

Red 5 Limited

Modern Slavery Statement 2022



Red 5 Limited

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1. Introduction

This is our first Statement under the Australian Modern Slavery Act 2018 (Cth) (Modern Slavery Act) for the financial year ending 30 June 2022. It was approved by the Board of Red 5 Limited on 4 April 2023. The Statement outlines our understanding of the modern slavery and human trafficking risks we face, as well as the governance processes, activities and progress we have made throughout the financial year to improve that understanding and manage those risks.

Red 5 adopts the Australian Modern Slavery Act definition of modern slavery, including the eight types of serious exploitation, each of which has a clear definition in international or Australian law.

Red 5 is committed to respecting and protecting human rights. We believe that all people should be treated with dignity and respect, and we are working to align our business activities and practices with the UN Guiding Principles on Business and Human Rights. This commitment is reflected in our Vision and Values.

Vision

Our Vision is to be a successful multi-operational mineral resource company, providing benefits to all stakeholders through the consistent application of responsible and sustainable industry practices.

Values



Red 5'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

2. About this Statement

This Statement is a joint statement covering the following reporting entities (Reporting Entities) under the Modern Slavery Act:

- Red 5 Ltd (ABN 73 068 647 610), which is the ultimate holding company of the Red 5 Group
- Darlot Mining Company Pty Ltd
- Greenstone Resources (WA) Pty Ltd

All other entities in the group are either dormant or non-operating and are not relevant for the purposes of this statement.

The sections of the Statement that specifically address what we have done to meet the mandatory reporting criteria required by the Modern Slavery Act are outlined below.

Australian Modern Slavery Act mandatory reporting criteria	Section
Identify each reporting entity covered by the statement	About this statement. About us.
Describe the structure, operations and supply chains of the reporting entity	About us
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Modern Slavery Risks
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Due diligence and risk management
Describe how the reporting entity assesses the effectiveness of such actions	Assessing Effectiveness
Describe the process of consultation with any entities that the reporting entity owns or controls	Consultation
Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Looking forward

3. Organisational structure, business and Supply Chain

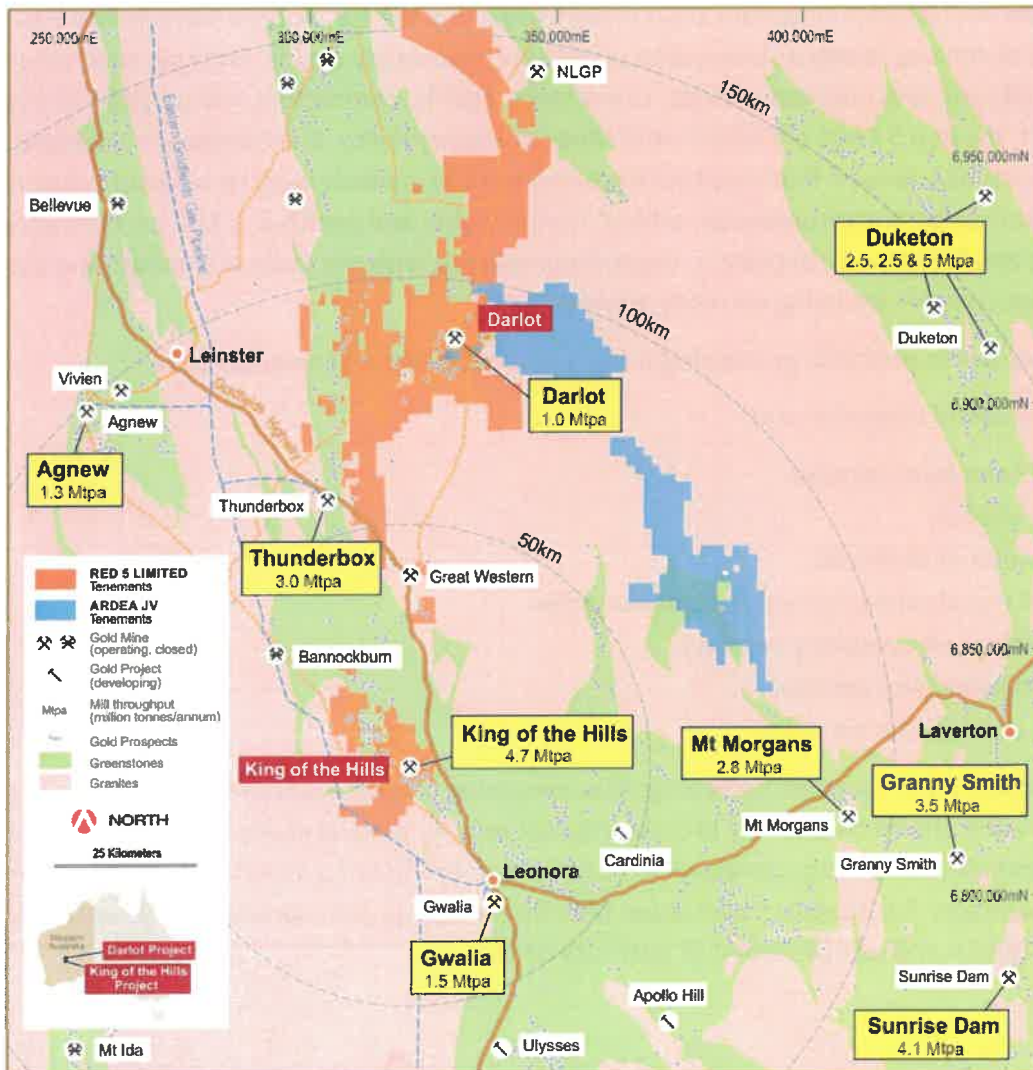
Structure and Operations

Red 5 Limited (ABN 73 068 647 610) is an Australian gold producer with established mines located in the Eastern Goldfields of Western Australia. The Company is listed on the Australian Securities Exchange (Ticker: RED). Red 5 owns and operates the King of the Hills (KOTH) Gold Mine, located approximately 900 kilometres north-east of Perth and 25 kilometres north of Leonora in Western Australia. KOTH comprises a recently constructed 4.7 Mtpa processing plant, underpinned by an Ore Reserve of 2.7Moz of contained gold, with ore being fed from a bulk open pit and underground mining operation. The A\$226 million development and construction of the KOTH project was completed on time and within budget in 2022, with first gold produced on 5 June 2022.

Red 5 also owns the Darlot Gold Mine located approximately 100 kilometres north of KOTH. Darlot's processing plant was recently suspended, with ore from the Darlot underground mine now being transported to the KOTH processing hub.

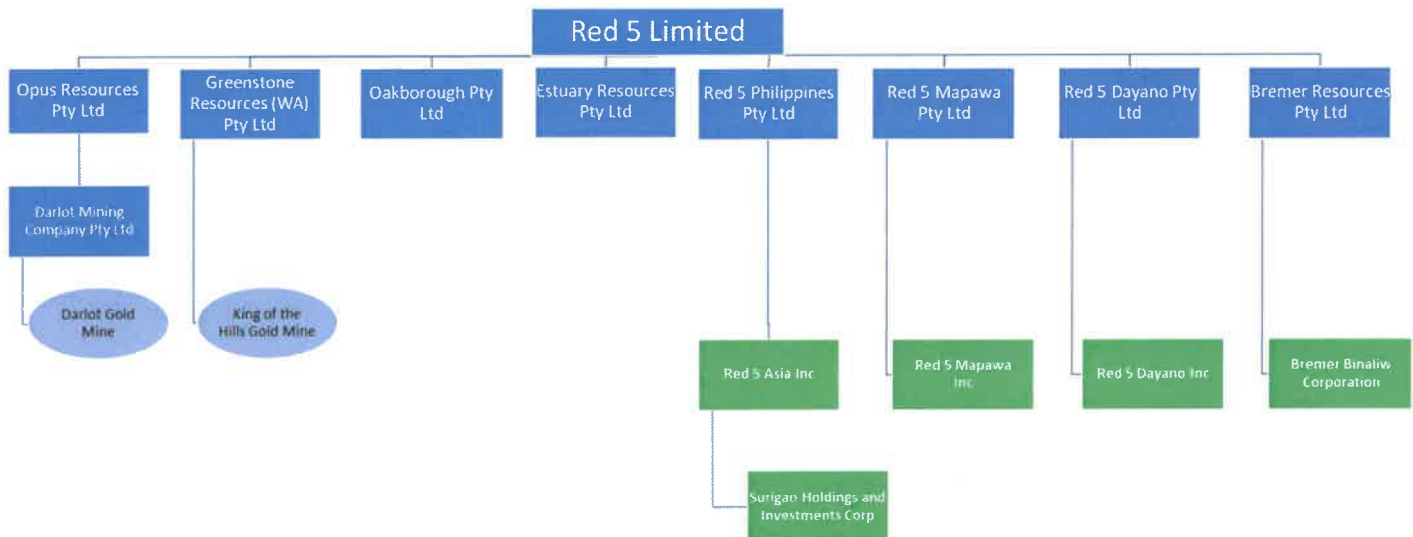
The Red 5 Group divested its interests in the Siana Gold Project in the Philippines in September 2021. The Red 5 Group holds a royalty interest in Siana, which is expected to return to production in 2023.

Location of Operations



KOTH, Darlot and Great Western locations, showing annual mill throughput from key gold deposits in the region.

Organisational chart



Supply Chain

Although the Australian mining industry is considered a low risk for modern slavery, Red 5 is committed to running modern slavery-free operations and supply chains. Through contractual arrangements and procurement policies, consultants, agents, contractors and suppliers are required to comply with the Red 5 Code of Conduct and Modern Slavery Policy. The Company's standard terms and conditions also require that suppliers have appropriate controls in place to ensure they meet minimum standards in environmental, ethical, human rights and health & safety performance. Underlying mechanisms are in place to support compliance with the Code of Conduct and assurance that relevant controls are being correctly applied.

At Red 5, we aim to prioritise procurement from local suppliers wherever possible.

Our primary spend categories are:

- Mining contractor services
- Energy and fuel
- Explosives and chemicals
- General industrial equipment and consumables
- Labour hire and consulting services
- Camp management services
- Freight and logistics services

All our suppliers are onboarded using a rigorous screening process and transactions are controlled and monitored using our Procure to Pay process. Highest priority purchases are subjected to greater due diligence, including tendering, company due diligence, total cost of ownership analysis and preparation of formal contracts. For suppliers with lower priority expenditure, the procurement function focuses on written quotes and establishment of purchase orders.

Policies and Governance

Our approach to corporate governance is outlined in the 2022 Corporate Governance Statement, available on our website. The Board has the responsibility for protecting the rights and interests of shareholders and the enhancement of 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 the implementation of corporate strategies are delegated by the Board to the Managing Director.

The Board Charter states that the Board is responsible for:

- 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.

The Board has formally adopted a Modern Slavery Policy and adherence to this policy by our employees and suppliers is important to ensure we meet our commitments and obligations required for running modern, slavery-free operations and supply chains.

4. Modern Slavery Risks

Red 5 has considered the risks of engaging in or being associated with suppliers who engage in conduct that could be considered modern slavery or infringe human rights. The key areas of risk considered were:

Sector and industry risks

Consider whether there is a high prevalence of modern slavery in the particular industry or sector.

- Red 5 operates within the extractive industry, as do many of its suppliers. We have reviewed this risk and, as the West Australian extractive industry is highly regulated with highly paid and highly skilled workers, we consider this to be a low risk.

Product and service risk

Consider whether there is a high prevalence of modern slavery associated with the particular good or service.

- We reviewed the list of the Top 15 at-risk imports and, for Red 5, the items of concern were garments and electronics. These make up a very small percentage of our supply chain spend, however we will need to exercise greater due diligence with the suppliers of these goods.

Geographic risk

Consider whether there is a high prevalence of modern slavery in the location that the production or service is sourced or produced from.

- Most of our products are sourced from within Australia, however they may have been originally manufactured in higher-risk regions.

Entity risk

Consider whether the nature of the supply chain model likely to be involved carries a greater risk of modern slavery.

- The majority of our suppliers have a simple supply chain model and are highly regulated. They do not use labour recruiters and, where they do sub-contract, any services the sub-contractor provides are subject to our policies and procedures.

5. Modern Slavery Risk management

Red 5 Limited has undertaken the KPMG Modern Slavery Benchmark to better understand how the organisation is currently identifying and managing modern slavery risks through a modern slavery self-assessment for its operations and supply chain.

The Company also obtained legal advice of its obligations under the Australian

Modern Slavery Act 2018 (Cth) (Modern Slavery Act) and guidance on the approach to be adopted to manage this risk.

Risk management approach

The Managing Director is required to report to the Board's Risk & Environment Committee ("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. Modern Slavery risks are included in this process.

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 support from relevant external professional advisers as required. 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.

6. Assessing effectiveness

Reporting on our performance in managing modern slavery risks is incorporated into the overall risk management and compliance framework at Red 5. In addition, the following controls exist to assess the effectiveness of our modern slavery risk management processes:

- Investigation and analysis of complaints and grievances;
- Reporting to the Board's Risk and Environment Committee; and
- Annual review of our governance approach, policies and procedures to ensure we effectively address the risk of modern slavery within our operations and supply chain.

7. Consultation

Red 5 operates and is managed as an integrated group with overarching policies, systems and processes that are designed to be consistently applied at our operating assets. Consultation between Red 5 entities in relation to this Statement was not required as the report was prepared on a group basis and included all the reporting entities covered by this joint Modern Slavery Statement and the operating entities that each of those reporting entities owns or controls.

Prior to being put to the Board for review and approval, the Statement was reviewed by Red 5's Managing Director and the members of the Executive Leadership Team.

8. Looking forward

In FY2023, we intend to continue to embed and strengthen the foundations of our compliance framework and our understanding of human rights risks within our operations and supply chain through:

- Improving our supplier screening and due diligence;
- Roll out specific training on human rights and modern slavery;
- Engage specifically with our major suppliers to evaluate the management of modern slavery risks in their businesses;
- Implement formal reporting on modern slavery risks and performance; and

- Enhance our approach to operating consistently with the United Nations Guiding Principles on Business and Human Rights by ensuring human rights are embedded across all of our relevant policies and frameworks.

Where applicable Red 5 will include any other information that it considers relevant within the report. In FY22, other than what is contained within the report there is no other relevant information that needs to be disclosed.

9. Principal Governing Body Approval

This modern slavery statement was approved by the Board of Directors of Red 5 Ltd, who are the principal governing body as defined by the Modern Slavery Act 2018 (Cth)¹ (“the Act”) on 4 April 2023.



Mark Williams
Managing Director

For and on behalf of Red 5 Limited