

September 2017 Quarterly Activities Report

Transformational quarter for Red 5 as it embarks on Eastern Goldfields Consolidation Strategy, with successful acquisitions paving the way to join the ranks of Australian gold producers

Eastern Goldfields Consolidation Strategy

- Red 5 embarked on a new growth strategy centred on the acquisition of an asset portfolio in the Eastern Goldfields region of Western Australia. The acquisitions, which were completed on 2 October 2017, comprise:
 - *The operating **Darlot Gold Mine**, located ~900km NE of Perth, which was acquired from a wholly-owned subsidiary of Gold Fields Limited for \$18.5M (cash and shares) in staged payments; and*
 - *The **King of the Hills (“KOTH”) Gold Project**, located ~80km south of Darlot, which was acquired from Saracen Mineral Holdings Limited for \$16M (cash and shares) in staged payments.*
- The acquisitions provide Red 5 with a commanding 25,700ha footprint in the highly-endowed Leonora-Leinster gold district of Western Australia, an existing Mineral Resource inventory totalling 626,000oz¹, immediate production and cash-flow, and significant exploration and growth potential.
- In addition to the exploration opportunities at both Darlot and KOTH, the Darlot Gold Mine provides the opportunity to establish a regional processing hub to unlock other gold deposits within the region, including potential bolt-on acquisitions.

Finance and Corporate

- \$12.7M rights issue completed as part of the Eastern Goldfields acquisitions. The rights issue was partially underwritten by Gold Fields to \$8.5M including sub-underwriting by Saracen to \$1.5M.
- Following the issue of consideration shares on 2 October 2017 in relation to the Eastern Goldfields acquisitions (including in connection with the partial underwriting of the rights issue), Gold Fields and Saracen have become cornerstone shareholders in Red 5, with relevant interests of 19.9% and 10.5% respectively.
- Gold shipment valued at A\$4.8M made subsequent to the end of the quarter in early October 2017 from gold recovered from the processing of medium-low grade stockpiles at the Siana Gold Project in the Philippines.
- The Group’s cash balance, including refined gold held in the metal account, as at 30 September 2017 was \$11.2M with the balance as at 16 October 2017 being \$15.2M, as a result of the gold shipment from Siana during October 2017.

Siana Gold Project, Philippines

- Mining operations at the Siana Gold Project remain suspended.
- The Group continues to maintain environmental and regulatory compliance at the Siana Gold Project during the period of suspension and perform core activities including dewatering of the open pit and community relations activities.
- Limited drilling program underway at Mapawa Prospect to meet licence commitments.

¹ Combined SAMREC 2016 and JORC 2012 Resource across the projects, as further explained below.

EASTERN GOLDFIELDS CONSOLIDATION STRATEGY

The September 2017 Quarter was a transformational period for Red 5, with the implementation of a new growth strategy centred on the acquisition of an asset portfolio in the Eastern Goldfields region of Western Australia, one of Australia's most prolific and active gold districts.

The transactions comprise the acquisition of the operating Darlot Gold Mine from South African-based gold producer Gold Fields Limited and the advanced King of the Hills Gold Project from West Australian gold producer Saracen Mineral Holdings Limited.

Red 5 aims to establish the Darlot mill as a central processing facility, capable of unlocking other undeveloped gold deposits within the region. King of the Hills, located 80km south of Darlot, is the first additional deposit to be pursued under this strategy; and there are numerous other deposits within economic trucking distance of Darlot which do not have access to a processing plant.

Importantly, the transactions have been structured so that both Gold Fields and Saracen emerge as significant shareholders in Red 5, reflecting their support for the consolidation strategy being pursued.

These transactions – together with a \$12.7 million rights issue – were completed on 2 October 2017, delivering immediate gold production and cash-flow and providing the Company with an extensive strategic footprint in the world-class Leonora-Leinster mineral district of Western Australia.

The successful implementation of this strategy has enabled the Red 5 Group to return to gold production following a hiatus of just six months following the suspension of operations at the Siana Gold Project in the Philippines in April 2017.

This allows Red 5 to fully utilise the Group's technical and operational capabilities, while retaining the ability to maximise the value of the Group's extensive Philippines assets in the future.

DARLOT GOLD MINE OPERATIONS

Darlot is an operating gold mine which has produced ~2.7Moz of gold over a 28-year operating history. Historical production has averaged ~94koz per annum since 1989, with production of 66,000oz in 2016².

The Darlot Gold Project includes a fully operational 0.83Mtpa gold processing plant, a SAMREC 2016 Mineral Resource of 1.2Mt at 6.0g/t Au for 224,000oz as at 31 December 2016³, a 402-room mining camp, extensive on-site infrastructure (including a CASA certified airstrip) and a total land-holding of approximately 13,900 hectares. Red 5 considers the Darlot processing plant is the key to unlocking numerous isolated gold deposits that lie within economic trucking distance.

The first additional deposit to be pursued under this strategy is the KOTH Project, located 80km south of Darlot which was acquired from Saracen for a total consideration of \$16 million, payable in stages in cash and shares.

The KOTH Project is an historic mining centre which has produced 1.9 Moz of gold and includes a JORC 2012 Underground Indicated and Inferred Mineral Resource of 2.71Mt at 4.6g/t Au for 402,000oz of contained gold⁴, a new underground mine design developed by Saracen following a 6-month trial underground mining campaign, established site infrastructure located immediately adjacent to the Goldfields Highway, and a 11,751ha tenement holding with significant exploration potential.

² *Gold Fields Resource and Reserve Supplement 2016 p.69 dated 28 March 2017*

³ *Gold Fields Resource and Reserve Supplement 2016 p.71 dated 28 March 2017*

⁴ *As at 30 June 2017 - Saracen Resource and Reserve Statement dated 2 August 2017*

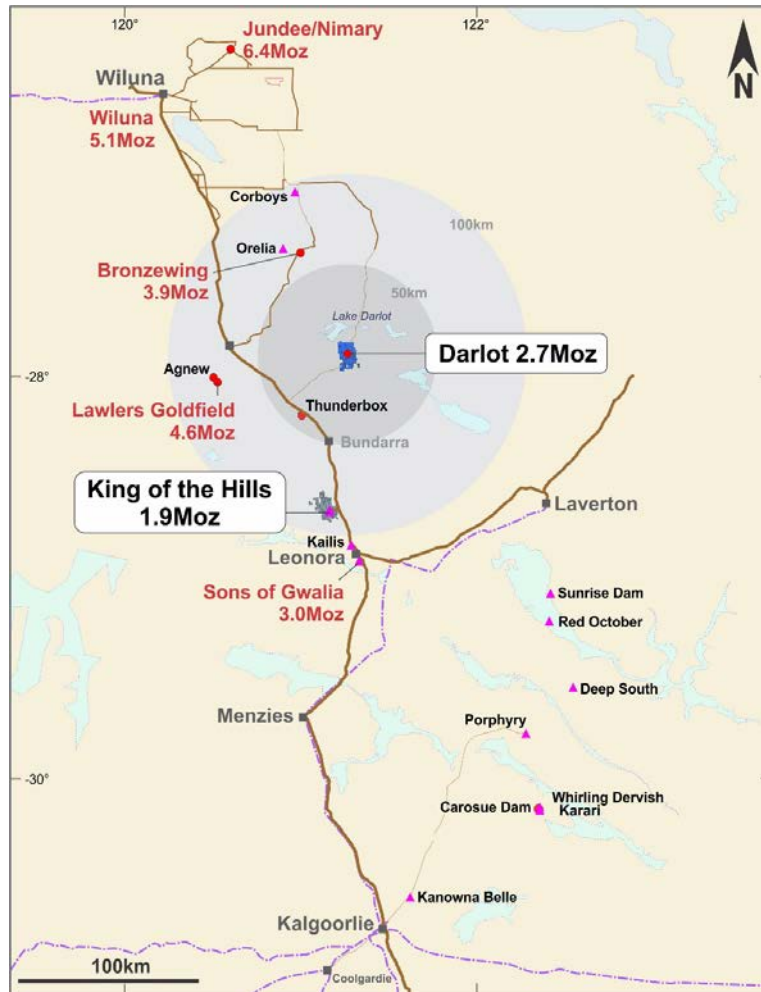


Figure 1: Darlot and King of the Hills locations, showing historical production from key gold deposits in the region

The Company's Stage 1 development plan under the Eastern Goldfields Consolidation Strategy is to maximise throughput at the Darlot mill over an initial 3-4 year period by processing ore from both the Darlot and KOTH underground mining operations. Stage 2 of the Strategy will centre on increasing the Company's Reserve base in the Eastern Goldfields through regional exploration within the 25,700ha tenement footprint acquired under the Darlot and KOTH transactions, as well as assessing additional business development opportunities.

The Darlot mining operation was acquired by Red 5 as a going concern, with the acquisition including:

- A fully operational 0.83Mtpa Carbon-in-Pulp (CIP) and Carbon-in-Leach (CIL) gold processing plant, which was refurbished by Barrick Gold in 2010-2013 at a cost of \$17 million and has been well maintained since;
- A SAMREC 2016 Mineral Resource of 1.2Mt @ 6.0g/t Au for 224,000oz as at 31 December 2016⁵;
- A mining camp, including 402 rooms, mess facilities and other camp associated facilities;
- A total land-holding of approximately 13,900ha;
- Extensive on-site infrastructure, including ROM pad, paste plants, tailings dams, maintenance workshops, exploration/core logging and storage facilities, and a CASA-certified airstrip; and
- All required utilities including power and water.

⁵ Gold Fields Resource and Reserve Supplement 2016 p.71 dated 28 March 2017



Figure 2: Aerial view of the Darlot Gold Mine (picture supplied by Gold Fields Limited)

Immediate Operational Strategy

Mining and processing operations at the Darlot mine are continuing and all existing staff and contractors have been retained.



Figures 3 and 4: Underground portal entrance (left) and stope (right) (photographs supplied by Gold Fields Limited)

Red 5's immediate operating strategies for the current Darlot mining operation include:

- Targeting opportunities to increase the recovery of existing resources to extend the mine life;
- To combine an extended Darlot operation with ore from KOTH to increase the throughput of the processing plant to as close to capacity as possible (currently 0.83Mtpa) and spread fixed overhead costs over an increased production profile; and
- To target other growth and consolidation opportunities in the region for existing undeveloped resources within economic trucking distance of Darlot.

The Company expects to appoint an underground mining contractor for KOTH, targeting the delivery of first KOTH ore to the Darlot mill in November 2017.

Near-Term Growth Opportunities – Darlot

Red 5 has engaged mining consultants, SRK Consulting, to conduct a series of high level pit optimisations on a series of small historic pre JORC 2012 resources near Darlot and to identify and rank targets for drilling, aiming to potentially expand the open pit resource base. As outlined in the Red 5 ASX announcement dated 3 August 2017, previous exploration work had identified numerous small open pit targets, which indicate upside resource and reserve potential (see Figure 5).



Figure 5: Potential open pit targets (red dots) in the Darlot near-mine environment

In addition, Gold Fields commissioned a high-resolution 3D seismic survey over the Darlot mining facilities in November 2016, with approximately 75 cubic kilometres of 3D seismic data (~25km² surface area x ~3km depth) collected.

This high-quality data provides an opportunity for Red 5 to verify the structural model and map key lithologies, to assist in targeting potential new mineralised systems in the vicinity of the existing mine infrastructure (see Figure 6).

Red 5 intends to undertake the interpretation and reprocessing of the seismic survey results to develop and identify key structural targets with additional geology inputs with the aim of commencing drilling identified targets in the first half of the 2018 calendar year.

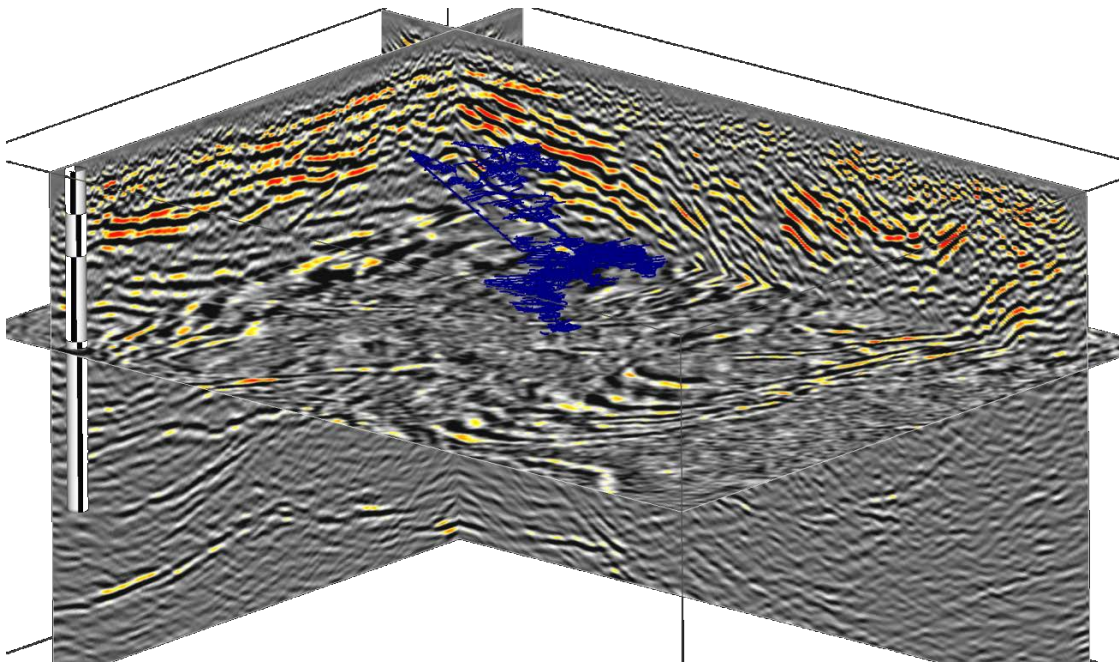


Figure 6: 3D seismic cube showing the Darlot mine workings in blue. The brightly coloured areas show the strongest reflective zones. Source: DET CRC Annual Conference: Uncovering the Future VII, 12 to 15 September 2017, Hahndorf, South Australia

KING OF THE HILLS PROJECT

King of the Hills (previously known as “Tarmoola”) is an historical gold project located ~80km south of Darlot and ~28km north of the town of Leonora in the Eastern Goldfields of Western Australia.

The project delivered total historical production for previous owners including Mt Edon Gold Mines of 1.6Moz from the open pit (28.4Mt @ 1.7g/t – closed in 2004) and 0.3Moz by St Barbara from the underground (closed April 2015). It hosts an Underground Indicated and Inferred Mineral Resource of 2.71Mt at 4.6g/t Au for 402,000oz of contained gold⁶.

The project includes established site infrastructure immediately adjacent to the Goldfields Highway and in close proximity to the mining centre of Leonora.

⁶ As at 30 June 2017 - Saracen Resource and Reserve Statement dated 2 August 2017

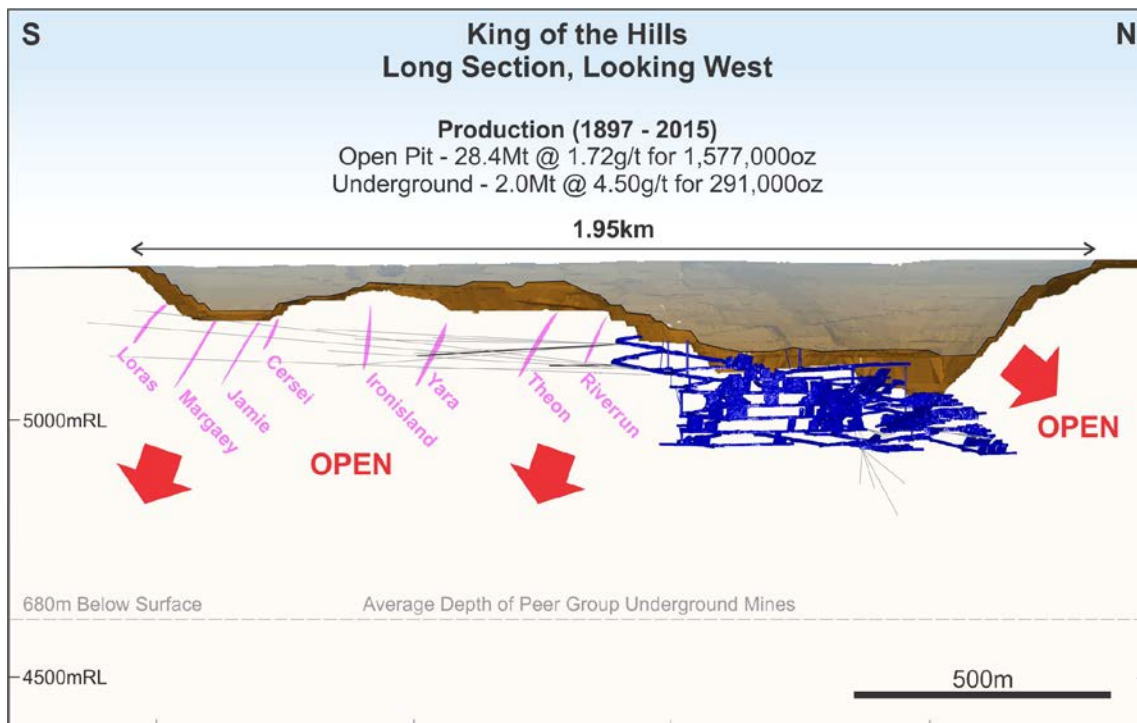


Figure 7: King of the Hills Gold Project, Long Section looking west showing historical production and exploration upside (image provided by Saracen Mineral Holdings)

Near-Term Growth Opportunities

Red 5 has engaged underground mining contractor Pit n Portal Group Pty Ltd to review the underground mine plan for KOTH and continue with underground mine dewatering. Pit n Portal was the underground mining contractor for Saracen at KOTH for 2016/17. Red 5 plans to commence underground operations as soon as permitting has been obtained and a contract with an underground mining contractor completed.

Red 5 will screen around 5,500 tonnes of underground low grade development ore (grading between 1.0 g/t to 1.5 g/t) for possible beneficiation of the ore. This work is aimed at confirming previous studies on ore beneficiation at KOTH and if successful will enhance the economics of the underground mine.

A scoping study laboratory test work program has also been developed to assess the heap leach amenability of both existing low grade stockpiles and potential open pit ore. Leach testing of initial ore samples has commenced, with results from this test work program expected to be available during the December 2017 Quarter.

Red 5 will also commence a review of historical exploration data for KOTH, which has multiple lodes extending over 1.95km and open at depth, providing numerous near mine and extensional drilling targets.

SIANA GOLD PROJECT, PHILIPPINES

Mining Activities

Mining operations at the Siana Gold Project remained suspended during the Quarter. Ongoing activities at Siana including dewatering of the open pit and monitoring of geotechnical issues and pit wall stability are continuing.

A gold shipment comprising 2,939 ounces was completed in October 2017 from gold recovered from the processing of medium-low grade stockpiles at Siana. Subsequent clean-up of the Siana processing plant has occurred.

In early October 2017, the Philippines Government announced that the Commission on Appointments had formally confirmed the appointment of Mr Roy Cimatu as Secretary of the Philippines Department of Environment and Natural Resources (DENR).

Exploration Activities

The Group has continued to undertake limited exploration activities on its project areas in the Philippines in order to comply with licence commitments, with the both of the planned two hole drilling program having been completed by mid-October 2017.

FINANCIAL

As part of the Company's Eastern Goldfields consolidation strategy, Red 5 completed a non-renounceable rights issue to eligible shareholders, on the basis of 1 new fully paid ordinary share for every 3 shares held at an issue price of \$0.05 per share, to raise \$12.74 million. The Rights Issue was partially underwritten by St Ives Gold Mining Company Pty Ltd (a subsidiary of Gold Fields Limited), to the sum of \$8.5 million, with a sub-underwriting commitment from Saracen Mineral Holdings Limited of \$1.5 million.

The rights issue closed on 25 September 2017 with subscriptions received for 87,959,228 ordinary fully paid shares for proceeds of \$4,397,961, with the balance being placed in accordance with underwriting arrangements.

As previously advised, a working capital debt facility of \$10-\$15 million is continuing to be actively considered by Red 5.

The Group's cash balance, including refined gold held in the metal account, as at 30 September 2017 was \$11.2M with the balance as at 16 October 2017 being \$15.2M, as a result of the final gold shipment from Siana during October 2017.

Director Recruitment

An executive recruitment firm has been engaged to assist in identifying suitable candidates for an additional non-executive director to join the Company's Board.

Mt Cattlin Royalty

Red 5 holds the right to receive a royalty of \$1.50 per tonne of ore processed from the Mt Cattlin lithium-tantalum mine in Western Australia, which is owned and operated by ASX-listed Galaxy Resources Limited (ASX: GXY). Galaxy Resources has reported that 369,981 tonnes of ore were processed at Mt Cattlin for the September 2017 Quarter.

Galaxy Resources has publicly stated that it will ramp-up production at Mt Cattlin to a throughput rate of 1.6Mtpa of spodumene (lithium concentrate) and tantalum, based on a total reported resource of 16 million tonnes of spodumene and tantalum⁷. The Board of Red 5 considers the right to receive the Mt Cattlin royalty as a valuable asset and is continuing to evaluate ways to maximise that value to the Group.

ENDS

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⁷ Refer to Galaxy Resources announcement dated 2 June 2017 and General Mining Limited announcement dated 4 August 2015 for details regarding the reserves and resources position of Mt Cattlin.

Tenement Schedule as at 30 September 2017

Project	Tenement number	Registered holder	Equity interest	
			Red 5 group	Other
Philippines Siana gold project	MPSA 184-2002-XIII APSA 46-XIII	Greenstone Greenstone	40% 40%	SHIC 60% SHIC 60%
Mapawa gold project	MPSA 280-2009-XIII	Greenstone	40%	SHIC 60%
Western Australia Montague	ML57/429, ML57/485, EL57/793		25% free carried	

No interests in mining tenements or farm-in or farm-out agreements were acquired or disposed of during the quarter.

Abbreviations
Greenstone: Greenstone Resources Corporation
SHIC: Surigao Holdings and Investments Corporation
MPSA: Mineral Production Sharing Agreement
APSA: Application for MPSA
ML: Mining Lease
EL: Exploration Licence

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.

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. Byron 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'. Byron Dumpleton consents to the inclusion in the report of matters based on his information in the form and context in which it appears.