative value of the Performance Rights is set out below.
- (h) Mr Norregaard's remuneration package currently comprises a base salary of \$405,000 per annum (plus statutory superannuation contributions) and an entitlement to a short term incentive bonus of up to a maximum 80% of the base salary inclusive of superannuation, based on the achievement of agreed key performance indicators. The short term incentive bonus is payable 50% in cash and 50% in Shares, with the share component being subject to shareholder approval and an escrow period of 2 years.
- (i) each of the director's interests in the outcome of and recommendation in respect of Resolution 3 is set out below.
- (j) other than the information specified in this explanatory memorandum, the Company believes there is no other information that would be reasonably required by shareholders in order to decide whether it is in the best interests of the Company to approve Resolution 3.

Valuation of Performance Rights

An indicative value of the Performance Rights to be granted to Mr Norregaard has been assessed as at 24 September 2013 using Australian Accounting Standard AASB 2 (Share-based payment) and adopted by the Board. The indicative value of each Performance Right is in the range of 5.35 cents (discounted) to 10 cents (undiscounted). The valuation is based on the following assumptions:

- (a) each Performance Right will vest (otherwise the Performance Rights have nil value);
- (b) the initial undiscounted value of each Performance Right is effectively the value of an underlying Share in Red 5. Given that the Shares have been suspended from trading since 26 April 2013, the

value is based on the subscription price of the capital raising undertaken by the Company in September 2013, being at 10 cents per share;

- (c) as the performance conditions of the Performance Rights are market based performance conditions, under International Financial Reporting Standards (IFRS), a discount is generally applied in valuing the Performance Rights at the grant date for not meeting the performance conditions. A discount is only applied where the performance conditions are market based or are predominantly market based;
- (d) Performance Rights are akin to an option and if option valuation methodology was applied to the Performance Rights, the value of one Performance Right may approximate 5.35 cents. This assumed a 5 year term, a volatility of 60%, a share price of 10 cents, an interest rate of 2.99% and an assumed exercise price of 10 cents. This value represents a discount to the 10 cent share price of 46.5%;
- (e) vesting periods have not been taken into account.

In relation to the Performance Rights that have the market conditions attached, the discounted value (for non-listed status and transferability restrictions and the market based vesting conditions) of one Performance Right based on a last deemed share price of 10 cents is considered to be 5.35 cents.

If no market based discount was applied, the underlying value of a Red 5 Share would be the deemed value of one Performance Right. Using the placement price of 10 cents, results in an undiscounted value of one Performance Right of 10 cents.

It should be noted that the valuation is a representative valuation as at 24 September 2013, based on the subscription price of the recent capital raising at 10 cents per Share. It is not a representative valuation as at the proposed grant date. If Resolution 3 is approved and the Red 5 Share price is higher or lower than the indicative value of between 5.35 to 10 cents on the grant date, this will affect the value of the Performance Rights at the grant date.

The highest, lowest and last sale prices of Red 5's Shares on ASX during the six months immediately preceding the date of this explanatory memorandum and the respective dates of those sale prices were:

Highest: 98.5 cents per share on 18 March 2013
Lowest: 58.5 cents per share on 18 April 2013
Last: 62 cents per share on 24 April 2013 (being the last day on which the Company's Shares were traded on ASX before the voluntary suspension).

The Board (other than Mr Norregaard) considers that that the number and value of the Performance Rights to be granted to Mr Norregaard appropriately recognises and rewards the efforts of Mr Norregaard in his position of Managing Director and in leading the Company back into the proposed commencement of gold production at the Siana gold mine.

Directors' interests and recommendations

No director, other than Mr Norregaard, has an interest in the outcome of Resolution 3.

The directors (other than Mr Norregaard) recommend that shareholders vote in favour of Resolution 3 on the basis that they consider the grant of the Performance Rights to be reasonable in the circumstances and allows the Company to appropriately reward and remunerate Mr Norregaard in a cost effective and efficient manner.

Mr Norregaard declines to make a recommendation in relation to Resolution 3 due to his material personal interest in the outcome of Resolution 3. Mr Norregaard has not voted on any Board resolution in respect of the grant of the Performance Rights to him.

The Board (other than Mr Norregaard) is not aware of any other information that would reasonably be required by shareholders to allow them to make a decision on whether it is in the best interests of the Company to approve Resolution 3. The Chairman intends to vote all available proxies in favour of Resolution 3.

Voting exclusion

The Company will disregard any votes cast on Resolution 3 by Mr Norregaard (and any of his associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 – AUTHORITY FOR ISSUE OF OPTIONS PURSUANT TO EMPLOYEE SHARE OPTION PLAN

The Red 5 Limited Employee Share Option Plan (ESOP) was first established in 2007, to assist in the recruitment and retention of key personnel. The ESOP was last approved by shareholders in November 2010 and as at the date of this notice of meeting, 360,000 options have been issued under the ESOP.

ASX Listing Rule 7.1 prohibits a company from issuing new securities representing more than 15% of its issued share capital during the following 12 month period without shareholder approval. ASX Listing Rule 7.2 (Exception 9) provides that options issued under an employee incentive scheme are excluded from this restriction, provided that, within 3 years before the date of issue, issues of securities under the scheme have been approved by shareholders in general meeting.

Resolution 4 seeks the approval of shareholders for the potential issue of options under the ESOP for 3 years after the 2013 annual general meeting, without those options being included in the calculation of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

There is no longer any requirement under the ASX Listing Rules for shareholders to approve the establishment or operation of an employee incentive scheme. Accordingly, if Resolution 4 is not passed, the existing ESOP will be maintained, however any options issued under the ESOP will count towards the Company's 15% annual placement capacity.

Summary of key features

The key features of the ESOP are as follows:

- options may be issued under the ESOP to employees and consultants of the Company (or any associated companies) as nominated by directors;
- options will be issued for nil consideration and are not transferable;
- the exercise price of the options will be determined by the directors at the time of issue of the options but will be not less than 80% of the market price of the Company's Shares on ASX;
- the expiry date of the options will be determined by the directors at the time of issue of the options;
- the directors may elect to issue the options with vesting conditions whereby the options will vest to the Employee progressively over a period of time or upon satisfaction of performance hurdles;
- options that have not vested may be exercised in the event of a takeover offer or a change of control of the Company;
- the maximum number of options on issue under the ESOP cannot be more than 5% of the number of Shares on issue in the Company from time to time, subject to certain exceptions;
- the Company will not apply for official quotation of the options; and
- all Shares issued upon exercise of the options will rank pari passu with existing Shares on issue.

A full copy of the terms and conditions of the ESOP is available upon request.

Purpose of the ESOP

The ESOP is designed to assist in attracting and retaining key personnel required for the ongoing management of the operations of the Company. Options issued under the ESOP are expected to increase the motivation of Employees of the Company, promote the retention of Employees, align Employee interests with those of the Company and its shareholders and to reward Employees who contribute to the growth of the Company.

The future success of the Company is in part dependent on the skills and commitment of the Company's Employees. It is therefore important that the Company is able to attract and retain people of the highest calibre.

The directors consider that the ESOP provides Employees with an opportunity and an incentive to participate in the future growth of the Company.

Voting exclusion

The Company will disregard any votes cast on Resolution 4 by any employees, directors and members of KMP (or a Closely Related Party of such members) of the Company and any of their associates. However, the Company will not disregard any votes cast on Resolution 4 by an employee, director or member of KMP if:

- (a) the employee, director or KMP is acting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the employee, director or KMP is the chairman of the meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 4.

GLOSSARY OF TERMS

“**ASX**” means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by ASX Limited, as the context requires.

“**ASX Listing Rules**” means the official listing rules of ASX.

“**Board**” means the board of directors of the Company.

“**Closely Related Party**” is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of KMP.

“**Company**” or “**Red 5**” means Red 5 Limited (ABN 73 068 647 610).

“**Constitution**” means the constitution of the Company.

“**Corporations Act**” means the Corporations Act 2001 (Commonwealth).

“**Corporations Regulations**” means the Corporations Regulations 2001 (Commonwealth).

“**Director**” means a director of the Company.

“**Key Management Personnel**” or “**KMP**” means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise) of the Company.

“**Remuneration Report**” means the report contained in the annual financial report of the Company for the year ended 30 June 2013.

“**Share**” means an ordinary fully paid share in the capital of the Company.

My/Our contact details in case of enquiries are:

NAME													TELEPHONE NUMBER									
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NOTES

1. Name and Address

This is the name and address on the Share Register of RED 5 LIMITED. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of RED 5 LIMITED.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 10.00am (WST) on 20 November 2013, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

**Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953**

**Street Address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153**

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars 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 Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.