



CORPORATE GOVERNANCE POLICIES

CODE OF CONDUCT

The Code of Conduct reflects the core values of Red 5 Limited (Company) and records the ethical standards by which the Company undertakes its business operations and dealings.

MISSION AND OBJECTIVE

The Company aims to maximise returns to its shareholders from successful gold exploration, development and mining operations. To do this, the Company will:

- pursue its goals through safe work practices;
- conduct its activities honestly and ethically; and
- treat people with respect and dignity.

The Company expects all directors and employees will:

- act in the best interests of the Company;
- act honestly and with high standards of personal integrity;
- comply with the laws and regulations that apply to the Company and its operations;
- not knowingly participate in any illegal or unethical activity;
- not enter into any arrangement or participate in any activity that would conflict with the Company's best interests or that would be likely to negatively affect the Company's reputation;
- not take advantage of the property or information of the Company for personal gain or to cause detriment to the Company;
- not take advantage of their position or the opportunities arising therefrom for personal gain;
- be accountable for their actions and decisions; and
- deliver quality work.

The Company values:

- the community and environment in which it operates;
- innovation and reliability from all employees.

POLICIES, STANDARDS AND GUIDELINES

Compliance with the law

Employees shall comply with all laws and regulations for the conduct of the Company's business. The laws that govern the Company's activities are complex. Employees should seek advice from their immediate work supervisor, the Mine Operations Manager or the Managing Director if they are unclear about laws or regulations relating to their work.

Occupational health and safety

The Company acknowledges that the health, safety and welfare of its employees and the community are of paramount importance and the Company is committed to pursuing its goals through safe work practices. The highest standards of health, safety and welfare are to be maintained in accordance with relevant Occupational Health and Safety regulations and codes of practice.

Environment

The Company shall prevent, or otherwise minimise, mitigate and remediate, any harmful effects of the Company's operations on the environment.

Excellence in environmental performance is essential to the Company's business success. Compliance with all environmental laws and regulations is the foundation upon which the Company builds its environmental performance.

The Company has developed, and will continue to enhance, company-wide standards and systems to identify, assess and manage environmental risk. These apply at each stage of exploration, development, operation and closure, as well as in acquisition and divestment evaluations, to achieve continuous improvement in environmental performance. The Company also engages with host communities, governments, customers, suppliers and others to the same end.

The Company will obtain assurance on the implementation of its environmental policy, both internally and externally, by regular audits, reviews and reports.

Drug and alcohol use

If, in the opinion of the work place supervisor, an employee is unfit to perform their duties or is a potential safety risk to themselves or others because of the effects of drugs or alcohol, that employee shall be immediately stood down from work and leave the work place.

Employees taking prescribed drugs or pharmaceutical drugs which may likely impair their judgement or work performance must advise their work place supervisor of the likely effect of the medications so that appropriate work assignments can be given.

Any employee who believes that they have a dependence problem and who wish to seek assistance from the Company, should contact their supervisor who will then initiate employer assistance.

Equal employment opportunity

The Company is committed to developing a work environment in which all employees are treated fairly and with respect. A separate diversity policy has been established to assist in promoting and valuing the unique contribution that employees can make because of their individual background, skills, experiences and perspectives. A copy of the diversity policy is available in the corporate governance section of the Company's website.

Within the framework of the Company's affirmative diversity objectives, employment with the Company shall be offered and provided based on availability and merit. Employees and applicants for employment will be treated and evaluated according to their job-related skills, qualifications, abilities and aptitudes only.

Harassment

The Company is committed to providing a work place free from harassment, bullying and intimidation. Harassment can have a serious negative impact on morale, productivity and the physical and emotional health and well-being of employees. Harassment is a form of discrimination and involves unwelcome behaviour relating to personal attributes (for example, a person's gender, race, religion, political affiliations or sexual preference).

An employee who believes that he or she has been harassed should advise the offender that the behaviour is offensive and unacceptable and/or inform an appropriate manager who shall ensure that the complaint is formally investigated and dealt with in a proper manner. Employees may also report workplace harassment to an independent organisation through the Company's Whistleblower Policy.

Confidentiality

Employees are required to protect proprietary, commercial and other information that is confidential to the Company. These obligations of confidentiality continue after an individual's employment with the Company ends.

Information that is not generally available concerning the activities, results or plans of the Company or an associated entity (i.e. inside information) must be used for authorised purposes only. Such information should be handled and communicated with responsibility and must not be disclosed without authority. Confidentiality provisions are included in contracts with employees, consultants and other parties who provide services to the Company.

Managers are responsible for ensuring that arrangements are in place for protecting sensitive and confidential information.

Share trading

The Company's policy on trading in securities is available on the Company's web-site in the corporate governance section.

All employees and contractors must observe the Company's Share Trading Policy. In conjunction with the legal prohibition on dealing in the Company's securities when in possession of unpublished price sensitive information, the Company has established specific "closed" periods when directors, key management personnel and certain other nominated employees are not permitted to buy and sell the Company's securities.

Personal information and privacy

The Company will only collect personal information from its employees ethically and lawfully. If collecting personal information on behalf of the Company, all employees must inform the person involved of the purpose for which the information is collected and be aware that, subject to some limitations, employees will be able to gain access to the information collected on request. Steps must be taken to ensure that data is appropriately accurate and current and that data is stored no longer than necessary.

Employees must ensure that confidentiality of personal information contained in the Company's records is strictly maintained. An employee's personal information should not be provided to other employees unless it is required to perform their roles. Information relating to employment records, salaries, addresses etc. cannot be released to external organisations unless required by law or upon informed consent from the relevant employee.

Continuous disclosure

The Company's policy on compliance with continuous disclosure obligations is available on the Company's web-site in the corporate governance section.

Any internally produced documents, such as analyst briefings or presentations, must be reviewed and approved by the Managing Director (or his delegate) prior to external presentation to determine whether they first need to be lodged as an announcement with the Australian Securities Exchange.

Employees should direct all corporate media inquiries to the Managing Director, Chairman, Chief Financial Officer or the Company Secretary.

Use of company resources and fraud prevention

Employees must not use Company funds, property, equipment, or other resources for personal benefit. In addition, employees are responsible for safeguarding the Company's resources under their control (including information) and for maintaining accurate records regarding the use of these resources. Expenditures must be reported accurately and in a timely way. Instances of fraud (eg submission of a fraudulent expense report), by their very nature, represent unacceptable behaviour within the Company.

An accurate and auditable record of all financial transactions relating to the Company must be maintained in accordance with generally accepted accounting principles. No entry is to be made in the Company's records that distorts or disguises the true nature of any transaction.

Unauthorised removal of Company equipment, supplies, or other resources will be regarded as theft. If employees become aware of any evidence of theft or that Company funds or property may have been used in a fraudulent or improper manner, they should immediately and confidentially advise their immediate supervisor, Mine Operations Manager or the Managing Director.

Information systems

The Company's employees use a wide range of information systems to conduct business (for example, voice mail, facsimile, internet, e-mail). Employees are responsible for protecting the Company's information communicated or stored using these systems. Use, duplication or sale of proprietary software, except as described in the manufacturers/owners licence agreement or conditions applicable to use, is an infringement of copyright law and is strictly prohibited.

The Company's electronic communications systems are Company resources and all electronic communications are regarded as Company records. Offensive material (for example, pornography) is not permitted on the Company's systems in any form.

The Company reserves the right to monitor employee use of its information systems. Subject to approval from the Managing Director, the Company may access and disclose the contents of e-mails and files. The Company does not guarantee the privacy of e-mails or information stored on the Company's systems. This material may be accessed through activities such as maintenance of e-mail systems and computer networks.

Employees have access to the Company's information systems to assist them in performing their jobs. Personal use must be approved by management. Modest personal use may be allowed if it is unrelated to outside business activities and does not interfere with the Company's business or the performance of work responsibilities.

Financial inducements

The Company does not countenance the making of payments or payments in kind (gifts, favours, etc.) to influence individuals to make a business decision in the Company's favour. Bribes, kick-backs, secret commissions and similar payments are strictly prohibited.

Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct.

Travel, entertainment and gifts

Travel

Employees are to conduct travel in accordance with the Company's travel policy. Safety and security standards should be adhered to at all times.

Any private travel attached to business travel is to be approved prior to bookings being made.

Entertainment

Occasionally employees will be required to entertain business associates. Valid entertainment expenses include meals and events such as theatre and sporting events taken with potential or actual business associates whereby a business discussion takes place during, immediately before or immediately after the event.

Gifts

Employees must exercise the utmost care about giving or receiving business-related gifts. This applies to direct payments and payments in kind, including the provision of goods or services, personal favours, and entertainment (for example, meals, travel, etc.). Any material offer of free travel and/or accommodation is to be declined. If there is a valid business purpose to attend, then the Company is to pay any travel and/or accommodation costs.

Accepting or offering gifts of moderate value is acceptable in situations where it is legal and in accordance with business practice and should not affect business decision making. However, employees should exercise particular caution in regard to any offers of value, including hospitality, entertainment and gifts when the Company is negotiating or considering contracts and they are in a position to influence, directly or indirectly, the outcome of a decision.

Employees are required to declare all gifts, hospitality and other favours with a value in excess of A\$100 to their supervisor.

This policy also applies to employees' immediate family members and to any agents or third parties who are employed to represent the Company.

Conflicts of interest

Employees should not engage in activities or hold or trade assets that involve, or could appear to involve, a conflict between their personal interests and the interests of the Company. Such circumstances could compromise or appear to compromise the employee's ability to make impartial business decisions. A conflict would arise where an employee, employee's family or a business with which the employee or family is associated gains an advantage by virtue of the employee's position with the Company or knowledge gained through that position.

Employees should not take additional employment with outside organisations or operate their own business if such employment or activity will create an actual or perceived conflict of interest.

Employees must advise their supervisor of situations that could involve an actual or perceived conflict of interest and, as appropriate and/or required, remove themselves from any discussion or activity involving the conflict.

If an employee is uncertain whether a conflict exists, they should consult with their supervisor and attempt to resolve any conflicts that may exist.

Outside activities

The Company encourages employees to be active in the local community. However, conflicts of interest which would affect the employee's ability to exercise independent judgement in the best interests of the Company should be avoided. Employees should avoid situations where a perception of conflict of interests may arise.

Accordingly, employees must receive the Managing Director's approval before accepting a directorship with another company, statutory authority or similar body.

The approval of the Company is required for positions in government advisory bodies, political parties, professional institutions, trade associations, charitable, public, social, or sporting organisations and similar groups if the position:

- has senior or high status;
- will involve a significant amount of the employee's time to the extent that it could affect their ability to fulfil their responsibilities to the Company;
- is likely to involve public controversy; or
- will involve activities that could be incompatible with the Company's policies or procedures.

Employees should obtain the prior supervisor approval before accepting any significant payment for their involvement with an advisory board or similar group, including reimbursement for travel and related expenses.

Employees and contractors (whilst providing services to the Company) may not, to the extent and for the periods that they are employed or contracted, take up outside employment or contracts without the written approval of the Company.

Political support

No Company contributions will be made to political parties or candidates. The Company recognises employees' rights to personal participation in the political process and will not influence such activity provided there is no disruption to work place activities. Individuals must ensure that their views are not identified as those of the Company.

Whistleblower policy

The Company has established a Whistleblower Policy which provides employees, directors and contractors of the Company with the means to report to an independent organisation, work-related conduct which they reasonably believe to be corrupt, unethical or illegal, with the choice to do so anonymously. The matter will be handled in the strictest confidence and only those who need to know will be made aware of the situation.

A copy of the Whistleblower Policy is available in the corporate governance section of the Company's web-site.

RESPONSIBILITIES OF MANAGEMENT

Management is responsible to the Board, through the Managing Director, for the Company's performance under this Code of Conduct.

Under the Managing Director, senior management have operational responsibility for ensuring compliance with the Code of Conduct including:

- ensuring that all employees, and where appropriate consultants, have access to the Company's policies and procedures;
- promoting a work place environment that encourages honest and open communication about business conduct issues, emphasises the importance of operating in accordance with the Code of Conduct, policies and standards and avoids placing pressure on employees to deviate from these standards and policies;
- establishing internal reporting and approval processes that address high risk areas in relation to business conduct and ensure that breaches are appropriately investigated and appropriately handled;
- responding promptly and seriously to employees' concerns and questions about business conduct issues and seeking further assistance if required;
- undertaking business conduct and awareness training consistent with this Code of Conduct and tailored to operational needs of the business;
- incorporating the values, standards and policies outlined under this Code of Conduct into the Company's performance management processes, employment contracts, induction procedures, industrial agreements and similar systems; and
- demonstrating exemplary behaviour for other employees to follow.

VIOLATIONS OF THE COMPANY POLICIES AND PROCEDURES AND DISCIPLINARY PROCESS

All employees and directors are expected to be familiar with this Code of Conduct and to have a detailed understanding of the Company's policies. It is every employee's responsibility to comply with the policies and standards relating to their work and to seek assistance if they do not fully understand a policy or how that policy should be applied.

All employees are expected to adhere to the policies and procedures described in this Code of Conduct.

Any violation of the code will be investigated and dealt with in a formal manner. The nature of any disciplinary action will depend on the seriousness of the violation and other relevant circumstances. Employees should note that breaches of certain sections of this Code of Conduct may be punishable under legislation.