

24 September 2020

Full Year Financial Results for 12 Months to 30 June 2020

Red 5 Limited (ASX: RED) (“Red 5” or “the Company”) today announces its financial results for the year ended 30 June 2020.

Summary

- Sales revenue of \$200.33 million.
- Combined Darlot and King of the Hills (KOTH) gold production of 92,779oz and gold sales of 92,953oz.
- Gross profit from operations of \$39.22 million.
- Underlying EBITDA^(*) of \$53.98 million.
- Net cash flow from operating activities of \$51.51 million.
- Net profit after income tax of \$4.54 million.
- Equity capital raising of \$125 million completed to underpin KOTH development.
- \$122.3 million in cash and metal accounts at period end.

(*) Underlying EBITDA is an unaudited non-IFRS measure.

The past financial year saw Red 5 make significant progress towards realising its vision of becoming a successful multi-operational exploration and mining company at Darlot and King of the Hills (KOTH).

The Final Feasibility Study (FFS) for the development of a stand-alone integrated bulk open pit and underground mining and processing operation at KOTH was announced on 15 September 2020. The FFS outlined a proposed new 4Mtpa bulk mining and processing operation and an updated Ore Reserve of 64.6Mt @ 1.15g/t Au for 2.4M ounces of contained gold and an initial mine life of 16 years.

Continued exploration success during the year drove a substantial increase in reserves, in particular the growth in the KOTH Mineral Resource estimate to 4.1Moz, which has positioned the Company to capture the benefits of the prevailing strong gold price environment and grow towards being a mid-tier, multi-asset producer from 2022 onwards.

Red 5 generated \$51.51 million of cash flow from operations for the year while expending \$54.55 million on development activities including sustaining capital expenditure, growth and exploration. This investment has contributed to the outstanding results of the KOTH FFS.

\$8.0 million was repaid towards the Macquarie Working Capital Facility (\$12.0 million outstanding at 30 June 2020). The Company also completed a \$125 million capital raising which has strengthened its balance sheet, putting Red 5 in a solid position to complete project financing for the construction and mine development at KOTH.

Commenting on the 2020 full year results, Red 5’s Managing Director, Mark Williams, said:

“Red 5 maintained a strong safety and sustainable performance with underlying net profit and free cash flow generation from our existing mining operations at Darlot and King of the Hills.”

Red 5 Limited

ABN 73 068 647 610

ASX: **RED**

Shares on issue: **1,971M**

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“This allowed us to invest in the future growth and diversification of the Company by maintaining an expansive exploration commitment, delivering the KOTH FFS and strengthening our balance sheet with a \$125 million equity raising,” he continued.

“As a result, following the completion of the KOTH FFS in September 2020, I believe we have now put in place all the required building blocks for our transition to a multi-asset gold producer by 2022 – opening a clear pathway for Red 5 to join the ranks of Australia’s larger mid-tier gold miners.”

Outside of its asset base in the Eastern Goldfields region of Western Australia, the Red 5 Group is also continuing to evaluate its preferred plan for the Siana Gold Project, where mining operations are currently voluntarily suspended.

ENDS

Authorised for release by the Board.

For more information:

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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.