

King of the Hills Final Feasibility Study Progress Update

Final Feasibility Study work program on track for completion in the September 2020 Quarter; mining and engineering studies advancing; 240-room camp accommodation and offices purchased ahead of the expected commencement of site early works in the December 2020 Quarter

- Final Feasibility Study (“FFS”) for the proposed stand-alone integrated bulk open pit and underground mining and processing operation at the King of the Hills (“KOTH”) Gold Project in Western Australia is on schedule for completion in the September 2020 Quarter.
- GR Engineering Services (“GRES”) has produced the design and costings for the Process Plant and other on-site infrastructure, which is now being reviewed by Red 5.
- Purchase of second-hand portable accommodation units comprising 240 rooms (each with ensuite), five laundries, a Wastewater Treatment Plant and a 1,050m² office. These are scheduled to be delivered in 2H CY2020. Cost savings are estimated to be ~\$3-4M compared to the purchase of new facilities.
- Applications have been lodged for the required Government approvals to conduct early site works in December 2020 Quarter, including construction of the Village Accommodation and Wastewater Treatment Plant.
- Mine planning studies continue (managed by SRK and Entech) with the final KOTH open pit, satellite deposits, underground mine designs and mine schedules expected to be finalised early in the September 2020 Quarter.
- Following receipt of Expressions of Interest for power generation for the KOTH Project, discussions are underway with gas suppliers to determine the final project power supply configuration.
- Heritage survey of the power transmission corridor will be conducted in late June and July.
- Early works design and procurement activities are ongoing, including bulk earthworks design and procurement plans for long-lead items.
- CSA Global has been selected to provide an Independent Technical Expert’s Report for the planned debt financing component for the KOTH Project development.

Red 5 Limited (“Red 5” or “the Company”) (ASX: RED) is pleased to provide an update on the ongoing Final Feasibility Study (FFS) for an integrated bulk open pit and underground mine and processing operation at the King of the Hills (KOTH) gold project in Western Australia, which remains on-track for completion in the September 2020 Quarter.

KEY ACTIVITIES BEING PROGRESSED

1. Mine Planning

Mine planning studies for the open pit (SRK) and underground (Entech) have continued, with a key focus on the interaction between the KOTH open pit and underground mine plan, ensuring maximum mine optimisation. The geotechnical study undertaken by Peter O’Bryan & Associates is nearing finalisation and has been informing the mine planning process. Hydrogeology consultancy Big Dog Hydrogeology has also been reporting on their study outcomes, confirming the project requirements for mine dewatering.

Initial mine plans and schedules are expected early next quarter with an updated KOTH Ore Reserve to follow. The Ore Reserve will form part of the Final Feasibility Study.

Indicated and Inferred Resource estimates for the various deposits that comprise the proposed KOTH open pit and underground mining operation have been previously reported and include:

- KOTH: 90.7Mt at 1.4g/t Au for 4.07Moz (see ASX announcement 19 March 2020);
- Rainbow: 1.6Mt @ 1.3g/t Au for 67,000oz (see ASX announcement 1 May 2019);
- Severn: 0.9Mt @ 1.6g/t Au for 47,900oz (see ASX announcement 1 May 2019);
- Cerebus-Eclipse: 2.8Mt @ 1.2g/t Au for 112,000oz (see ASX announcement 6 May 2020); and
- Centauri: 1.7Mt @ 1.5g/t Au for 81,300oz (see ASX announcement 6 May 2020).

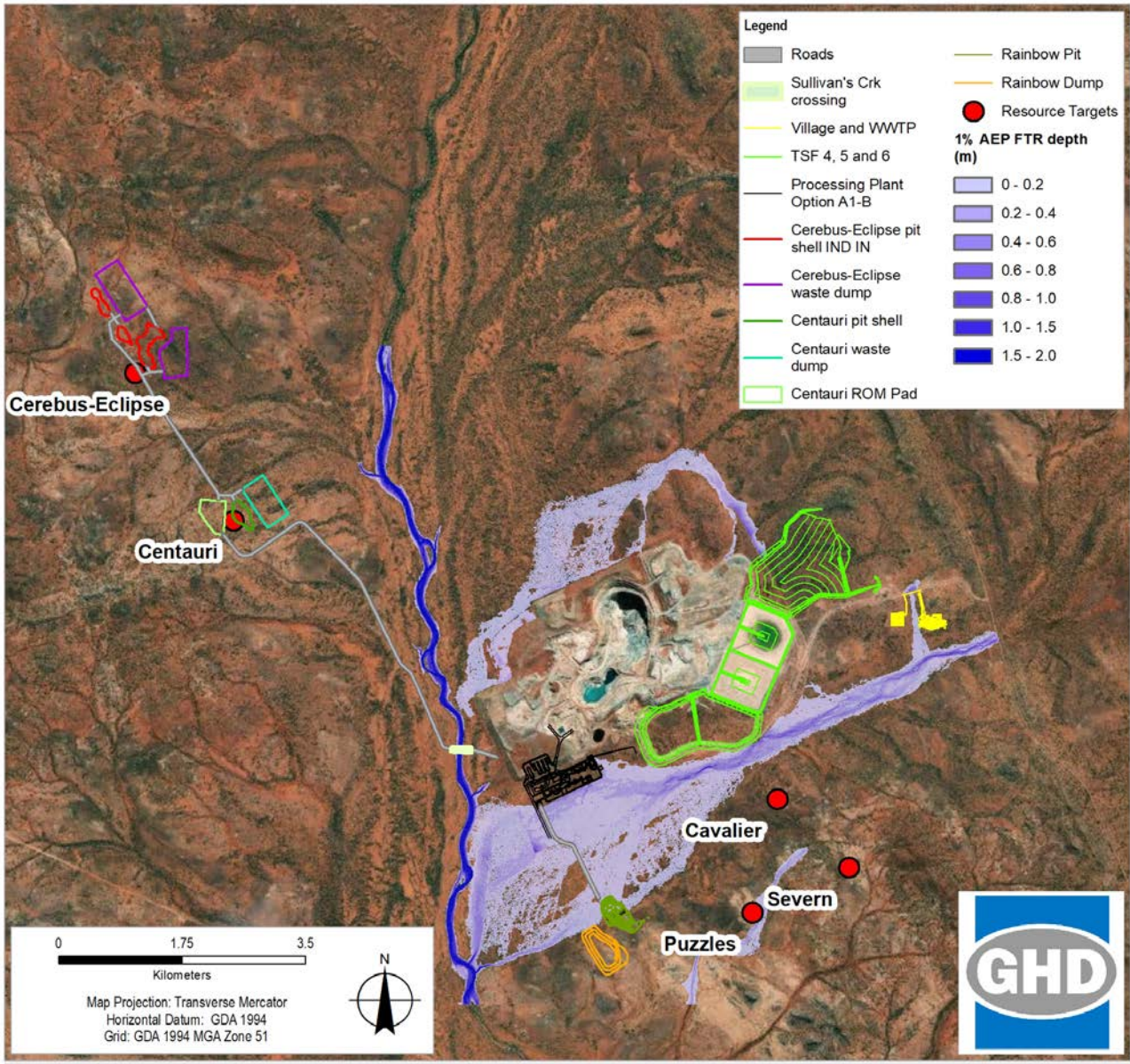
2. Infrastructure

GRES has completed preliminary designs and cost estimates at FFS level for the process plant, workshops and accommodation village. A review of Project Capital Costs is expected to be finalised in June 2020.

Following on from the successful Expressions of Interest (“EOI”) process in April 2020 for the provision of energy requirements on a Build-Own-Operate contractual basis, discussions are now being held with various suppliers to establish access to gas for the proposed 20-25MW power plant. Once the mode of gas supply is confirmed, commercial negotiations will commence to lock in commercial agreements with gas suppliers and Independent Power Producers.

Knight Piésold has provided a draft Tailings Storage Facility (TSF) study report including results of its geotechnical survey of the proposed Process Plant, Mine Infrastructure Area, TSF’s and Village Accommodation. The study includes capacity in the existing (TSF 4) and planned (TSF 5 and TSF 6) facilities for up to 54 million tonnes. Geotechnical parameters are being applied in the GRES design process and TSF designs. Pending receipt of tailings physical and geochemical laboratory analyses, the report is expected to be finalised in late June 2020.

GHD has completed the Hydrology Study report for the entire proposed KOTH operations. Engineers use the data to ensure that both the mine and infrastructure areas are designed to be able to manage the impacts of Probable Maximum Precipitation events and incorporate design flood protection controls.



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Data source: Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community Created by aparameswaran

Figure 1. One-in-one hundred rainfall event flood inundation model.



Figure 2. TSF designs for the KOTH Project.

3. Project Execution Planning

GRES has continued to progress critical early works tasks, including:

- The planned ordering of long-lead items (crusher and mills);
- The final design of bulk earthworks; and
- The tender and evaluation of the supply of transportable buildings.

Red 5 has identified and procured 59 x 4-bedroom and 2 x 2-bedroom portable accommodation units, five laundries, a Wastewater Treatment Plant and a 1,050m² modular office building. Cost savings are estimated to be ~\$3-4M compared to the purchase of new facilities. These will be delivered to site late in the second half of this year, pending receipt of the necessary regulatory approvals (see below).

Pending completion of the Process Plant and Infrastructure design, a Scope of Works for an EPC Contractor is being prepared, and Red 5 anticipates a tender process commencing in the September 2020 Quarter. A Project Engineer has been employed by Red 5 to support the planned escalation of project execution activities.

Red 5 is working with its debt advisor, Noah's Rule, to prepare for the completion of the project financing process after the release of the Final Feasibility Study. CSA Global has been selected on behalf of prospective financiers to provide Independent Technical Expert advice for the debt financing component of the KOTH Project development. CSA will commence evaluation of the KOTH Geology FFS Reports in June 2020, and all other aspects of the Final Feasibility Study in the September Quarter 2020.



Figure 3. Second-hand portable accommodation units comprising 240 rooms.



Figure 4. Second-hand office building totalling 1,050m² area.

4. Approvals

Stage 1 applications have been lodged for Government approvals necessary to conduct site early works, including construction of the Village Accommodation and Wastewater Treatment Plant (WWTP). These applications are for approval of a Mining Proposal, Mine Closure Plan, Native Vegetation Clearing Permit (Department of Mines, Industry Regulation and Safety) and a Works Approval for the WWTP (Department of Water and Environmental Regulation).

Tenements securing the power transmission corridor which link the KOTH site to the Goldfield Gas Pipeline have been applied for with the majority now granted. During June and July 2020, an archaeological and ethnographic survey of the corridor will be conducted. Access agreements will be negotiated with the two Pastoral Lease owners along the corridor route. Studies already complete along the corridor include flora and fauna studies.

Applications under the Aboriginal Heritage Act, 1972 which are necessary for the crossing of Sullivan’s Creek to allow direct haul road access the north-west satellite deposits (Centauri and Cerebus-Eclipse) have been referred by the Aboriginal Cultural Material Council to the Minister for Aboriginal Affairs for decision. Red 5 had consulted and received consent from the Traditional Owners before making this application.

MANAGEMENT COMMENT

Red 5 Managing Director, Mark Williams, said that all aspects of the KOTH Final Feasibility Study were progressing to plan, with the study now entering its final phase ahead of its scheduled completion in the September 2020 Quarter.

“We continue to systematically progress towards completion of the FFS, with mining and engineering studies well advanced and project approvals on schedule.

“Strong progress is being made with planning for site early works and ordering of long-lead items, with the delivery of a recently-purchased accommodation village and offices expected to coincide with the planned commencement of site early works in the second half of CY2020.

“Over the coming weeks we expect to complete our review of the designs and costings for the Process Plant and other on-site infrastructure, and finalise the tailings storage management report, while also progressing heritage surveys over key infrastructure corridors.

“The successful completion of these workstreams will put us on track to deliver the FFS on schedule in the September 2020 Quarter, marking a major milestone towards the development of one of Australia’s most exciting new gold development projects.”

ENDS

Authorised for release by the Board.

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Competent Person's Statements

Mineral Resource and Exploration Results

Mr Byron Dumpleton confirms that he is the Competent Person for the Mineral Resource and Exploration Results summarised in this report and Mr Dumpleton has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Dumpleton is a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in this report and to the activity for which he is accepting responsibility. Mr Dumpleton is a Member of the Australian Institute of Geoscientists, No. 1598. Mr Dumpleton is a full-time employee of Red 5. Mr Dumpleton has reviewed this report and consents to the inclusion of the matters based on his supporting information in the form and context in which it appears.

JORC 2012 Mineral Resource and Ore Reserves

Red 5 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

Forward-Looking Statements

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding Red 5's Mineral Resources and Reserves, exploration operations, project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Red 5 believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of Red 5, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. Red 5 undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.