

17 July 2019

June 2019 Quarterly Activities Report

Red 5 delivers record production of 30,098oz from its WA gold operations at an AISC of A\$1,331/oz; KOTH Resource increased to 3.11Moz, with a JORC 2012 open pit Ore Reserve supported by a Pre-Feasibility Study on a potential stand-alone mining and processing operation due for delivery in August 2019

West Australian Gold Operations

Processing and Production

- Gold production for the June 2019 Quarter of 30,098 ounces (March Quarter: 24,187 ounces) and gold sales of 27,406 ounces (March Quarter: 23,444 ounces). All-in sustaining costs (AISC) of A\$1,331 per ounce of gold sold for the Quarter (March Quarter: A\$1,637 per ounce).
- Full year production for FY2019 of 102,012 ounces. Total gold sales for FY2019 of 98,240 ounces at an AISC of A\$1,601 per ounce of gold sold.
- Gold recovered for FY2020 is expected to be in the range of 110,000-120,000oz at an AISC of A\$1,350 – A\$1,500 per ounce. For the September 2019 Quarter, the expected range is 27,000-31,000 ounces at an AISC of A\$1,400 – A\$1,550 per ounce.

Mining

- Mining of the high-grade Oval West deposit continued at Darlot during the Quarter.
- Bulk underground mining continued at King of the Hills (KOTH), underpinning record gold production from KOTH of 10,897oz.

Exploration and Resource Development

- Updated JORC 2012 Mineral Resource estimate completed for the Eastern Margin Contact Zone at KOTH:
 - Indicated and Inferred Resource of 66.0Mt at 1.5g/t Au for 3.11Moz of contained gold
 - Indicated Resources of 53.1Mt at 1.4g/t Au for 2.35Moz of contained gold (76% of the total ounces), i.e. available for potential conversion to Ore Reserves
- Maiden JORC 2012 open pit Mineral Resources estimated for the Rainbow and Severn deposits, located immediately south of existing mining operations at KOTH:
 - Rainbow: Indicated and Inferred Resource of 1.6Mt @ 1.3g/t Au for 67,000oz
 - Severn: Indicated and Inferred Resource of 0.9Mt @ 1.6g/t Au for 47,900oz
- A JORC 2012 open pit Ore Reserve, supported by a Pre-Feasibility Study (PFS) on the potential establishment of a stand-alone mining and processing operation at KOTH, scheduled to be delivered in August 2019.

Finance and Corporate

- Group cash on hand and bullion at the end of June 2019 of A\$24.9 million.

Red 5 Limited

ABN 73 068 647 610

ASX: **RED**Shares on issue: **1,244M**

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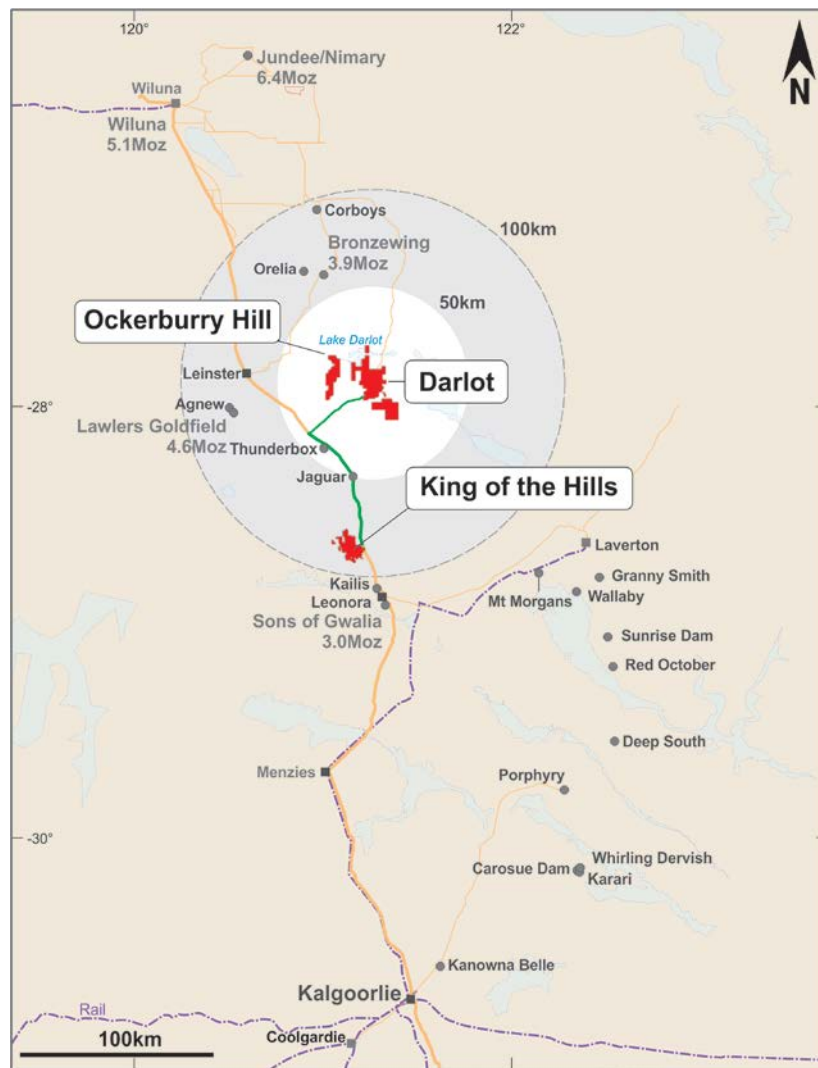


Figure 1: Darlot and KOTH locations, showing historical production from key gold deposits in the region.

Red 5 Managing Director, Mark Williams, said:

“Every department kicked goals during the quarter, with excellent gold production of over 30,000 ounces from our Darlot and King of the Hills gold mines representing our best operational performance since we completed the project acquisitions in October 2017.

“This strong production, combined with continued strength in the Australian dollar gold price, saw Red 5 end the June Quarter with a cash and bullion balance of A\$24.9 million.

“In addition, the June Quarter has also seen positive development towards the assessment of a long-term stand-alone bulk mining and processing operation at King of the Hills, with the delivery of an updated 3.11 million-ounce JORC Resource for the Eastern Margin Contact, as well as shallow open pit oxide Resources for two key satellite deposits.

“We are working towards the completion of a JORC 2012 open pit Ore Reserve, supported by a Pre-Feasibility Study for the potential development of a stand-alone bulk open pit mining operation at KOTH, which is on-track for delivery in August 2019.”

WEST AUSTRALIAN GOLD OPERATIONS

Production Summary

A total of 30,098 ounces of gold was recovered for the June 2019 Quarter (March Quarter: 24,187 ounces) with ore sourced from the Darlot and the KOTH underground mines. AISC was A\$1,331 per ounce (inclusive of KOTH mine development costs).

Table 1: Key Production Metrics

	Units	FY2019 Total	June 2019 Quarter	March 2019 Quarter	December 2018 Quarter	September 2018 Quarter
Mined tonnes	t	900,251	215,554	231,073	215,455	238,169
Mined grade	g/t	3.86	4.62	3.82	3.98	3.05
Tonnes milled	t	907,004	234,118	200,685	228,251	243,950
Average head grade	g/t	3.79	4.29	4.06	3.87	3.01
Recovery	%	92.4	93.2	92.3	92.1	91.6
Gold recovered	oz	102,012	30,098	24,187	26,118	21,609
Gold sales	oz	98,240	27,406	23,444	27,149	20,241
All-in sustaining costs	A\$/oz	\$1,601	\$1,331	\$1,637	\$1,547	\$1,829

Processing

Crusher and mill availabilities were 91.9% and 97.5% respectively during the Quarter. A total of 234,118 tonnes of ore was processed (milled) at a weighted throughput of 110tph (tonnes per hour) and a recovery of 93.2%.

The newly scoped Tailings Storage Facility #4 construction was awarded to 3D Earthmoving during the Quarter. It is anticipated that mobilisation and commencement of the facility construction will be in late July 2019 and is expected to take ~5 months to complete.

During the Quarter a refurbished Knelson Gravity Concentrator was installed on the primary milling circuit. This concentrator, coupled with the already installed new Falcon unit on the secondary circuit, should see lower final tail solid grade and improve gold bullion smelting.

Continuous improvement projects include refurbishment of adsorption and leach tanks, improvement of oxygen addition to the leach circuit, an additional cross belt magnet, as well as optimising the existing triple deck screen on the crushing circuit.

A large-scale pilot ore sorting trial will be conducted at KOTH during the September 2019 Quarter to further evaluate the potential benefits and applicability of the ore sorting technology. The on-site pilot test work is a progressive step forward from the prior smaller scale test work undertaken in a Perth laboratory environment.

DARLOT GOLD MINE

Mining Activities

Darlot continued to primarily source ore from the high-grade Oval West deposit for the June Quarter.

Airleg mining continued to ramp up with four active airleg mining stopes now in production, at an estimated rate of 4,000t per month. Airleg mining delivered 12,713t grading 3.75 g/t Au for 1,533 oz in the June Quarter, with production for the September Quarter expected to increase further. These airleg mining opportunities at Pedersen host an Ore Reserve containing 108,975t grading 3.9g/t Au for 13,810 ounces of contained gold (see ASX announcement on 21 November 2018).



Figure 2: Exposed lode in Pederson 1310 Airleg stope.

The airleg program is being conducted concurrently with engineering and geological assessments to identify additional opportunities for narrow vein mining.

Further rehabilitation work continued to advance remnant mining opportunities in the Thomson orebody and capital development towards the Burswood, progressing these mining fronts as part of the FY2020 mine plan.

KING OF THE HILLS

Mining Activities

The transition to bulk mining at King of the Hills (KOTH) entered an important phase during the Quarter with the majority of stope ore coming from bulk sources. Related efficiencies began to be realised with record (under Red 5 ownership) quarterly production tonnes, drilling and ounces delivered from the mine during the Quarter.

Bulk stope optimisation continued to provide value throughout the Quarter. For June 2019, a total of 5,356oz was processed, making this a record for ounces produced from KOTH for Red 5. Reconciliation of stopes mined in the quarter include:

- W4975 B3 stope reconciled at 19,600t @ 5.18 g/t, versus a planned grade of 4.56g/t; and
- W4975 B1 stope reconciled at 17,000t @ 3.86g/t, versus a planned grade of 3.48g/t; plus
- W4954 B1 stope, planned at 84,000 @ 3.2g/t, currently still active in production.

A bulk stope was also identified between two previously mined stopes with 17,600t @ 3.92 g/t, which is representative of the significant value that is still contained in the historical workings at KOTH. Selective airleg stoping continued to add value for the operation with production of 9,100t @ 6.3 g/t for 1,866 ounces.

The period was marked by significant improvement in the understanding of the complex local geology as well as process improvements across technical services. These improvements are expected to deliver significant ongoing material benefits to the operation.

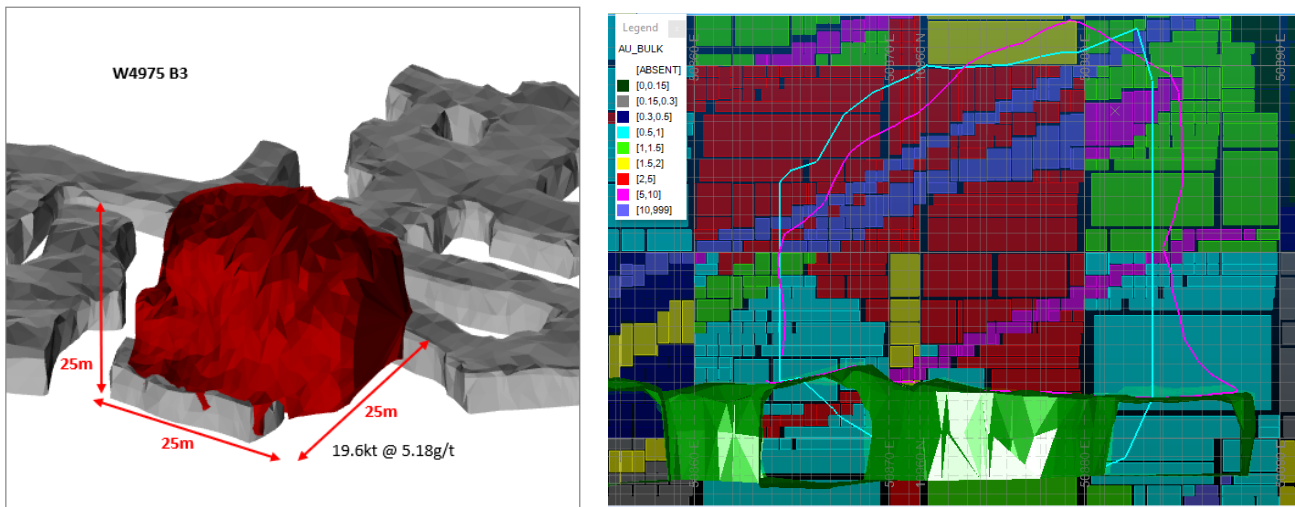


Figure 3: W4975 B3 slope delivered during the quarter.

Development of the first specifically bulk mining level continued as planned and reached a significant drill platform location. The platform will be used to test open mineralisation down-dip and represents a key milestone for the long-term bulk mining strategy for KOTH.

EXPLORATION AND RESOURCE DEVELOPMENT

DARLOT

During the June Quarter, drilling at the Oval Flattening target successfully intersected a new 77m wide zone of favourable magnetic dolerite host rock.

The 1,250m hole, which was partially funded by the WA Government's Exploration Incentive Scheme (EIS), was targeting the known mineralised Oval Fault structure in a previously untested area to the south-west of the Darlot/Centenary system. Interpretation of 3D seismic data showed that the fault flattened considerably across a zone of 150m, which presents a favourable mineralisation target.

The hole intersected several small dolerite sills emplaced in volcanoclastic sediments before intersecting a wide, previously unknown fractionated dolerite sill from 850m. The sill contains a considerable magnetic dolerite horizon that is the favourable host rock to mineralisation in the Darlot/Centenary system. The Oval Fault was intersected ~200m down-hole from where the magnetic dolerite unit was initially interpreted in 3D seismic data and was strongly altered, indicating that it is a mineralising fluid pathway.

A follow-up hole is planned to test the Oval Fault further up-dip where it intersects the favourable magnetic dolerite unit.

Extensive near-mine targeting activities were also completed during the Quarter, including the ongoing structural and lithological interpretation of the 3D seismic data as well as analysis and integration of a substantial underground and surface geochemical database.

Drill targets have been generated, targeting extensions to known mineralisation within the mine space, as well as several targets within a 20km mine radius focused on favourable structural trap sites within the underexplored eastern limb of the folded Mount Pickering magnetic dolerite.

KING OF THE HILLS

Updated Mineral Resource Estimate for Eastern Margin Contact

During the Quarter, Red 5 reported an updated bulk mining Mineral Resource estimate for the Eastern Margin Contact zone at KOTH, comprising **66.0 million tonnes grading 1.5g/t Au for an estimated 3.11 million ounces of contained gold**.

The updated Resource represents a 65% increase in contained gold over the previous Mineral Resource estimate reported on 4 December 2018, with 76% of the Resource now classified in the higher confidence “Indicated Resource” category. The updated Resource is set out in Table 2 below:

Table 2: King of the Hills (KOTH) Mineral Resource as at May 2019

Total KOTH Resource as at May 2019					
Estimate	Classification	Cut-off (g/t)	Tonnes (t)	Gold (g/t)	Contained Gold (oz)
May 2019 JORC 2012 (Total Model)	Indicated	0.4-1.0	53,100,000	1.4	2,350,000
	Inferred	0.4-1.0	12,900,000	1.8	760,000
	Total	0.4-1.0	66,000,000	1.5	3,110,000
December 2018 JORC 2012 (Total Model)	Indicated	1.0	4,200,000	3.9	540,000
	Inferred	1.0	24,500,000	1.7	1,340,000
	Total	1.0	28,700,000	2.0	1,880,000
Difference	Indicated		48,900,000	-2.5	1,810,000
	Inferred		-11,600,000	0.1	-580,000
	Total		37,300,000	-0.6	1,230,000
% Difference	Indicated		1164%	-65%	335%
	Inferred		-47%	8%	-43%
	Total		130%	-28%	65%

Notes on KOTH JORC 2012 Mineral Resources as outlined in Table 2.

1. Mineral Resources are quoted as inclusive of Underground Ore Reserves.
2. Discrepancy in summation may occur due to rounding.
3. For Cut-off (g/t) grade 0.4-1.0 refer to Table 3 below for the reported tonnes within and outside the A\$1,800 Pit Shell used for the May 2019 KOTH resource update.
4. The figures take into account cut-off date for inclusion of drilling data, and mining depletion up to 14 February 2019.
5. Cut-off at 0.4 g/t determined based on estimated grade cut-off for large scale open pit mining with the pit optimisation shell selected based on a A\$1,800 gold price.
6. Cut-off at 1.0 g/t determined based on estimated grade cut-off for large scale underground open stoping.
7. Independent Audit conducted by Dr Spero Carras of Carras Mining Pty Ltd.

The Mineral Resource estimate includes both open pit and underground components defined by pit optimisation at a gold price of A\$1,800, as outlined in Table 3:

Table 3: King of the Hills Mineral Resource as at May 2019 separated by AUD 1,800 pit shell

Total Open Pit & Underground KOTH Resource as at May 2019					
Classification	Cut-off (g/t)	Mining Method	Tonnes (t)	Gold (g/t)	Contained Gold (oz)
Indicated	0.4-1.0	OP+UG	53,100,000	1.4	2,350,000
Inferred	0.4-1.0	OP+UG	12,900,000	1.8	760,000
Total	0.4-1.0	OP+UG	66,000,000	1.5	3,110,000
KOTH JORC 2012 All material within AUD 1,800 Pit Shell					
Indicated	0.4	OP	45,500,000	1.3	1,850,000
Inferred	0.4	OP	3,000,000	1.6	150,000
Total	0.4	OP	48,500,000	1.3	2,000,000
KOTH JORC 2012 All material outside AUD 1,800 Pit Shell					
Indicated	1.0	UG	7,600,000	2.0	500,000
Inferred	1.0	UG	9,900,000	1.9	610,000
Total	1.0	UG	17,500,000	2.0	1,110,000

Notes on KOTH JORC 2012 Mineral Resources as outlined in Table 3

1. Mineral Resources are quoted as inclusive of Underground Ore Reserves.
2. Discrepancy in summation may occur due to rounding.
3. OP = Open Pit and UG = Underground.
4. The Cut-off (g/t) grade 0.4-1.0 refers to the total of the OP reported resource at 0.4 g/t cut-off grade and the UG reported resource below the A\$1,800 pit shell reported at 1.0 g/t cut-off grade.
5. The figures take into account cut-off date for inclusion of drilling data, and mining depletion up to 14 February 2019.
6. Cut-off at 0.4 g/t determined based on estimated grade cut-off for large scale open pit mining with the pit optimisation shell selected based on an A41,800 gold price.
7. Cut-off at 1.0 g/t determined based on estimated grade cut-off for large scale open stoping
8. Independent Audit conducted by Dr Spero Carras of Carras Mining Pty Ltd.

This Resource establishes the basis of a JORC 2012 open pit Ore Reserve, supported by a Pre-Feasibility Study which is evaluating the potential to:

1. Build a stand-alone 2-4Mtpa processing plant at KOTH;
2. Develop a large open pit mining operation at KOTH; and
3. Develop Rainbow and Severn as near-mine regional satellite deposits.

Pending further study, there is also the potential to increase project value by assessing the ability to:

1. Expand the existing KOTH underground mining operations to supply early and high-grade ore; and
2. Develop additional near-mine regional satellite deposits to supply further early 'oxide' mill feed.

Full details of the KOTH Mineral Resource estimate are provided in the Company's ASX Announcement dated 20 May 2019.

Maiden Mineral Resource Estimates for near-mine regional deposits at KOTH

Red 5 has completed maiden JORC 2012 Mineral Resource estimates for the Rainbow and Severn near-mine deposits at KOTH, calculated on drilling completed by past owners. This work highlights the potential to define near-mine open pit resources that have the potential to support the broader bulk mining strategic review currently underway at KOTH.

The combined Rainbow and Severn open pit Resources, which total approximately 114,900 ounces of contained gold, provide solid support to the Company's strategy of defining opportunities to provide early mill feed for a potential stand-alone processing plant at KOTH.

Red 5 is currently undertaking a major 13,300m regional drilling program to test five additional priority near-mine targets at KOTH (see ASX announcements on 19 February 2019 and 15 April 2019).

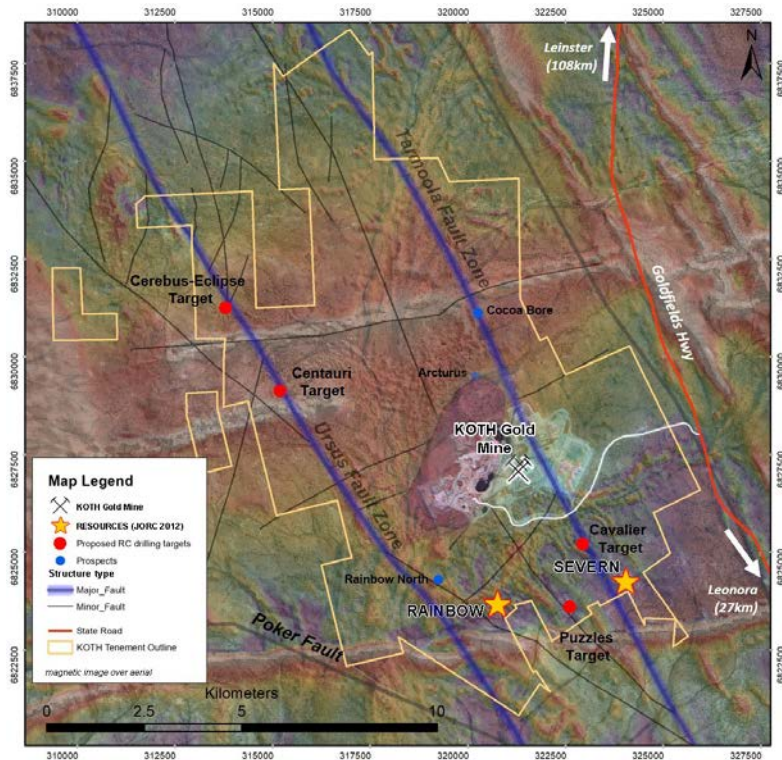


Figure 4: Location of the Rainbow and Severn near-mine deposits at KOTH.

Rainbow Mineral Resource

Table 4: Rainbow Mineral Resource as at April 2019

Classification	Cut-off (g/t Au)	Tonnes (t)	Gold (g/t)	Contained Gold (oz)
Indicated	0.6	1,380,000	1.3	57,700
Inferred	0.6	200,000	1.4	9,300
Total	0.6	1,580,000	1.3	67,000

Notes on Rainbow JORC 2012 Mineral Resources

1. Mineral Resources are quoted as inclusive of Ore Reserves.
2. Discrepancies in summation may occur due to rounding.
3. Refer to ASX announcement dated 1 May 2019 for full details of Mineral Resource estimate.

The Rainbow deposit is located 3.5km south of the Tarmoola open pit at KOTH, proximal to a NW-striking shear that plays off the Ursus Fault Zone.

Severn Mineral Resource

Table 5: Severn Resource as at April 2019

Classification	Cut-off (g/t Au)	Tonnes (t)	Gold (g/t)	Contained Gold (oz)
Indicated	0.4	480,000	1.7	27,100
Inferred	0.4	440,000	1.5	20,800
Total	0.4	920,000	1.6	47,900

Notes on Severn JORC 2012 Mineral Resources

1. Mineral Resources are quoted as inclusive of Ore Reserves.
2. Discrepancy in summation may occur due to rounding.
3. Refer to ASX announcement dated 1 May 2019 for full details of Mineral Resource estimate.

The Severn deposit is located 4.6km south-east of the Tarmoola open pit and is situated along the NNW-striking Tarmoola Fault Zone.

KOTH Regional Exploration Program

A regional exploration program continued at KOTH throughout the Quarter, with 13,417m drilled at five target areas. This drilling program is aimed at identifying shallow oxide open pit mineralisation that could provide mill feed and cash flow in the early stages of a future stand-alone bulk mining operation.

SIANA GOLD PROJECT, PHILIPPINES

Red 5's Philippine-affiliated company, Greenstone Resources Corporation, is continuing to evaluate its preferred plan and options for the Siana Gold Project, including a revised mining strategy for the Siana open pit mine and required funding for the potential future recommencement of operations. An important part of these considerations will be the current Philippine Government's mining policy.

While mining operations remain suspended at Siana, ongoing activities at the site include dewatering of the open pit, infrastructure maintenance and geotechnical monitoring.

FINANCIAL

Cash balance

The Group's cash balance, including bullion on hand at the end of June 2019 was \$24.9 million.

As previously foreshadowed, the Company has been considering a debt facility to provide additional working capital.

Hedging

At 30 June 2019, the Company held a July 2019 to December 2019 (six month) hedge position, averaging approximately 5,000 ounces per month totalling 30,100oz at an average gold price of \$1,844 per ounce.

Production Guidance and Outlook

Gold recovered for FY2020 is expected to be in the range of 110,000-120,000oz at an all-in sustaining cost of A\$1,350 – A\$1,500 per ounce.

Production for the September 2019 Quarter is expected to be in the range of 27-31,000oz at an all-in sustaining cost of A\$1,400 – A\$1,550 per ounce.

Ongoing operational and cost efficiency programmes are in progress, aimed at reducing operating costs.

ENDS

For more information:

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Competent Person Statement for Exploration Results

The information in the report to which this statement is attached that relates to Exploration Results is based upon information compiled by Mr Byron Dumpleton, a Competent Person, who is a Member of the Australian Institute of Geoscientists (membership number 1598). Mr Dumpleton is a full-time employee of Red 5 Limited. Mr Dumpleton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves'. Mr Dumpleton consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

Competent Person Statements for 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.

RED 5 LIMITED
TENEMENT SCHEDULE – 30 JUNE 2019

WESTERN AUSTRALIA				
Project	Tenement number	Red 5 interest		
Darlot Gold Mine	E36/0865, E36/0941, E37/1247, E37/1268, E37/1269, E37/1296, E37/1297, E37/1298, E37/1352, L37/0109, L37/0110, L37/0118, L37/0206, L37/0207, L37/0223, L37/0224, L37/230, L37/231, L37/0237, M37/0155, M37/0252, M37/0373, M37/0417, M37/0418, M37/0419, M37/0420, M37/0584, M37/0592, M37/0608, M37/0667, M37/0774, M37/0775, M37/1217, P36/1879, P37/8698, P37/8699, P37/8700, P37/8701, P37/8716, P37/8788, P37/8789	100%		
	L37/238, E36/0944, E36/0945, E36/0964, E37/1350, E37/1378, P36/1883, P36/1884, E36/966, P37/9210	100% (Applications pending)		
	M37/0552, M37/0631, M37/0709, M37/1045	49%		
	M37/0246, M37/0265, M37/0320, M37/0343, M37/0345, M37/0393, M37/0776	83.5%		
	M37/0421, M37/0632	100% with portion of tenements at 49% via agreement		
	King of the Hills Gold Project	L37/0211, M37/0021, M37/0067, M37/0076, M37/0090, M37/0179, M37/0201, M37/0222, M37/0248, M37/0330, M37/0394, M37/0407, M37/0410, M37/0416, M37/0429, M37/0449, M37/0451, M37/0457, M37/0496, M37/0529, M37/0544, M37/0547, M37/0548, M37/0551, M37/0570, M37/0571, M37/0572, M37/0573, M37/0574, M37/0905, M37/1050, M37/1051, M37/1081, M37/1105, M37/1165, P37/8391, P37/8392, P37/8393, P37/8394, P37/9157, P37/9160, P37/9161	100%	
Montague Project	M57/429, M57/485, E57/793	25% free carried		
PHILIPPINES				
Project	Tenement number	Registered holder	Equity interest	
			Red 5	Other
Siana Gold Project	MPSA 184-2002-XIII	Greenstone	40%	SHIC 60%
	APSA 46-XIII	Greenstone	40%	SHIC 60%
Mapawa gold project	MPSA 280-2009-XIII	Greenstone	40%	SHIC 60%

Interests in mining tenements or farm-in or farm-out agreements acquired or disposed of during the quarter were as follows:

WESTERN AUSTRALIA

Project	Tenement number	Red 5 interest
<i>Darlot Gold Mine</i>	E37/1378	100% (Application pending)

Abbreviations

Tenements (Australia)

M: Mining Lease

P: Prospecting Licence

E: Exploration Licence

L: Miscellaneous Licence

Tenements (Philippines)

MPSA: Mineral Production Sharing Agreement

APSA: Application for MPSA

Company name

Greenstone: Greenstone Resources Corporation

SHIC: Surigao Holdings and Investments Corporation