

King of the Hills Final Feasibility Study Progress Update

Final Feasibility Study work program progressing to plan. Maiden JORC 2012 Mineral Resource estimates finalised for the Cerebus-Eclipse and Centauri satellite deposits (total KOTH satellite deposit open pit Mineral Resources increased to 308koz), with mining and engineering studies in progress.

- 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”) is progressing the design of the Process Plant and other on-site infrastructure (expected completion June 2020) and obtaining third-party vendor equipment pricing.
- Expressions of Interest received for the provision of KOTH energy requirements on a “Build Own Operate” basis have confirmed pricing similar to the Pre-Feasibility Study (PFS) estimates.
- Mine planning studies continue (managed by SRK and Entech) with the final KOTH open pit and underground mine designs and mine schedules expected to be completed in June 2020.
- The Cerebus-Eclipse and Centauri satellite deposits, located to the north-west of the KOTH Gold Project, are being assessed for initial open pit mine developments to deliver oxide ore to the proposed Processing Plant in the early stages of a bulk mining operation.
- Non-binding indicative proposals received from open pit mining contractors align with PFS costings.
- Drilling and assaying of numerous low-grade stockpiles completed. The FFS team is assessing the potential inclusion of existing stockpiles in future KOTH Mineral Resource models and mine plans.
- Early works design and procurement activities have commenced including bulk earthworks design, sourcing of transportable buildings for the accommodation village and office space and procurement plans for long-lead items.



Figure 1. Significant infrastructure already exists at King of the Hills including the mine portal and underground 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

With the updated March 2020 KOTH Mineral Resource estimate completed, mine planning studies for the Open Pit (SRK) and Underground (Entech) are in progress.

Mineral Resource model estimates for the satellite deposits are being reviewed and assessed for consideration as early oxide feed for the start-up phase of the planned KOTH bulk open pit mine. The FFS mine designs and schedules are expected to be completed in June 2020.

Red 5 is developing an appropriate open pit mining strategy for the planned large bulk open pit mine. Non-binding proposals have been received from several West Australian open pit mining contractors, which align with the PFS mining costs.

An initial organisational review and recruitment drive has commenced for a Red 5 fit-for-purpose Open Pit Mine Planning Team in preparation for the commencement of mine pre-strip activities in 2021.



Figure 2. On 6 May 2020, Red 5 announced maiden Mineral Resource estimates for the Cerebus-Eclipse and Centauri satellite deposits for a combined 193,300oz.

2. Infrastructure

GRES continues to progress designs for the process plant, workshops and accommodation village, including securing third-party vendor pricing for the FFS. Engineering designs and costings are expected to be finalised in June 2020.

Expressions of Interest (“EOI”) have been received from major independent power producers for the provision of energy requirements on a Build-Own-Operate contractual basis. The 20-25MW power plant design process includes evaluation of the use of renewable energy to complement a gas-fired power station supplied from the nearby Goldfields Gas Pipeline. Specialist engineering consultant Petro Min Engineers (PME) is assisting Red 5 in evaluating these proposals, which indicate pricing similar to the Pre-Feasibility Study cost estimates.

3. Project Execution Planning

The development of the KOTH Project Execution Plan continues. An organisational review has been completed, and an initial recruitment process has commenced. The planned construction owner's team will manage the main Engineering, Procurement & Construction (EPC) plant contract and various other separate contracts, including the construction of village accommodation, tailings storage facility lifts, borefield reinstatement and office/workshop construction.

Red 5 has engaged GRES to progress key early works tasks, including:

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

The availability of second-hand transportable buildings is being investigated, so that second-hand buildings can be used as an alternative to new buildings wherever possible.

An EOI process for an EPC Contractor for the process plant has also been initiated. EOI submissions for construction of the proposed Process Plant are expected in May 2020. A short-list of pre-qualified contractors will then be invited to submit a tender for the Process Plant Design and Construct Contract.

MANAGEMENT COMMENT

Red 5 Managing Director, Mark Williams, said there had been strong progress across multiple work-streams for the KOTH Final Feasibility Study over recent weeks, with several key items on track for completion next month and the overall FFS on track for completion next quarter.

"We continue to make solid progress towards our objective of delivering the FFS, making a final investment decision and starting construction on one of Australia's premier new mid-tier mining projects at King of the Hills.

"In addition to boosting KOTH's satellite deposit Mineral Resources to over 300,000oz, the completion of these Mineral Resources estimates has allowed our team to commence mining studies for the inclusion of these deposits in our overall mine plan and schedule.

"On other fronts, Pre-Feasibility pricing estimates for open pit mining costs and our energy requirements on the proposed "Build Own Operate" basis have been confirmed by Expressions of Interest from mining contractors and indicative proposals received from energy suppliers.

"We have also completed a work program to drill and assay the low-grade stockpiles present on the KOTH site, with a view to including these in future Mineral Resource models and, ultimately, in our mine plan.

"Early works design and procurement activities are also well underway and proceeding well under the supervision of our new Construction Manager, who is now firmly embedded in the Red 5 team.

"This is an exciting time for the Company as we move into the final key stages of the FFS and towards its completion and delivery in the September 2020 Quarter, paving the way for the development of one of Australia's premier 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.