

15 March 2021

King of the Hills Gold Project Update

***Bulk earthworks for the KOTH process plant largely complete, concrete foundations commenced.
Accommodation village construction well advanced and now being utilised.***

Red 5 Limited (ASX: RED) is pleased to advise that it continues to make significant progress on multiple fronts with the development of its 2.4Moz, 16-year life-of-mine King of the Hills (KOTH) Gold Project in Western Australia.

As announced recently, the project has achieved a number of significant milestones:

- The KOTH Mining Proposal has been approved by the Department of Mines, Industry Regulation and Safety (DMIRS).
- A Letter of Intent has been signed with Macmahon Contractors Pty Ltd, a subsidiary of leading civil and mining contractor Macmahon Holdings (ASX: MAH), for both the open pit and underground mining contracts.
- Approval has been given to proceed to Phase 2 of the Engineering, Procurement & Construction (EPC) contract, which will allow the EPC contractor MACA Interquip (ASX: MLD) to ramp-up the mobilisation of its construction teams in the coming months.

The majority of remaining project expenditure is by way of fixed-price contracts. To date, the KOTH Project is tracking under budget and on track to deliver first gold production from the KOTH processing plant in the June 2022 Quarter. Red 5 is currently finalising the debt financing for the KOTH Project with a Tier-1 banking syndicate, with completion expected in March 2021.



Figure 1: KOTH process plant site.

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The bulk earthworks pad for the administration buildings, wet plant area, crushing and ore handling area is now complete. The process and raw water ponds are largely complete, with only final trim required. The concrete contractor has mobilised to site and started on the CIL tank foundations. Excavations for the foundations of the mill and stockpile tunnel are now underway.



Figure 2: Commissioned KOTH village dry mess.

Engineering design at the end of February 2021 was 65% complete. Structural steel detailing is underway and steelwork fabrication will commence in March 2021. The CIL tank floor platework has been delivered to site and tank strakes are being painted in Perth prior to sequenced delivery to site.

The procurement of long-lead time equipment items is progressing well against the scheduled procurement program. No issues are foreseen with regard to meeting the required-on-site dates.

The first of the SAG mill components have been delivered, with the trunnion bearing base plates and cast-in items now in Australia. The 15-megawatt SAG mill, shell and motors are undergoing refurbishment in Johannesburg. The variable speed drive assessment is complete and upgrades are in progress at ABB Switzerland. All components are on track for site delivery by the end of the June 2021 Quarter.

The Metso Gyratory Crusher shells have been manufactured and are ready for shipment. The electrical panels and lubrication unit are being manufactured in Australia and are scheduled for completion in April 2021. The ancillary components for the crusher have been consolidated for supply out of the USA. All components of the crusher are on schedule for site delivery by the end of June Quarter 2021.



Figure 3: KOTH Village under construction.



Figure 4: SAG mill shell undergoing refurbishment.

Red 5 Managing Director Mark Williams said: *“The KOTH construction and development teams are continuing to hit targets and achieve excellent progress, with the overall project currently under budget and on track to deliver first gold production on schedule by mid-2022.*

“Recent significant milestones include the commissioning of 114 rooms at the accommodation village, with site construction personnel and contractors now accommodated on-site and the balance of the rooms expected to be delivered on schedule by the end of April 2021.

“Other key achievements include completion of the bulk earthworks pad for the administration buildings and key parts of the plant and commencement of concrete footings for the CIL tanks.

“The manufacture and delivery to Australia of key long-lead items for the plant is also on track, which will help to ensure that construction and installation milestones can be achieved in a timely fashion, once construction of the plant moves into full swing in the second half of this year.

“We are encouraged by the progress being achieved on multiple fronts and look forward to the next step-up in activities during the June 2021 Quarter as the key elements of this new large, long-life Australian gold mine continue to take shape.”

ENDS

Authorised for release by the Board.

For more information:

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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.