

16 July 2020

June 2020 Quarterly Activities Report

Quarterly production of 20,707oz. Cash and equivalents of \$122.3m after successful capital raising and investing \$10.5m in growth and exploration. Implementation of transitional production strategy provides a clear roadmap as Red 5 advances towards the planned construction of a new stand-alone operation at King of the Hills.

West Australian Gold Operations

Processing and Production

- **Gold production for the June 2020 Quarter of 20,707 ounces** (March Quarter: 20,077 ounces) and gold sales of 20,929 ounces (March Quarter: 19,360 ounces). Consolidated all-in sustaining costs (AISC) of A\$2,259 per ounce of gold sold for the quarter (March Quarter: A\$1,926 per ounce).
- **Operational changes** implemented during the quarter have improved mine dilution performance and increased confidence in the long-term stability and profitability of the Darlot mining operations.
- **Full-year production for FY20 of 92,779 ounces.** Total gold sales for FY2020 of 92,953 ounces at an AISC of A\$1,798 per ounce of gold sold.
- **Transitional production strategy implemented**, based on the inclusion of the recently-acquired Great Western satellite mine into the Darlot Mining Hub mine plan for FY21. Current underground mining at King of the Hills (KOTH) will be progressively scaled-down in 2H CY2020 in advance of the planned start of construction activities for the proposed stand-alone bulk mining and processing operation.
- **In FY21, the Darlot Mining Hub is forecast to produce 90,000oz – 98,000oz** at an average AISC of A\$1,830 – 2,030/oz, sourced from the Darlot Underground Mine, KOTH Underground Mine (until the December 2020 Quarter) and the commencement of open pit mining at Great Western.
- **1 Lost Time Injury (LTI)** recorded during the quarter, **LTIFR at 1.95.**

King of the Hills Final Feasibility Study (FFS)

- **Final Feasibility Study remains on track** for completion in the September 2020 Quarter.
- Applications for key Stage 1 regulatory project approvals submitted to the relevant government authorities to allow Early Works to proceed as planned for the Village Accommodation and Process Plant bulk earthworks.
- Second-hand 240-room accommodation complex, associated Waste Water Treatment Plant and a 1,050m² office building purchased for A\$1.8M.

Exploration and Resource Development

- Maiden JORC 2012 open pit Mineral Resource estimates completed for the Cerebus-Eclipse and Centauri deposits, located north-west of current mining operations at KOTH:
 - Cerebus-Eclipse: Indicated and Inferred Resource of 2.8Mt @ 1.2g/t Au for 112,000oz; and
 - Centauri: Indicated and Inferred Resource of 1.7Mt @ 1.5g/t Au for 81,300oz.

Finance and Corporate

- Red 5 included in the benchmark **S&P/ASX 300 index** effective 22 June 2020.
- Successful \$125m capital raising completed in the quarter.

Red 5 Limited

ABN 73 068 647 610

ASX: RED

Shares on issue: **1, 959M**Level 2, 35 Ventnor Avenue West Perth 6005 Western Australia **Tel:** (+61) 8 9322 4455 **Fax:** (+61) 8 9481 5950**Web:** www.red5limited.com **Investor enquiries:** info@red5limited.com

- **Group cash on hand and bullion at the end of June 2020 of \$122.3m.** Red 5 generated \$16.8m of cash flows from operations for the quarter, while incurring \$6.5m in sustaining capital expenditure and investing \$10.1m on growth and exploration capital including the KOTH Final Feasibility Study and the \$1.8m purchase of the second-hand camp. The second instalment of \$6.0m was paid towards the Macquarie Working Capital Facility (\$12.0m outstanding at 30 June 2020). Further details are provided on page 15 of this Quarterly Report.
- With the expected equity-portion of the KOTH development secured in the June 2020 Quarter, Red 5 is well-placed to execute the development of KOTH and commence early construction activities in the second half of CY20.
- Option exercised to complete the acquisition of the Cables and Mission gold deposits (acquired in May 2020), located ~10km north of the Darlot Gold Mine, supporting Red 5's ongoing strategy to increase Resources and extend mine life at the Darlot Gold Mining Operation. Red 5 has also recently secured adjacent tenements from Kingwest Resources Limited (acquired in April 2020, see Figure 1).

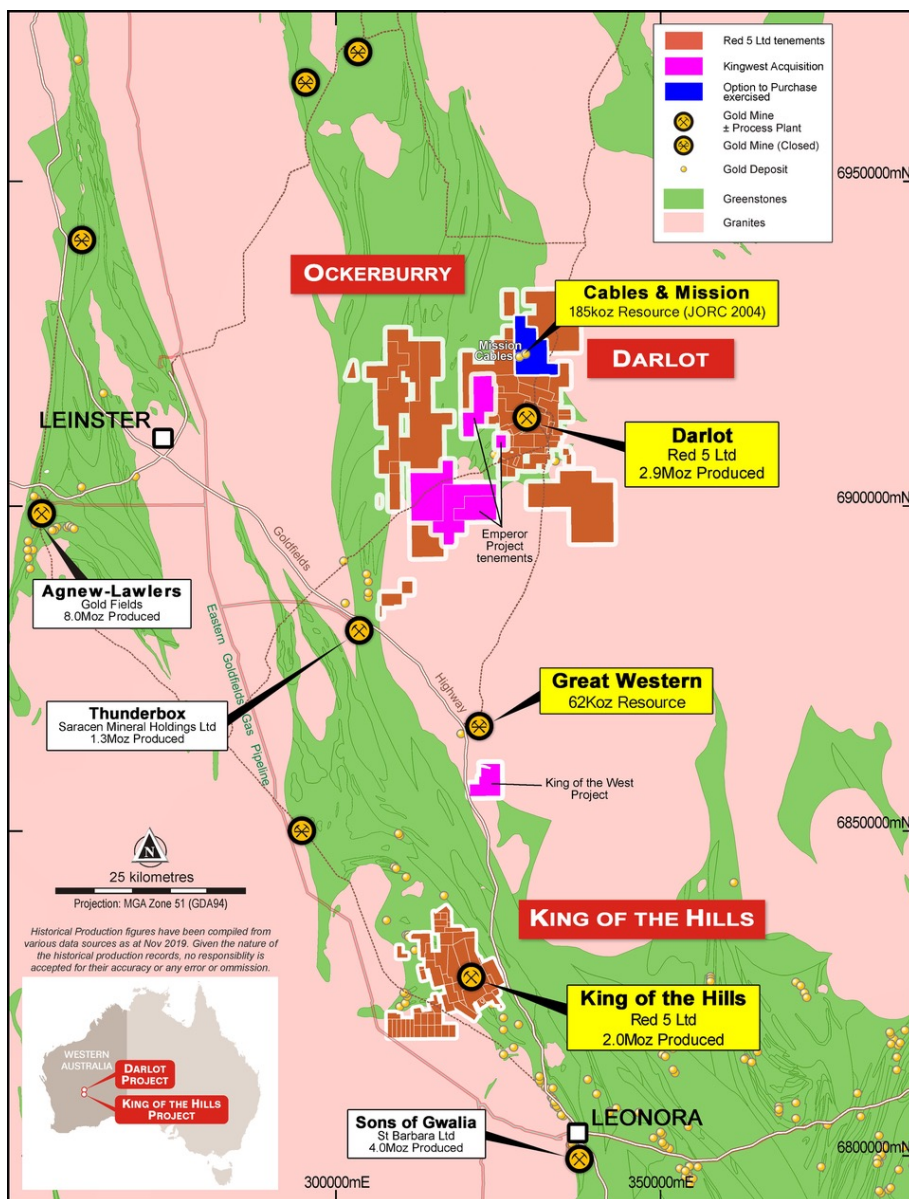


Figure 1: Darlot and KOTH locations, showing historical production from key gold deposits in the region. The newly-acquired Kingwest tenements (see Corporate Section below) are highlighted in purple.

Commenting on the June 2020 Quarterly Report, Red 5 Managing Director, Mark Williams, said:

“The transitional production strategy articulated towards the end of the June 2020 Quarter will see underground mining at KOTH progressively scaled-down in the second half of this year. The strategy provides a roadmap for our operations over the next 12-18 months while we complete the KOTH Final Feasibility Study and move towards the proposed construction and development of a significant new Australian gold mine at King of the Hills.

“We believe that the operational measures implemented and the new transitional production strategy will put us in a strong position to deliver on our production and cost targets.

“At KOTH, we continued to make solid progress with the Final Feasibility Study, which is now entering its final stages and is on track for completion in the September 2020 Quarter. Key highlights during the June 2020 Quarter included the delivery of maiden Mineral Resource estimates for the Cerebus-Eclipse and Centauri satellite deposits, progress with mine planning, engineering studies and the design and costings for the Process Plant, the purchase of second-hand portable accommodation units, substantial progress with permitting and approvals, and early works design and procurement activities.

“We also completed the second tranche of the \$125 million share placement following receipt of shareholder approval on 7 May 2020. This allowed us to finalise this landmark capital raising, strengthening the Company’s balance sheet and putting us in a strong position as we progress towards completion of the KOTH FFS and secure project funding.

“With the KOTH FFS nearing completion, the transitional production strategy for FY21 is focused on establishing the Darlot Mining Hub as an independent mining operation from the planned stand-alone bulk mining and milling operation at KOTH. In addition, we intend to ramp-up exploration in the region surrounding Darlot, where we have amassed a strategic and highly-prospective landholding.

“We continue to work hard to deliver our broader long-term vision for Red 5, of establishing two independent long-life production hubs in the Eastern Goldfields. We believe this will establish the foundations to build the next significant mid-tier gold producer on the ASX – and, in this regard, the Company has made substantial progress during the June 2020 Quarter and over the past 12 months.”

COVID-19 RESPONSE

Red 5 continues to proactively manage the potential impact of the COVID-19 global pandemic on the Company’s operations. The Management Response Plan implemented in February 2020 is focused on ensuring the health and safety of Red 5 personnel and limiting the disruption risk to mining and processing operations. This plan has been progressively developed in line with the formal guidance of State and Federal health authorities, close coordination with the Australian Resources and Energy Group (AMMA) and under the Company’s existing Emergency Management Policies.

Currently, there has been no material impact from COVID-19 on the Company’s operational performance.

WEST AUSTRALIAN GOLD OPERATIONS

Sustainability

One Lost Time Injury (LTI) was reported in the June 2020 Quarter:

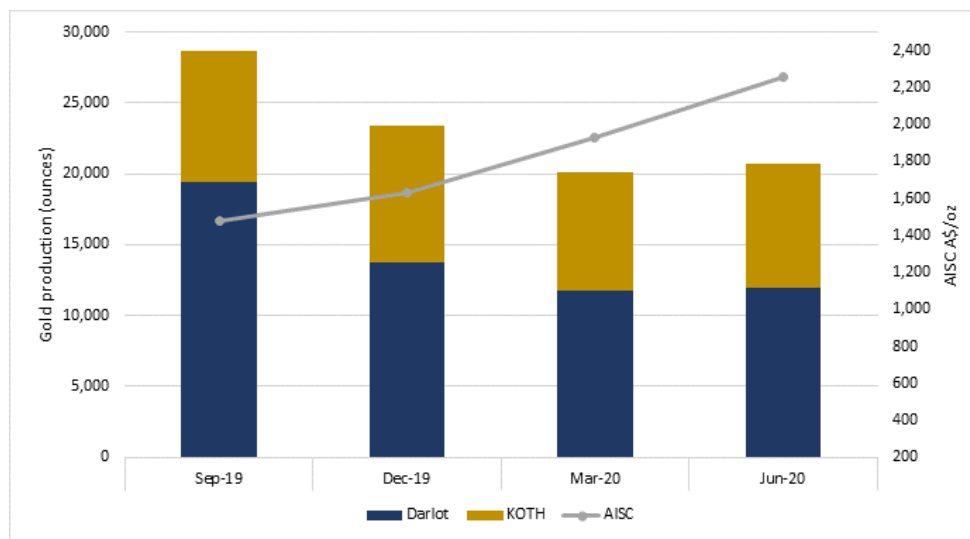
LTI: Rolled and fractured ankle by an underground operator at KOTH.

LTIFR: 1.95 (Long Term Injury Frequency Rate).

TRIFR: 6.49 (Total Recordable Injury Frequency Rate).

Production Summary

A total of 20,707 ounces of gold was recovered for the quarter (March Quarter: 20,077 ounces) with ore sourced from the Darlot and the KOTH underground mines. AISC was A\$2,259 per ounce (inclusive of KOTH mine development costs). Quarterly gold production and AISC is shown in the graph below, which shows the respective contributions from Darlot and KOTH.



Processing

Crusher and mill availabilities were 82.5% and 92.4% respectively during the quarter. A total of 237,312 tonnes of ore was milled at a throughput of 118 dry tonnes per hour.

Table 1: Darlot Mill Processing Statistics

	Units	FY2020 Total	June 2020 Quarter
Ore milled	t	943,861	237,312
Average head grade	g/t	3.30	2.98
Recovery	%	92.6	91.1
Gold recovered	oz	92,779	20,707
Gold sales	oz	92,953	20,929

In late May 2020, the Tertiary Crusher experienced a failed drive shaft, which was expected to be a 72-hour unplanned shutdown as all necessary critical spares and parts were understood to be on-site. However, when inspected by the original equipment manufacturer's engineers, the eccentric unit was found to be out of operational specification. A new eccentric had to be sourced internationally, which took seven days to be air-freighted to site and installed.

To reduce the production impact, the Tertiary Crusher was by-passed, allowing the mill to operate at 50% capacity for several days. The mill was returned to full capacity in June 2020, and the net processing capacity lost was estimated at ~28,000t and 3,200oz of gold production (see ASX announcement, 24 June 2020).

Several preventative maintenance initiatives have been executed over the March and June Quarters to improve the long-term reliability of the mill, including:

- A review and trial of Primary Ball Mill liner design, improving flow and stability and reducing or removing pegging and blockages at the discharge grates;
- Crushing Plant structural reinforcement/realignment to reduce spillage, improve conveyor alignment and reduce belt failures, resulting in improved throughput;
- Replacement of the Armoured Chain Conveyor for the Apron Feeder, including increasing the size of the Haglan Drive, which has resulted in improvements in hydraulics, power and delivery;
- Introduction of a tank refurbishment program, including upgrades to the Leach Tank 1 agitator with central oxygen injection and complete rebuilds of Absorption Tanks A2 and A8. These have reduced downtime and increased absorption time to maintain high recovery levels; and
- Installation of primary and secondary gravity concentrators with the installation of a new Falcon unit.

MINE OPERATIONS REVIEW

As a result of lower-than-expected gold production, the Company undertook a comprehensive peer review (mine) and external review (geology) of mining operations during the quarter and implemented the following changes:

- Addressed gaps in stope design, geology and mining management systems that were contributing to mine grade and dilution under-performance;
- Added specific personnel resources to improve Resource modelling and grade control;
- At KOTH, adjusted stope designs to a combination of bulk mining and high-grade narrow vein stopes to deliver planned ore grades of ~3g/t Au;
- Introduced Short Interval Control and communication between key production areas, ensuring that volume and grade are delivered to plan;
- Implemented crusher improvements and reduced screen/material size, increasing throughput;
- Improved ROM pad and Haulage Contractor management;
- Made improvements to the transparency of mine reconciliation processes; and
- Commissioned an external review (by Optiro) to assess modelling and reconciliation processes.

Following the implementation of these changes, the Darlot Gold Mine has been producing at rates consistent with initial guidance for the June 2020 Quarter with average head grades improving to ~3.5g/t in June 2020. The variation in grade delivery has also improved from 30% to 5%, resulting from reduced dilution and improving mill feed predictability.

DARLOT GOLD MINE

Mining Activities

Table 2: Darlot Gold Mine – Mine Production Statistics

	Units	FY2020 Total	June 2020 Quarter
Mined tonnes	t	574,980	159,816
Mined grade	g/t	3.46	2.60
Contained gold in ore	oz	63,921	13,342

Development for the quarter predominantly focused in the Thomson 980, Benaud's Link and Lower Burswood Areas.

Mining of ore intersected on the Thomson Upper Access Drive on the Oval Structure and Lower Access commenced. The Thompson 980 Lower Access Drive is scheduled to be developed in Q1 FY2021. Development was completed in the Thompson 935, allowing pre-production activities to commence.

Stoping during the quarter underperformed in terms of grade expectations. In the Thompson workings, significant overbreak occurred during mining of two stopes located adjacent to historically-mined stopes. The current Oval mining area contains a felsic lithology for which less grade control information is available compared to the more usual magnetic dolerite lithology. Airleg mining has also produced at lower-than-planned grades.

As part of the increased focus on improving the expected and actual mill grades, underperforming ore sources were isolated. From mid-May 2020, the mine-to-mill reconciliation was positive, with stopes in the Oval workings at Darlot performing well with additional sources of ore mined as planned and modelled.

The Oval 738 and 723 stopes were completed during the quarter and the remaining stoping fronts in the Oval for the quarter mined in the 707, 690, 673 and 655 levels.

Stoping was completed on the Burswood levels for the quarter and performed as expected based on the models produced following the implementation of minor adjustments to the mining methodology during the quarter to better manage throughout the stoping phase for all stoping blocks.

Tonnes mined utilising airleg stoping were overall in line with budget, but average grades were lower than planned. Airleg mining was undertaken in the Hurst 1320 ALS 1 and Federation 1150 sectors during the quarter.

The Border_1040 development was completed in mid-May 2020 and, based on the orientation of the lode and visible gold seen throughout the drive, the decision was made to start airleg mining this area. The Hurst 1320 ALS 3 area performed above plan and continues to show grades at +4g/t. Federation_1140 continued to be mined throughout the quarter with visible gold recently identified on the faces (see photos below), prompting a decision to extend mining in this area and follow up on higher-grade intercepts.

Further improvements are expected in the 1H FY21 period as Darlot ramps up to 60kt/month at an average grade of 3.0g/t. To support the increase in tonnage at Darlot, an additional Volvo A45D truck has been added to the fleet along with additional manning.



KING OF THE HILLS

Mining Activities

Table 3: KOTH Gold Mine – Mine Production Statistics

	Units	FY2020 Total	June 2020 Quarter
Total Mined tonnes	t	567,121	161,379
Mined grade	g/t	2.57	2.33
Contained gold in ore	oz	46,920	12,084
<u>Ore trucked to Darlot for processing</u>			
Total Mined tonnes	t	436,292	99,930
Mined grade	g/t	2.71	2.83
Contained gold in ore	oz	38,075	9,093
<u>Ore stockpiled at KOTH</u>			
Total Mined tonnes	t	130,829	61,449
Mined grade	g/t	2.10	1.51
Contained gold in ore	oz	8,845	2,991

Mining was focused on both bulk mining and mining narrow vein stopes. Bulk stopes were mined in the W4970, W4970 and W4952 levels. Narrow vein stopes were focused on the high-grade lodes on the north side of W4920 level with the Jon, Janos and Jaqen lodes mined during the quarter. Stope performance for the quarter was in line with long-term planning expectations with external dilution of 15% and total ounce recovery of 99%.

Capital development has reached the W4985 level along with the primary ventilation network. Operating development was above budget with the development along the narrow lodes contributing to the increased operating metres and associated tonnes from the development.

During the quarter, attempts to mine a high-grade lode within the bulk mineralised orebody at KOTH, together with unplanned overbreak, resulted in reduced average grades. As a result, the planned bulk stope design at KOTH was modified, with mining more focused on stoping on the identified structures, reducing stope volume and the quantity of ounces extracted.

MINING COSTS

Table 4: Darlot and King of the Hills Gold Mines – AISC for the Quarter

	Units	FY2020 Total	June 2020 Quarter
Mining costs	A'000	92,442	24,464
Cartage costs	A'000	9,514	2,460
Processing costs	A'000	29,726	7,796
General and administration costs	A'000	11,679	3,327
Royalties and selling costs	A'000	6,799	1,913
By-product credits	A'000	(1,052)	(262)
Capital expenditure and underground mine development (sustaining)	A'000	22,321	6,522
Corporate overheads	A'000	10,987	3,865
Inventory movements	A'000	(15,331)	(2,838)
All-in Sustaining Costs	A'000	167,085	47,247
Gold sales for AISC purposes	oz	92,953	20,929
Mining costs	A\$/oz	995	1,168
Cartage costs	A\$/oz	102	118
Processing costs	A\$/oz	320	372
General and administration costs	A\$/oz	126	159
Royalties and selling costs	A\$/oz	73	91
By-product credits	A\$/oz	(11)	(12)
Capital expenditure and underground mine development (sustaining)	A\$/oz	240	312
Corporate overheads	A\$/oz	118	185
Inventory movements	A\$/oz	(165)	(136)
All-in Sustaining Costs	A\$/oz	1,798	2,259

FY2021 GUIDANCE AND PRODUCTION STRATEGY

Gold recovered for FY2021 is expected to be in the range of 90,000 – 98,000oz at an AISC of A\$1,830 – \$2,030 per ounce. Production in FY2021 will be underpinned by a transitional production strategy focused on establishing a sustainable and profitable long-term production profile for the Darlot Mining Hub as an independent production centre operating alongside the proposed stand-alone bulk mining operation at King of the Hills (KOTH).

With the recent acquisition of satellite tenements, in particular the mine-ready Great Western Project, the opportunity is being taken to commence open pit mining at Great Western from the December 2020 Quarter and progressively scale back and suspend underground ore production at KOTH in the second half of CY2020.

The suspension will coincide with the planned start of site construction for the proposed bulk mining operation at KOTH and will preserve shallow underground Ore Reserves for the proposed new 4Mtpa stand-alone mill. Any underground development at KOTH that continues into CY2021 will be part of the KOTH expansion project, where the development of the underground mine will be based on the economics of local processing.

The Darlot mill will be fed by three mines in FY21, as shown in Figure 2 below:

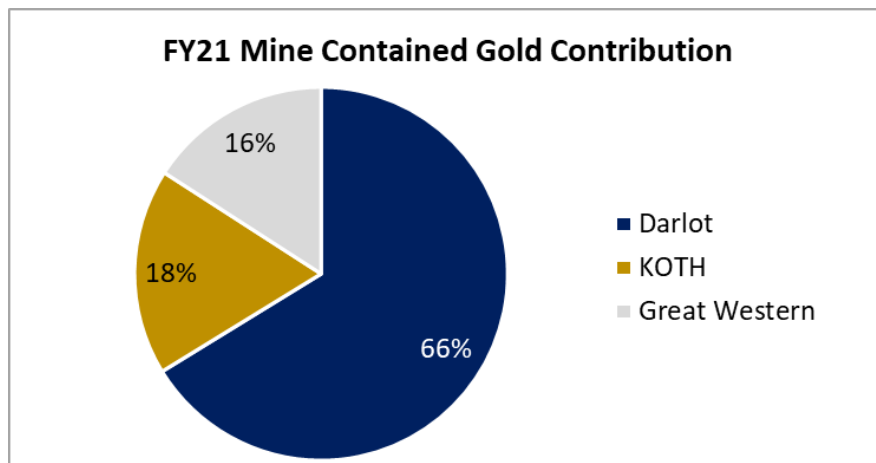


Figure 2. FY21 guidance showing contribution of contained ounces by mine.

Due to the cost of initial waste removal, the majority of the Great Western mine cash contribution is expected to be in FY22. Red 5 mining personnel at KOTH will be utilised at the Darlot and Great Western mining operations during FY21 until the start of the planned stand-alone bulk mining operation at KOTH.

A detailed overview of the Company's exploration strategy at Darlot, which is aimed at establishing the Darlot Gold Mine as a stand-alone mining and processing hub with a targeted 5-10 year mine life assuming no ongoing contribution of ore from KOTH, was provided in the Company's ASX announcement dated 24 June 2020.

FEASIBILITY STUDIES – KING OF THE HILLS PROJECT

The Final Feasibility Study (FFS) for the proposed stand-alone integrated bulk open pit and underground mining and processing operation at KOTH is progressing for completion in the September 2020 Quarter, with multiple workstreams in progress.

Key activities currently being progressed

1. Mine Planning

Mine planning studies for the open pit (SRK) and underground (Entech) have continued, with a key focus on the interaction between the KOTH open pit and underground mine plan, ensuring mine optimisation. An updated KOTH Ore Reserve will be included in the Final Feasibility Study.

A draft geotechnical study report has now been produced by Peter O'Bryan & Associates and is being incorporated in the mine design. Consultancy Big Dog Hydrogeology has provided the final hydrogeology study report confirming the project requirements for mine dewatering.

During the March 2020 Quarter, non-binding proposals were sought and received from open pit mining contractors to inform FFS level costings. On finalisation of the open pit mine plan and schedule, discussions will commence to refine these proposals as part of a tender process commencing in the September 2020 Quarter.

Indicated and Inferred Resource estimates for the various deposits that comprise the proposed KOTH open pit and underground mining operation have been previously reported and include:

- KOTH: 90.7Mt at 1.4g/t Au for 4.07Moz (see ASX announcement 19 March 2020);
- Rainbow: 1.6Mt @ 1.3g/t Au for 67,000oz (see ASX announcement 1 May 2019);
- Severn: 0.9Mt @ 1.6g/t Au for 47,900oz (see ASX announcement 1 May 2019);

- Cerebus-Eclipse: 2.8Mt @ 1.2g/t Au for 112,000oz (see ASX announcement 6 May 2020); and
- Centauri: 1.7Mt @ 1.5g/t Au for 81,300oz (see ASX announcement 6 May 2020).

2. Infrastructure

GE Engineering Services (GRES) has completed preliminary designs and cost estimates at FFS level for the process plant, workshops and accommodation village. An initial review of Project Capital Costs has been undertaken. Further value engineering is now underway to refine the final design.

Following on from the successful Expressions of Interest process conducted in April 2020 for the proposed 20-25MW power plant on a Build-Own-Operate contractual basis, a final tender process with Independent Power Producers is expected to commence in the September 2020 Quarter. Commercial negotiations are currently in progress with gas suppliers to fuel the power plant. It is likely that gas will be transmitted via the nearby Goldfields Gas pipeline and negotiation for this service is now well advanced.

Knight Piésold has finalised the Tailings Storage Facility (TSF) study report including results of its geotechnical survey of the proposed Process Plant, Mine Infrastructure Area, TSF's and Village Accommodation. The study includes capacity in the existing (TSF 4) and planned (TSF 5 and TSF 6) facilities for up to 54 million tonnes. Geotechnical parameters have been applied in the GRES design process and the Knight Piésold TSF designs.

GHD has completed the hydrology study report for the entire proposed KOTH operations. Engineers use the data to ensure that both the mine and infrastructure areas are designed to be able to manage the impacts of Probable Maximum Precipitation events and incorporate design flood protection controls.

3. Project Execution Planning

GRES has continued to progress critical early works tasks, including:

- The planned ordering of long-lead items (crusher and mills);
- The final design of bulk earthworks; and
- The tender and evaluation for the supply of transportable buildings.

Red 5 has procured 59 x 4-bedroom and 2 x 2-bedroom portable accommodation units, five laundries, a Wastewater Treatment Plant and a 1,050m² modular office building. Cost savings are estimated to be ~\$3-4 million compared to the purchase of new facilities. These will be delivered to site late in the second half of this year, pending receipt of the necessary regulatory approvals (see below).

Pending completion of the Process Plant and Infrastructure design, a Scope of Works for an EPC Contractor is being prepared, and Red 5 anticipates a tender process commencing in the September 2020 Quarter. A Project Engineer has been employed by Red 5 to support the planned escalation of project execution activities.

Red 5 is working with its debt advisor, Noah's Rule, to prepare for the completion of the project financing process after the release of the FFS. CSA Global has been selected on behalf of prospective financiers to provide Independent Technical Expert advice for the debt financing component of the KOTH Project development. CSA has commenced evaluation of the KOTH Geology and Resource FFS reports with a progressive review of all other aspects of the FFS planned in the September 2020 Quarter.



Figure 3. Second-hand portable accommodation units comprising 240 rooms.

4. Approvals

Stage 1 applications have been lodged for Government approvals necessary to conduct site early works, including the construction of the Village Accommodation and Wastewater Treatment Plant (WWTP). These applications are for approval of a Mining Proposal, Mine Closure Plan, Native Vegetation Clearing Permit (Department of Mines, Industry Regulation and Safety) and a Works Approval for the WWTP (Department of Water and Environmental Regulation). Specialist consultancy MBS Environmental continues to support Red 5 in preparing and lodging applications.

Tenements securing the power transmission corridor which link the KOTH site to the Goldfield Gas Pipeline (GGP) have been applied for, with the majority now granted. An ethnographic survey of the corridor was conducted in June and the archaeological component is scheduled to take place in July. Studies previously completed along the corridor include flora and fauna studies. Access agreements will be negotiated with the two Pastoral Lease owners and underlying tenement holder (Miscellaneous Licence for water exploration) along the corridor route.

Discussions are in place with APA (operator of the GGP) with regard to the various regulatory approvals required for a lateral gas pipeline.

Applications under the Aboriginal Heritage Act, 1972, which are necessary for the crossing of Sullivan's Creek to allow direct haul road access the north-west satellite deposits (Centauri and Cerebus-Eclipse), have been referred by the Aboriginal Cultural Material Council to the Minister for Aboriginal Affairs for decision. Red 5 had consulted and received consent from the Traditional Owners prior to making this application.

EXPLORATION AND RESOURCE DEVELOPMENT

DARLOT

Underground Exploration

Underground exploration at Darlot during the quarter was focused on the Lords Felsics and Middle Walters South orebodies.

Lords Felsics drilling targeted the Pipeline structure 200m east of the current Lords South Lower mine workings at the 600mRL (860m below surface). The structure is sub-parallel to the steep west-dipping Lords Structure. Drilling has targeted the expected intersection of the Pipeline and flat Chappel lode up-dip of the existing Resource. The Pipeline was intersected at a greater depth than modelled with several mineralised zones present, extending the Resource. Further up-dip drilling is planned for FY21.

Middle Walters South mineralisation is hosted in non-magnetic dolerite and is situated 100m to the south of the main Centenary orebody and Millennium Decline at 1100mRL (360m below surface) at the intersections of the Walters and Lords faults. Exploration drilling targeted a section of the Lords Fault, 200m south of the current Middle Walters South Reserve, where the structure intersects magnetic dolerite (being a prospective host rock for high-grade mineralisation due to increased iron content). Several mineralised flat extension hanging wall and footwall lodes were intersected related to the Lords Fault.

A further program targeted the Lords Fault to the south of the current Middle Walters South Reserve in non-magnetic dolerite. Several intersections were achieved which are expected to increase the Resource.

Surface Exploration

Cables and Mission

During the June 2020 Quarter, the Company completed six Reverse Circulation (RC) drill holes for 858m at the Cables and Mission gold deposits, located 10km from Red 5's Darlot gold mining and processing operation.

Red 5 signed an Option Agreement to purchase the Cables and Mission deposits in December 2019 (see ASX announcement 2 December 2019), and the drilling was part of a due diligence program to validate historical drilling and determine the potential of the Cables and Mission deposits.

The RC drilling confirmed the mineralisation with best intercepts of:

- 7m @ 5.7g/t Au (20MIRC0001)
- 4m @ 14.7g/t Au (20MIRC0002)
- 5m @ 3.7g/t Au (20CBRC0003)

Full details of the drilling results were provided in the Company's ASX announcement dated 22 May 2020.

The Cables and Mission deposits host a JORC 2004 Inferred Resource of 185koz¹, which was last reported by Leopard Resources NL on 5 February 2014. The tenor of mineralisation intersected in the drilling has confirmed the results obtained by nearby historical drilling and both Resources are considered to be open along strike and at depth.

The Cables and Mission deposits are hosted within similar rock units, including magnetic dolerite, that host the Centenary orebody, 10km to the south. These magnetic dolerite units are an important host rock in the Darlot mine area and have historically produced high gold grades with good recoveries (typically >93%) through the Darlot processing plant.

Red 5 plans to undertake additional drilling programs and other feasibility activities to enable the estimation of a JORC 2012 compliant Mineral Resource.

¹ The above information regarding the JORC 2004 Cables and Mission Mineral Resource estimates (with further details set out in Leopard Resources NL ASX release dated 5 February 2014 titled 'Preliminary Economic Assessment Mission & Cables') is based on information compiled by Mr Al Maynard as the principal of Al Maynard & Associates Pty Ltd, who has over 40 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard is a Member of the Australian Institute of Geosciences ("AIG") and an independent consultant who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012. The Mineral Resource estimate is not Red 5's estimate and Red 5 has not done sufficient work to report the estimate in accordance with the JORC Code 2012. Red 5 is currently planning to continue additional drilling programs and other feasibility activities to estimate a JORC 2012 compliant Mineral Resource.

KING OF THE HILLS

Mineral Resource Estimates for Cerebus-Eclipse and Centauri satellite deposits

Red 5 has completed maiden JORC 2012 Mineral Resource estimates for the Cerebus-Eclipse and Centauri near-mine deposits at KOTH.

These satellite deposits are an important element of Red 5's proposed mining strategy for the KOTH Project, with the potential to provide open pit mill feed and cash flow in the early stages of a proposed bulk mining operation. The maiden JORC 2012 open pit Mineral Resource estimates for the Cerebus-Eclipse and Centauri deposits comprise:

- **Cerebus-Eclipse:** Indicated and Inferred Resource of 2.8Mt @ 1.2g/t Au for 112,000oz
- **Centauri:** Indicated and Inferred Resource of 1.7Mt @ 1.5g/t Au for 81,300oz

The Cerebus-Eclipse and Centauri deposits are both located on the Ursus Fault (see Figure 4), and may potentially form part of the same mineralised system. The Ursus Fault trend is highly prospective, with a significant portion remaining untested.

The two deposits are approximately 2km apart, and assay results from broad-spaced 200m x 80m Reverse Circulation drilling conducted between the deposits show anomalous gold values along the Ursus Fault zone. Cerebus and Centauri remain open to the north-west, south-east and down-dip with good potential to develop underground Mineral Resources. The Eclipse deposit is open to the north. Full details of the Mineral Resource Estimates were provided in the Company's ASX announcement dated 6 May 2020.

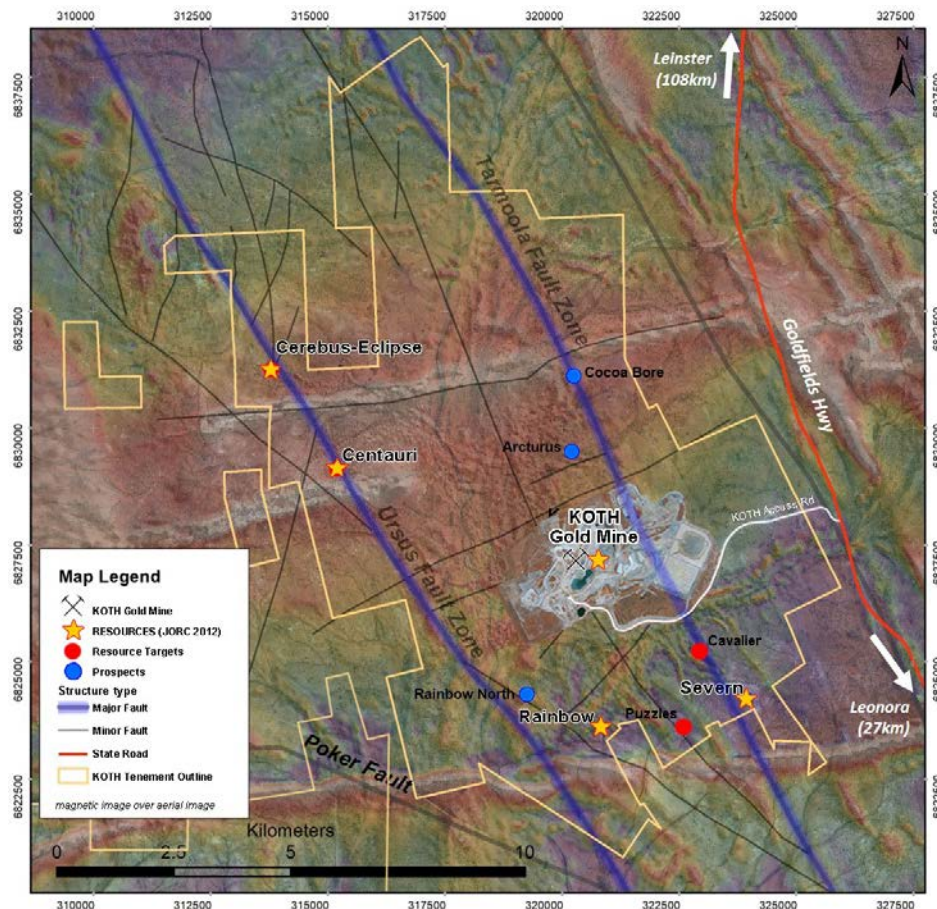


Figure 4: Location of the Centauri and Cerebus-Eclipse near-mine deposits at KOTH.

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.

CORPORATE AND FINANCIAL

Acquisition of Cables and Mission gold deposits

During the Quarter, Red 5 exercised its Option to complete the acquisition of the Cables and Mission gold deposits, located approximately 10km north of its Darlot Gold Mine in Western Australia (Figure 1). The strategic "bolt-on" acquisition forms part of Red 5's multi-strand strategy to expand the Darlot Mineral Resource base, which includes ongoing near-mine and regional exploration as well as the consolidation of strategic opportunities.

Acquisition of Kingwest tenements

Red 5 acquired an extensive tenement package for a nominal cost from Kingwest Resources Limited (Kingwest) in April 2020, including the highly prospective Emperor and King of the West Projects.

The Emperor tenements (E37/1054, E37/1086, E37/1319, E37/1321 and E37/1322) are adjacent to and complement the Ockerburry Project tenements. They comprise prospective rock units and structures of the Yandal greenstone belt and their contact with the large granite batholith (Bundarra batholith) in the south.

The King of the West tenement (E37/1253), located ~7km south of Great Western, contains several east-west trending quartz lode gold occurrences in sheared, altered granite on the western margin of the Bundarra batholith, which also includes possible narrow slivers of the adjacent greenstones of the regionally significant Keith Kilkenny tectonic zone.

Across the acquired portfolio, there are many historical workings that have yielded high gold grades in vein quartz rock chips and quartz float. Kingwest tested four of these veins (King of the West, Queen of the West, Duke of the West and Prince of the West prospects) in 2018 by drilling 18 RC drill holes.

A single RC hole at King of the West intersected 15m @ 9.18g/t Au, including 5m @ 26.67g/t Au (refer ASX: KWR announcement 1 January 2019: "Exceptional high-grade gold mineralisation near surface in initial King of the West drilling program").

Kingwest carried out follow-up drilling (7 holes, 980m) at the King of the West and Queen of the West workings in March-April 2019. Although the second-round results were not encouraging for Kingwest, Red 5 believes that there is excellent potential for the definition of Resources similar in nature to the Great Western gold deposit.

Quarterly Cash Position Reconciliation

Mining operations continue to generate operating cash flow to fund the Company's exploration and growth activities, in particular the development of the planned stand-alone King of the Hills Project. Red 5 remains committed to its growth strategy of exploration and development programs, with the \$125.0 m capital raising being completed in early May 2020 following receipt of shareholder approval for the second tranche of the share placement.

Table 5: Quarterly Cash Position

	\$M
Cash and Bullion – 31 March 2020	14.1
Sales receipts net of hedging	52.6
Operating costs including royalties	(35.8)
Free cash flow from operations	16.8
Sustaining capital and mine development expenditure	(6.5)
Growth and Exploration (including KOTH Feasibility Study)	(8.4)
KOTH construction and early works	(2.1)
Cash used in development activities	(17.0)
Equity raising net of brokerage fees	118.1
Repayment of Macquarie Working Capital Facility	(6.0)
Corporate overheads and business development activities	(2.0)
Siana Gold Project – maintenance and holding costs	(1.5)
Interest payments and FX movements	(0.2)
Cash from financing activities and other expenditure	108.4
Total cash and bullion increase	108.2
CASH AND BULLION – 30 JUNE 2020	122.3

At 30 June 2020, the Company had total cash and cash equivalents of \$122.3m (\$116.2m cash and \$6.1m bullion), after the payment of \$6.0m for the second instalment of the Macquarie Working Capital Facility. Total outstanding debt as at 30 June 2020 was \$12.0m.

The primary drivers for the closing cash and bullion position were the completion of \$125.0m capital raising and the positive cash flows generated from operations, notwithstanding the lower-than-budgeted gold production and the additional sustaining capital expenditure to source the critical spares and parts to remedy the driveshaft failure in the Tertiary Crusher.

In preparation for the development of the KOTH Project, Red 5 acquired a \$1.8m second-hand 240-room accommodation complex, and a 1,050m² office building which will be relocated to King of the Hills prior to the start of construction. For the quarter, Red 5 invested \$8.4m in growth and exploration programs at Darlot and KOTH, including the KOTH Final Feasibility Study.

The Final Feasibility Study is on track to be released in the September 2020 Quarter. The strengthened balance sheet will allow Red 5 to progress development and proceed with early construction activities in the second half of 2020, with the recent acquisition of the camp buildings being an example.

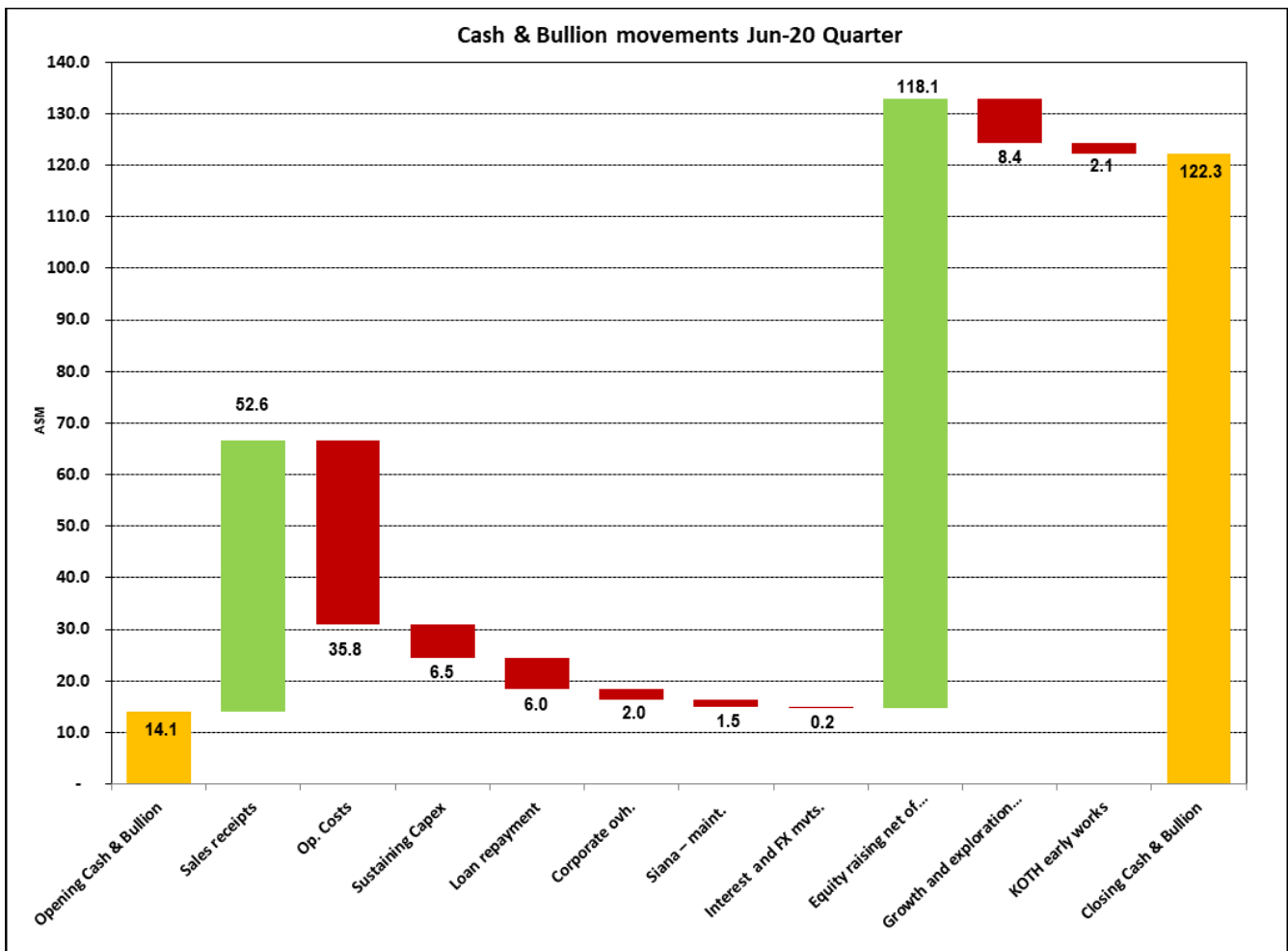


Figure 5: June 2020 Quarter Cashflow Waterfall Chart.

Hedging

During the June 2020 Quarter, the Company delivered 12,000 ounces into its hedging contracts at a weighted average price of A\$2,095 per ounce.

At 30 June 2020, the Company's hedge position was 67,000 ounces, to be delivered from July 2020 to September 2021 at a weighted average gold price of A\$2,090 per ounce.

Table 6: Current Hedge Position

Financial Year	Quarter	Quarterly Ounces	Weighted Av. Price A\$/oz
2021	September-20	14,000	2,095
	December-20	14,000	2,095
	March-21	14,500	2,095
	June-21	16,500	2,095
	Sub-Total		59,000
2022	September-21	8,000	2,042
Sub-Total		8,000	2,042
TOTAL		67,000	2,090

Authorised for release by the Board.

ENDS

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

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 2020

WESTERN AUSTRALIA		
Project	Tenement number	Red 5 interest
Darlot Gold Mine	E36/0865, E36/0941, E36/0944, E36/0945, E36/0964, E36/0968, E36/0969, E36/0980, E37/1054, E37/1086, E37/1247, E37/1253, E37/1268, E37/1269, E37/1296, E37/1297, E37/1298, E37/1319, E37/1321, E37/1322, E37/1350, E37/1352, E37/1369, E37/1378, L37/0109, L37/0110, L37/0118, L37/0206, L37/0207, L37/0223, L37/0224, L37/0230, L37/0231, L37/0237, M37/0054, 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, P36/1883, P36/1884, P36/1889, P37/8698, P37/8699, P37/8700, P37/8701, P37/8716, P37/8788, P37/8789, P37/9210	100%
	L37/0238, E36/0997, E37/1393, E37/1395, E37/1398, E37/1400, P37/9345	100% (Applications pending)
	E37/1220	Right to explore and mine Sub-Lease Area
	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 a 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, P37/9269, P37/9270, P37/9271, P37/9272, P37/9273, P37/9274, P37/9275, P37/9276, P37/9277, P37/9278, P37/9279, P37/9280, P37/9281, P37/9282, P37/9283, P37/9284, P37/9286, P37/9287, P37/9289, P37/9291
E37/1385, P37/9285, P37/9288, P37/9290, P37/9292, P37/9293, P37/9294, P37/9295	100% (Applications pending)	
Montague Project	M57/0429, M57/0485, E57/0793	25% free carried

PHILIPPINES				
Project	Tenement number	Registered holder	Equity interest	
			Red 5	Other
<i>Siana Gold Project</i>	MPSA 184-2002-XIII APSA 46-XIII	Greenstone Greenstone	40% 40%	SHIC 60% SHIC 60%
<i>Mapawa gold project</i>	MPSA 280-2009-XIII	Greenstone	40%	SHIC 60%
<i>Interests in mining tenements or farm-in or farm-out agreements acquired or disposed of during the quarter were as follows:</i>				
WESTERN AUSTRALIA				
Project	Tenement number	Red 5 interest		
<i>Darlot Gold Mine</i>	E37/1054, E37/1086, E37/1253, E37/1319, E37/1321, E37/1322, M37/0054 E37/1220	100% During the Quarter, Red 5 acquired the exclusive right to explore and mine an area of 13 blocks of Exploration Licence E37/1220 (Sub-Lease Area), south of latitude -27° 45', and the right to convert some or all of the Sub-Lease Area into one or more mining leases.		
<p>Abbreviations</p> <p><u>Tenements (Australia)</u> M: Mining Lease P: Prospecting Licence E: Exploration Licence L: Miscellaneous Licence</p> <p><u>Tenements (Philippines)</u> MPSA: Mineral Production Sharing Agreement APSA: Application for MPSA</p> <p><u>Company name</u> Greenstone: Greenstone Resources Corporation SHIC: Surigao Holdings and Investments Corporation</p>				