

2017 Annual General Meeting – Chairman’s Address

The past year has been a time of significant change for the Red 5 Group.

Within the space of just a few months, the Group has transitioned from operating a gold mine in the Philippines (although currently in suspension); to negotiating and completing two significant acquisitions in Australia; and successfully integrating these new assets into the Group. Through these efforts, we have established Red 5 as an operating mining company in Australia which is now producing gold and generating cash-flow.

Before briefly recapping the events of the past year, I would like to begin by acknowledging the outstanding efforts and hard work of our team both in Australia and in the Philippines in achieving this transformational outcome.

This time last year, I was highlighting the Group’s continued steady progress as a low-cost gold producer operating in the Philippines, outlining plans to deliver long-term growth from the Siana Gold Project through a combination of continued gold production from the Siana open pit – albeit whilst managing some pit wall stability issues – together with the start of development of a long-term underground mining operation.

This strategy was able to be delivered successfully in the first half of 2017 financial year, with a strong operational performance from the Siana open pit and significant progress achieved towards the development of the underground mine.

Despite these successes, the Group was confronted with a significant set of challenges due to the ongoing regulatory delays in securing an amendment to the Environmental Compliance Certificate to enable the construction of a long-term Tailings Storage Facility for the Siana open pit mining operation and continuing uncertainties regarding regulatory and government mining policy in the Philippines. The delays – and the lack of clarity regarding the potential timing of any future regulatory approvals – left the Group with little choice but to suspend mining and processing operations at Siana, effective from April this year.

While this was a disappointing outcome, it was a course of action that was considered necessary in order to preserve the significant inherent value of the Group’s asset base in the Philippines – including the large in-situ gold inventory and extensive infrastructure at Siana – as well as to protect the Group’s balance sheet and shareholders’ interests.

During the period of suspension, environmental and regulatory compliance at Siana is being maintained including community relations activities and de-watering of the open pit. We are also continuing to closely monitor political developments in the Philippines, particularly following the appointment of a new Secretary of the Philippines Department of Environment and Natural Resources (DENR).

During the year, we moved to diversify our asset base outside of the Philippines, specifically targeting potential asset acquisitions in the strongly performing Australian gold sector – which continues to attract interest from global investors because of its stability.

Following extensive due diligence, Red 5 unveiled its new growth strategy in August 2017, centred on the acquisition of two advanced gold assets in Western Australia’s Eastern Goldfields – the Darlot Gold Mine from Gold Fields Limited and the King of the Hills Gold Project from Saracen Mineral Holdings.

Red 5 Limited

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These projects have given us an extensive footprint in the world-class Leonora-Leinster District of WA, an immediate production and cash-flow base at the Darlot Gold Mine, and a strong growth pipeline with both immediate production opportunities and longer-term exploration upside.

These transactions, which were successfully completed at the start of October 2017, have also seen both Gold Fields and Saracen become cornerstone shareholders of Red 5, with relevant interests of 19.9 per cent and 10.5 per cent respectively.

With the transfer of ownership completed smoothly, we are now just two months into our new life as an Australian gold producer, having already completed three gold pours at Darlot and three gold sales at the Perth Mint totalling over 7,400 ounces. Our management team, led by our Managing Director, Mark Williams, has managed the integration of the operating gold mine at Darlot, working closely and cooperatively with the existing workforce.

Gold production for the December 2017 Quarter is expected to be in the range of 13-16,000oz, currently expected to be at the upper end of this range, predominantly from the Darlot operation. We are currently in the process of finalising contracts with an underground mining contractor to commence mining at King of the Hills. Further guidance for the remainder of FY18 is scheduled for release in December 2017.

Our proposed operating strategy for the current Darlot mining operation is to increase the recovery of existing resources and thereby extend the mine life. We will then combine production from the Darlot mine plan with ore from King of the Hills, aiming to fill the Darlot processing plant to capacity and spread the fixed overhead costs over an increased production profile.

Our strategy is to utilise Darlot as a central processing facility with the potential to unlock numerous “isolated” gold deposits in the region within economic haulage distance.

I believe the considerable achievements delivered in the course of 2017 – coupled with a favourable investment climate and outlook for the Australian gold sector – have put Red 5 in a good position to deliver long-term growth and returns for our shareholders. At the same time, we have retained the Group’s interest in the original gold assets in the Philippines, with the expectation that the Group may be in a position to either re-commence gold production from the Siana Gold Project in the future, providing a second production centre alongside the Eastern Goldfields, or pursue other strategies to maximise the inherent value of the large resource inventory and infrastructure base in the Philippines.

In conclusion, I would like to sincerely thank our staff and contractors, both in Australia and the Philippines, for their tireless efforts on behalf of the Group – including those who have recently joined the Group in Australia. Thanks must also go to our shareholders for their support and patience through what has been at times a challenging, but ultimately very rewarding year for the Group. We are looking forward to the year ahead.

Kevin Dundo

Chairman

22 November 2017

For more information:

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