

4 June 2021

King of the Hills Project Update

Works Approval permit for the Power Station received; concrete base for mill and crusher commenced; hedging conditions precedent satisfied for \$175m debt funding package

Red 5 Limited (ASX: RED) (**Red 5** or the **Company**) is pleased to advise that it continues to make significant progress with the development of its 2.4Moz, 16-year Life-Of-Mine King of the Hills (**KOTH**) Gold Project in Western Australia.

The KOTH Power Station Works Approval has now been received from the Department of Environment and Water Regulation (**DWER**), ahead of the scheduled commencement of construction of the Power Station.

The KOTH Project is progressing on schedule for first gold in the June Quarter 2022 and remains within budget, with key recent updates including:

- Construction of the CIL tanks is progressing well, with all eight tanks expected to be at full height by mid-August 2021;
- Structural steel has begun arriving at site, including sections of the top of the CIL tank steelwork platform that will be pre-assembled before being lifted into place on the tanks, the mill building and the gold room;
- The steel liners for the SAG Mill have arrived in Fremantle (a total of 27, 20-foot shipping containers);
- The SAG Mill pinions, motors (62 tonnes each), trunnions and lubrication skids have also arrived in Fremantle and will be on-site during the first week of June 2021; and
- Construction crews from Maca Interquip continue to ramp up on site.

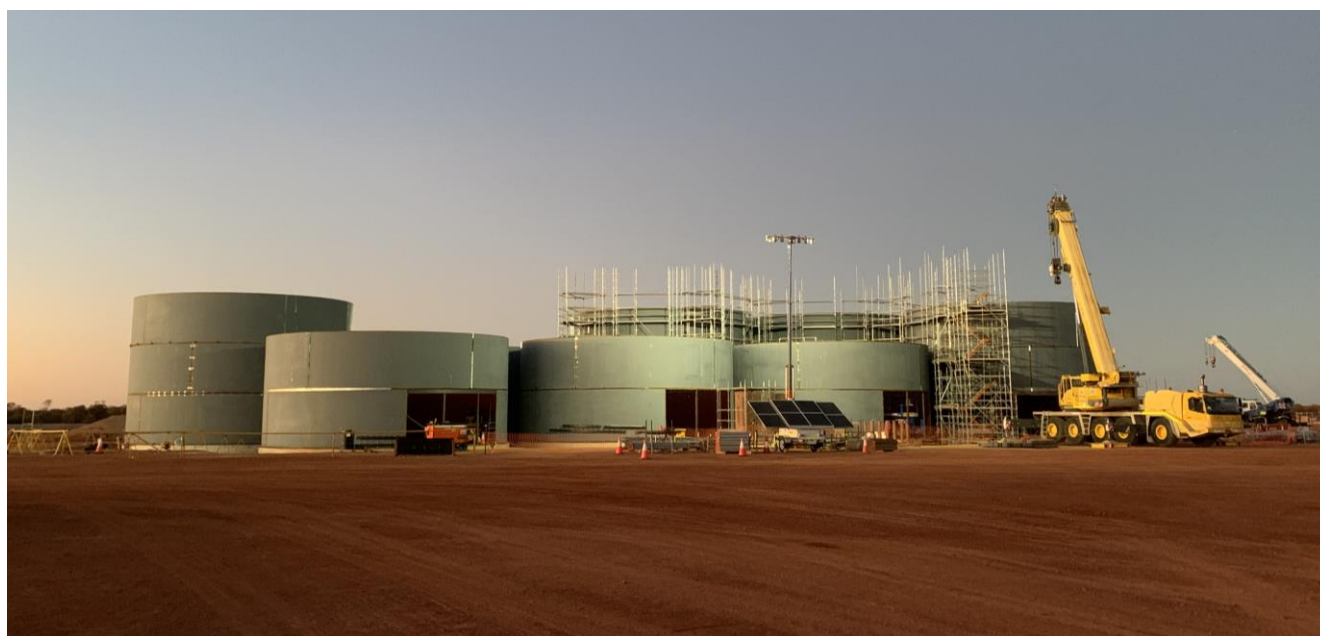


Figure 1: Dawn photo of the processing plant and CIL tanks under construction.

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Figure 2: Preparation for the concrete pour of the plinths for the processing plant is underway.



Figure 3: Daily deliveries of structural steel and key equipment are ongoing.

The KOTH Village is now fully operational. The installation contractor (Multiple Trades and Maintenance) is completing minor items and has started demobilising their construction facilities.



Figure 4: Drone photo showing the KOTH Village, which is now fully operational.

On other fronts, Red 5 has achieved financial close for the hedging facilities implemented as part of the overall funding package for the KOTH Project, resulting in a final average hedge price, after adjustments, of A\$2,154/ounce for the 189,651 ounces. The funding package also required Red 5 to purchase a Gold Put Option for 8,517 ounces at a strike price of \$2,000/oz across the period May 2022 to July 2022.

Red 5 and the Syndicate Banks (BNP Paribas, HSBC and Macquarie Bank) have now completed all financial documentation and security for the Debt Facilities. The parties are currently working towards satisfying the final conditions precedent for debt draw-down, which is expected in June 2021.



Figure 5: The Syndicate Banks visited KOTH on 24 May 2021 to see construction progress on site.

Red 5 Managing Director, Mark Williams, said:

“We are continuing to complete the permitting, development and construction milestones at KOTH, with solid progress being made since our last update in early May 2021.

“On the permitting front, we received our construction permit for the KOTH Power Station well in advance of the scheduled start of construction. The KOTH Village is now fully operational and has been accommodating the construction workforce for a number of months. Construction activities continue to advance, gaining good momentum, with the construction of the CIL tanks for the processing circuit rapidly advancing.

“It’s also great to see structural steel now beginning to arrive at site and key items of imported equipment, including the steel liners for the SAG Mill and the SAG Mill pinions, motors, bearings and lubrication skids arriving in Fremantle. This is a consequence of our decision last year to lock in key fixed-price contracts and long-lead items early in the project development schedule, well ahead of the recent increase in activity in the resources and construction sectors.”

ENDS

Authorised for release by the Board.

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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.