

23 March 2021

Red 5 completes mandatory hedging for King of the Hills Gold Project

*Completion of hedging meets a key requirement of the \$175m debt funding package
to support the development of the King of the Hills Project*

- **King of the Hills development fully-funded with committed debt and final equity secured through fully underwritten Entitlements Offer announced on 17 March 2021**
- **Forward sales of 189,651 ounces, representing 25% of forecast production¹ during the loan period (and 8% of Ore Reserves) transacted by Red 5, as a requirement of the King of the Hills A\$175 million committed debt funding**

Further to its announcements on 17 and 19 March 2021, Red 5 Limited (ASX: RED) (**Red 5** or the **Company**) confirms the completion of 189,651 ounces of gold hedging as part of the overall funding package for its King of the Hills (**KOTH**) Gold Project in Western Australia.

The hedging represents the mandatory hedging requirement for the \$175 million KOTH debt facility commitment (**Debt Facilities**) announced on 17 March 2021 with BNP Paribas, Australia branch, The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch and Macquarie Bank Limited (together the **Syndicate Banks**). Red 5 and the Syndicate Banks are now working towards the execution of finance documentation and satisfying the conditions precedent for financial close as detailed in the Company's announcement on 17 March 2021. Financial Close and the first debt draw-down is expected in the June Quarter 2021.

The gold hedging for KOTH has been secured in advance of financial close under the Company's existing working capital loan security with Macquarie Bank. Upon financial close, 50% of the hedging will transfer to BNP Paribas and HSBC. Once the transfers are finalised, it is expected that all hedge contracts will range from A\$2,150-\$A2,165/oz.

Noah's Rule is acting as Debt and Hedge Advisors to Red 5 in relation to the Debt and associated Facilities.

Red 5 Managing Director, Mark Williams, said:

"We have been able to work with the Syndicate Banks to expedite a gold hedge, allowing us to complete an important requirement of the Debt Facilities to advance the KOTH Project."

"The gold hedging entered into amounts to 8% of the 2.4Moz Ore Reserves at KOTH and assists Red 5 to finalise development funding while at the same time securing a strong operating margin during the loan period for this unique 16-year life of mine gold project in Western Australia."

ENDS

Authorised for release by the Board.

¹ ASX announcement 15 September 2020. The Company confirms that all material assumptions in relation to the original announcement remain unchanged.

For more information:

Investors/Shareholders:

Patrick Duffy, Chief Corporate Development Officer
Mark Williams, Managing Director
Red 5 Limited
Telephone: +61 8 9322 4455

Media:

Nicholas Read / Kate Bell
Read Corporate
Telephone: +61 8 9388 1474

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.

Red 5 confirms that all the material assumptions underpinning the Final Feasibility Study production targets on the King of the Hills project (see ASX release dated 15 September 2020), or the forecast financial information derived from a production target, in the initial public reports continue to apply and have not materially changed.