

26 July 2023

June 2023 Quarterly Report

Bumper 61,705oz June Quarter takes Red 5 to upper end of 2HFY23 guidance and builds strong momentum into FY24

2H FY2023 gold production of 102,574oz ounces at AISC of A\$1,837/oz with the KOTH processing plant now achieving annualised throughput rates of up to 5.5Mtpa; FY24 guidance: 195koz-215koz at AISC A\$1,850-A\$2,100/oz

Highlights

Operations

- King of the Hills (KOTH) June quarterly gold production of 61,705 ounces (March Quarter: 40,869 ounces) at an all-in sustaining cost (AISC) of A\$1,690/oz.
- Quarterly gold sales of 58,960 ounces (March Quarter: 40,907 ounces) resulted in operating cash flows of \$50.6 million for the June Quarter.
- No recordable injuries during the June Quarter.
- 12-month Total Recordable Injury Frequency Rate (TRIFR) has improved significantly year-on-year to 9.0 (30 June 2022: 20.2).
- Achieved upper end of production and mid-range of cost guidance for 2H FY23, with production of 102,574 ounces at an AISC of A\$1,837/oz against guidance of 90k-105k ounces at AISC of A\$1,750-1,950/oz.
- KOTH processing plant now operating at an annualised throughput rate of up to 5.5Mtpa, 37.5% higher than the nameplate design of 4.0Mtpa.
- FY2024 production guidance of 195,000 – 215,000 ounces at AISC of A\$1,850 - A\$2,100/oz.

Exploration and Resource Growth

- KOTH underground drilling continued during the Quarter, targeting extensions of the Regal mineralisation where additional continuity has been demonstrated. Assays are pending.
- Grade control and Resource development drilling has commenced at Darlot.
- Planning for follow-up drilling of the significant air-core assay results at the Yandal South – NW structure completed (refer to Red 5's ASX announcement dated 13 February 2023).

Corporate and Finance

- Two highly respected global mining executives were appointed as part of an ongoing Board renewal process, with Russell Clark appointed as Chair and Peter Johnston appointed as Non-Executive Director in July 2023.
- The Company's net debt position improved in the June Quarter, reducing by \$44.5 million to \$81.9 million at 30 June 2023.
- Cash and bullion was \$45.9 million at 30 June 2023. \$22.0 million of bank debt was repaid during the Quarter, with \$127.8 million outstanding on the KOTH Debt Facility at 30 June 2023.

Red 5 Limited

ABN 73 068 647 610

ASX: RED

Shares on issue: 3,459M

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Red 5 Managing Director, Mark Williams, said: *“The June Quarter has been a watershed period for Red 5, with the King of the Hills gold mine delivering strong results for the Company, both operationally and financially and with a greatly improved safety performance.*

“We have seen four consecutive months of record production since March, underpinning production for the June Quarter of 61,705 ounces, at a quarterly all-in sustaining cost of A\$1,690 per ounce. As a result, we have achieved the upper end of our production guidance and mid-range of cost guidance for the second half of FY2023.

“The KOTH processing plant also achieved record throughput rates for the Quarter. In June, it has been operating at an annualised throughput rate of up to 5.5Mtpa - a significant increase from the original nameplate capacity of 4.0Mtpa, and this rate is expected to be maintained.

“We reached the main orebody of the King of the Hills open pit in February, which was the key driver of the uplift in feed grades at the process plant. The performance of both the KOTH Underground and Darlot Underground has also been tracking well, providing higher-grade ore to the mill.

“The operation has been cash flow positive since March, putting Red 5 in a solid position to continue to de-leverage and strengthen the balance sheet for the future. The Company’s Net Debt position improved by \$44.5 million during the June Quarter.

“Based on this strong performance, production guidance for the 2024 financial year has been set at between 195,000 and 215,000 ounces of gold at an AISC of A\$1,850 to A\$2,100 per ounce.

“Our clear focus for the year ahead is to continue delivering safe, consistent and profitable ounces from the KOTH processing hub. This will, in turn, provide us with a platform to execute our longer-term growth strategy.

“On the corporate front, we were very pleased to announce the appointment of two strong additions to the Company’s Board of Directors, with Russell Clark appointed as Chair effective from 1 July 2023 and Peter Johnston as Non-Executive Director from 10 July 2023.

“Both Russell and Peter have held senior Board and executive leadership roles with global mining companies and add further depth to the Red 5 Board as we work to complete our transition to become a leading mid-tier gold producer.”

Investor Call

An investor webcast for the Quarterly results will be held for the investment community on Wednesday, 26 July 2023, commencing at 7.30am (AWST) / 9.30am (AEST).

Investors, brokers, analysts and media can join the webcast by selecting the following link:

[Link to Investor Call](#)

Table 1: Quarterly Physicals and Cost Summary for FY2023.

	Units	Sep 2022 Quarter	Dec 2022 Quarter	Mar 2023 Quarter	June 2023 Quarter	2H FY23
Mining physicals						
KOTH OP Ore Mined	Mt	0.68	0.63	1.20	1.57	2.77
KOTH OP Waste Mined	Mt	8.19	8.60	6.59	5.26	11.85
KOTH OP Mined Grade	g/t	0.47	0.65	0.85	0.96	0.92
KOTH UG Development	m	1,205	1,325	1,248	1,173	2,421
KOTH UG Ore Mined	Mt	0.168	0.175	0.201	0.266	0.467
KOTH UG Mined Grade	g/t	1.01	1.40	1.58	1.70	1.65
Darlot UG Development	m	1,512	1,336	598	509	1,107
Darlot UG Ore Mined	Mt	0.174	0.180	0.165	0.183	0.349
Darlot UG Mined Grade	g/t	2.55	2.13	2.37	2.87	2.64
Total Contained Gold Mined ³	oz	33,375 ¹	33,364	55,681	75,015	130,696
KOTH Processing physicals						
Ore Milled	Mt	0.879	1.099	1.044	1.196	2.240
Head Grade	g/t	0.93	1.14	1.32	1.71	1.53
Recovery	%	91.2	90.1	92.1	93.5	92.8
Gold Produced	oz	24,049	36,260	40,869	61,705	102,574
Gold Sales for AISC Purposes	oz	30,005²	35,100	40,907	58,962	99,869
Average Gold Price Achieved⁴	A\$/oz	\$2,540	\$2,348	\$2,527	\$2,668	\$2,610
Costs						
Mining	A'000			62,690	67,803	130,493
Cartage	A'000			4,286	4,853	9,139
Processing	A'000			15,980	24,297	40,277
G&A	A'000			6,207	6,268	12,475
Ore Stockpile Movements	A'000			(20,640)	(14,003)	(34,643)
Selling Costs (inc. by-product credits)	A'000			(792)	(1,298)	(2,090)
Cash Costs	A'000			67,731	87,920	155,651
Royalties	A'000			3,966	6,048	10,014
Sustaining Capital and Mine development	A'000			5,774	5,508	11,282
Corporate Overheads	A'000			4,370	4,093	8,463
Finished Goods & GIC Movements	A'000			1,923	(3,927)	(2,004)
All-in Sustaining Costs	A'000			83,764	99,642	183,406
All-in Sustaining Costs (AISC)	A\$/oz			2,048	1,690	1,837

(1) Total includes mined ounces from Great Western of 3,223oz

(2) Gold sales include gold production from the Darlot process plant in July 2022 of 2,661 ounces

(3) Totals may not sum due to rounding

(4) Inclusive of hedges

1. OPERATIONS

1.1. Health & Safety

Lost Time Injuries: 0

Total Recordable Injuries: 0

LTIFR (12-month): 0.50 (Lost Time Injury Frequency Rate)

TRIFR (12-month): 9.01 (Total Recordable Injury Frequency Rate)

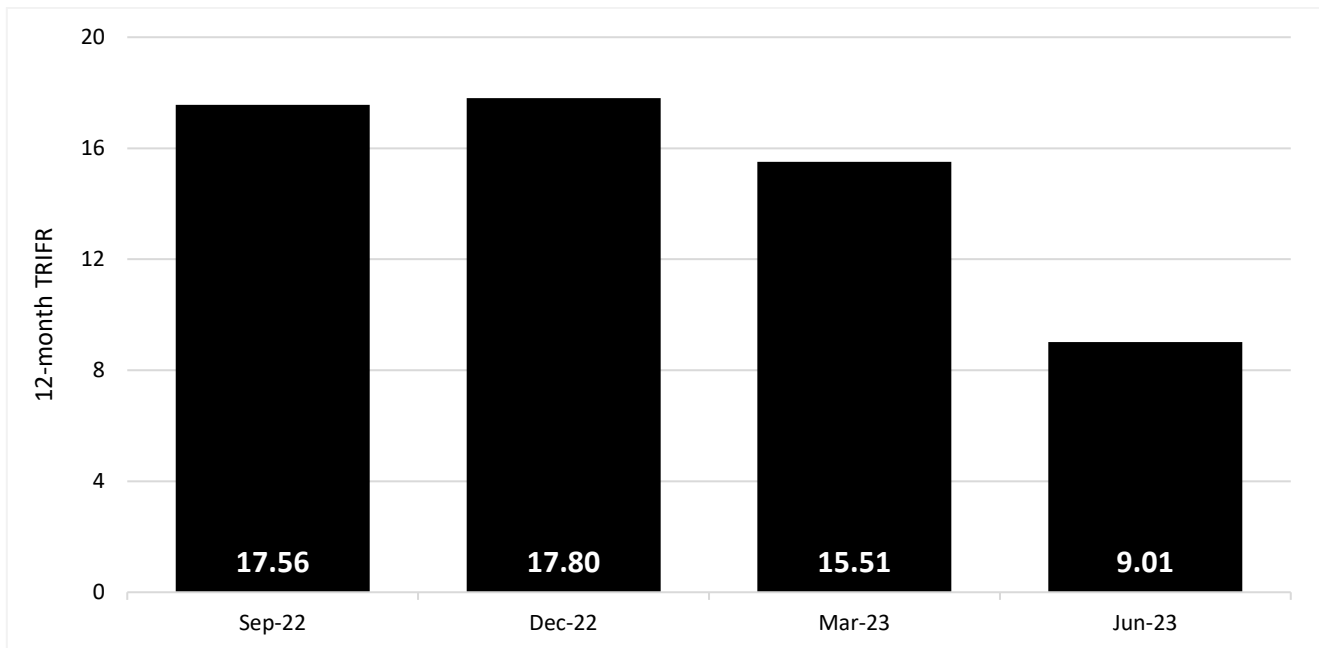


Figure 1: FY23 TRIFR (12-month).

The operational focus on safety field leadership has contributed to an improved safety performance at both the KOTH and Darlot sites. The continued improvement in safety performance reflects our focus on stabilising our workforce and transitioning to steady-state operations.

1.2. Production Summary

A total of 61,705 ounces of gold was produced for the June Quarter (March Quarter: 40,869 ounces), with ore sourced from the KOTH Open Pit, KOTH Underground and Darlot Underground mines.

Gold sales were 58,960 ounces for the June Quarter and the AISC was A\$1,690 per ounce.

1.2.1. KOTH Processing

The KOTH processing plant achieved record gold production for the June Quarter, supported by improved feed grades from mining operations. A planned four-day maintenance shutdown for the crusher and mill was carried out in May, which contributed to higher processing costs than normal for the Quarter. The shutdown saw the remaining nine mill discharge grates changed from 30mm to 30mm/50mm apertures, resulting in improved throughput in the processing plant.

Processing operations in June were a record 447,119 dry tonnes milled, with greater availability and productivity achieved in the circuit. Record gold production of 24,033 ounces in June was supported by a higher feed grade in May and June.

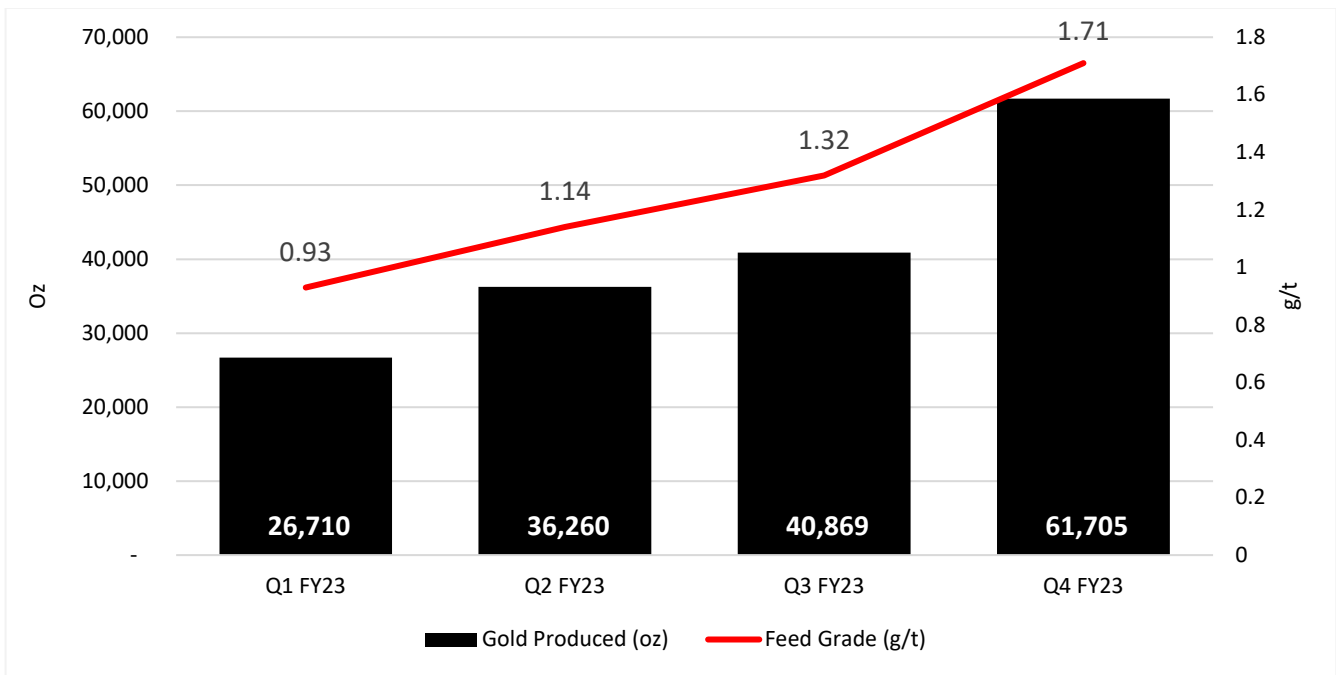


Figure 2: FY23 KOTH Quarterly gold production and feed grade.

Construction of Tailings Storage Facility 5 (TSF5) was completed in the March Quarter and commissioning occurred in late April. The use of the closer TSF5 has allowed increases in the processing plant throughput with reduced demand on the tailings discharge pumps.

1.2.2. KOTH Open Pit Mining Activities

The June Quarter saw solid production from the KOTH Open Pit, with 1.5Mt of ore mined at an overall grade of 0.76g/t, including 1.05Mt of high-grade ore at 1.23g/t.

Higher-grade ore tonnes mined from the open pit increased significantly as the Stage 1 open pit progressed through the ultramafic/granodiorite contact, accessing down to the 5205 bench by Quarter-end. Baseload high-grade ore supply from Stage 1 will continue over the next two years now that the full extent of the main ore zone has been exposed.

The Stage 2 pit cutback commenced in late June and will continue progressively over the next 24 months to ensure continuity of future ore supply.

Multiple improvement projects continued during the Quarter, with the main focus on activities to minimise dilution and ore loss. Ore blending and mine operations delivered the best grade available to the mill by grade streaming methods, as the total ore tonnages mined exceeded mill capacity during the Quarter.

During the June Quarter, mine operations staffing steadily improved with strategies implemented by Red 5's mining contractor proving successful.

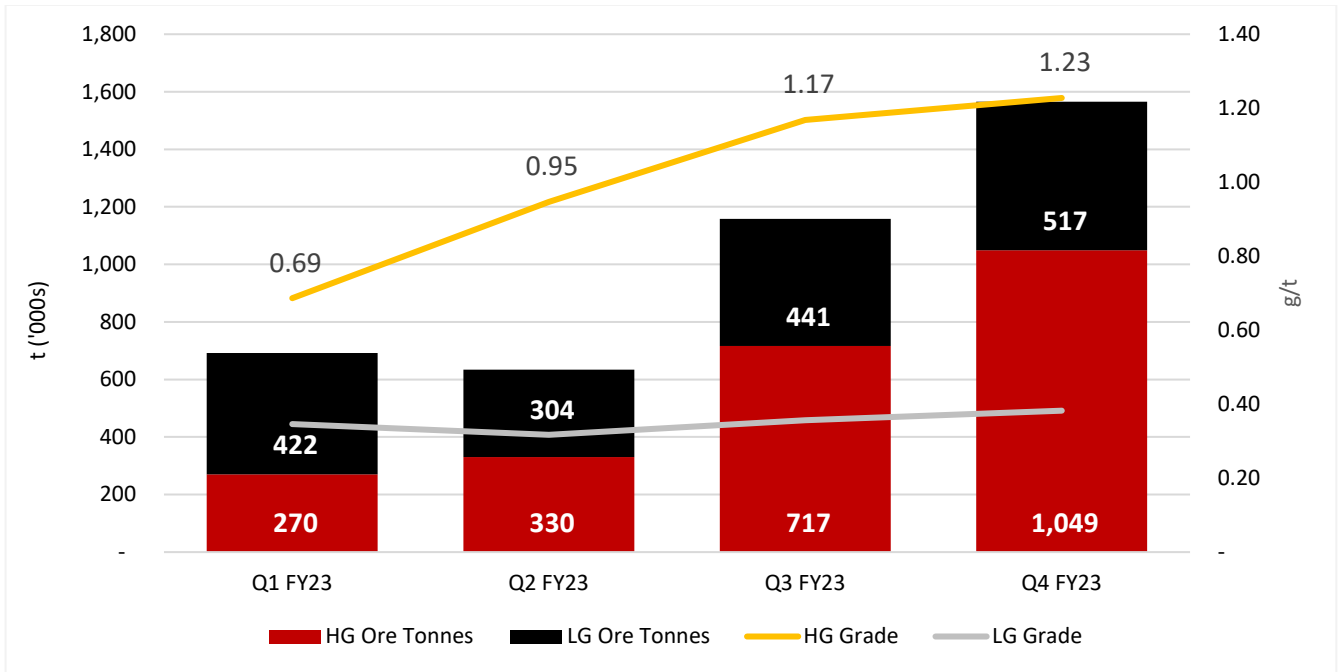


Figure 3: KOTH Open Pit quarterly tonnes and grade performance (HG >0.5g/t).

1.2.3. KOTH Underground Mining Activities

The KOTH Underground saw improved ore production during the Quarter, with 266kt at 1.70g/t produced (versus 201kt at 1.58g/t in the March 2023 Quarter), which included a record month of 99kt in May.

Loader and truck availability were above target for the Quarter. A collaborative improvement project was initiated with the mining contractor, which saw a marked improvement in the delivery of stope ore tonnes. This project is continuing to ensure that performance improvements are sustained.

Ore production continued in the West, Regal, East and Central mining areas during the Quarter. Moving forward, the West and Regal areas will be the focus of underground mine production, as recent drilling programs have provided a higher level of geological confidence in these ore zones, while development activities during FY23 have improved access.

As with the KOTH Open Pit, high-grade underground ore is now being segregated into grade categories, allowing the higher-grade material to be prioritised for haulage and process plant feed, while the remaining material is placed in a separate stockpile for supplementary feed as required.

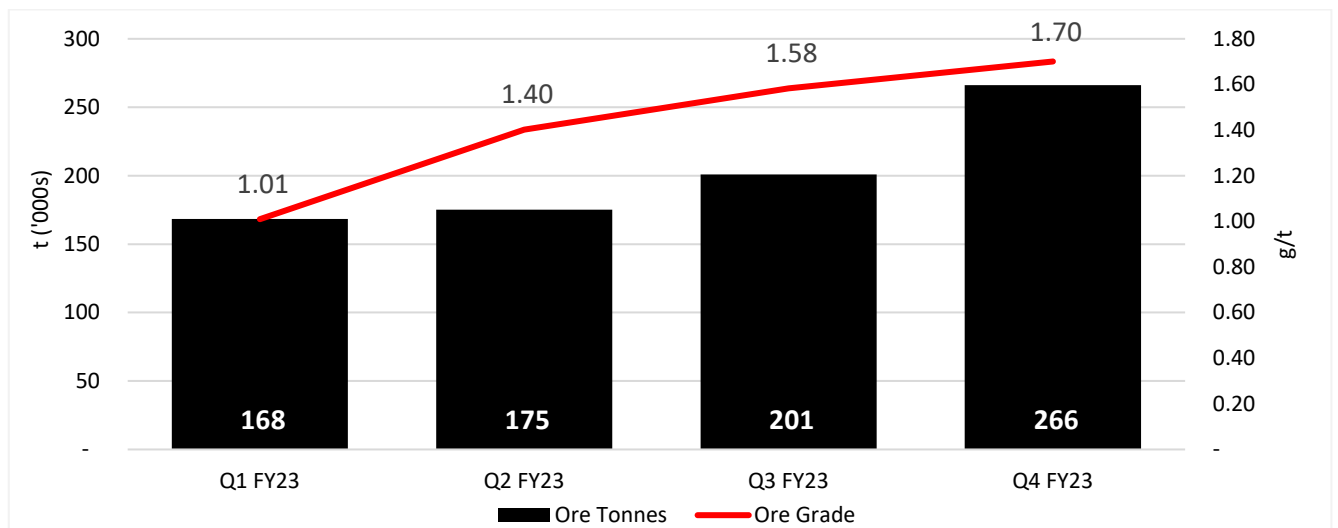


Figure 4: KOTH Underground quarterly tonnes and grade performance.

1.2.4. Darlot Underground Mining Activities

A total of 183kt of ore at 2.87g/t was mined at Darlot during the Quarter (versus 165kt at 2.37g/t in the March 2023 Quarter). The increase in grade came from higher-grade Middle Walters Stopes mined on the 1120 level.

Stoping continued in the Middle Walters South, Burswood, Marsh, Federation, Pedersen and Border areas. Several productivity improvement initiatives came to fruition during the June Quarter, resulting in excellent stope ore production of 140k tonnes for the Quarter.

Airleg mining continued in the Centenary, Hurst, Border, Pedersen and Thomson sectors with a total of 17,179 tonnes at 3.33g/t produced for the Quarter.

The Darlot Underground has benefitted from its transition to a satellite mine to the KOTH Processing Hub. In addition to a lower processing cost, initiatives to substantially reduce costs have contributed to a very profitable Quarter at Darlot and set up the underground satellite mine for a profitable FY24.

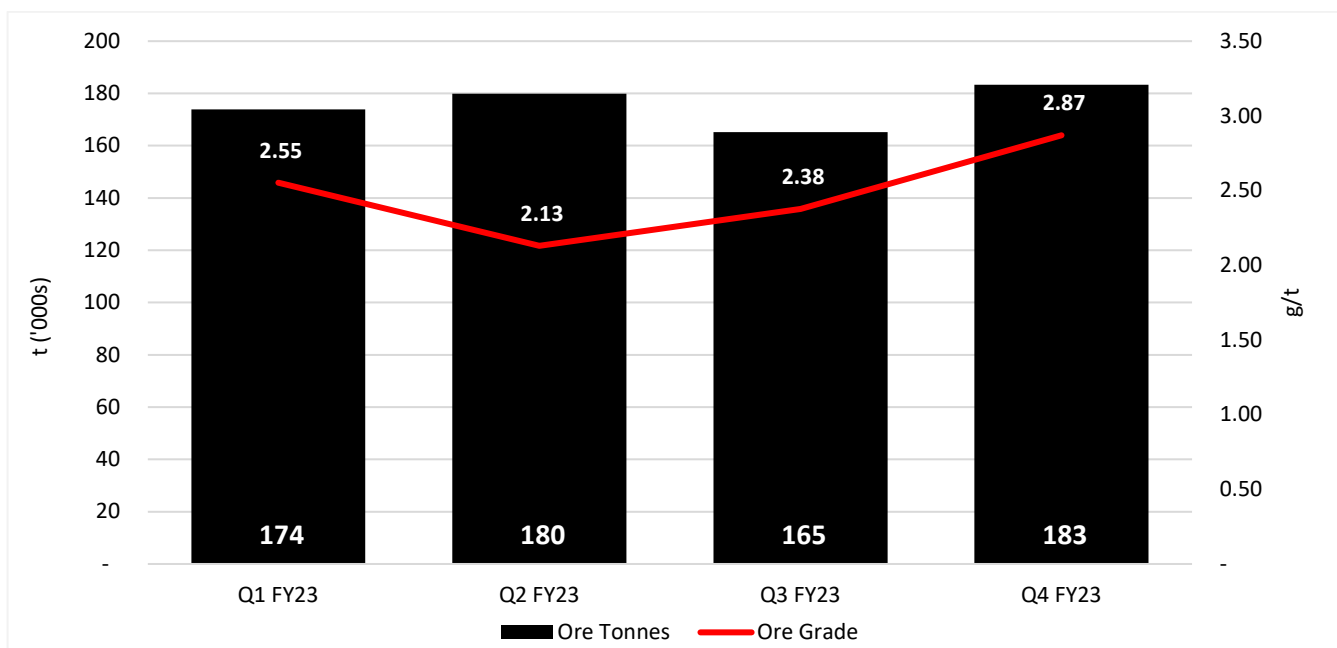


Figure 5: Darlot Underground quarterly tonnes and grade performance throughout FY23.

1.3. FY2024 Production and Cost Guidance

Gold production for FY2024 is forecast at 195,000 – 215,000 ounces at an AISC of A\$1,850 – A\$2,100 per ounce.

	Production (koz)	AISC (A\$/ounce)	Growth (A\$m)
FY2024 guidance	195-215	1,850 – 2,100	40 – 46

In FY24, mining will continue in the KOTH Open Pit, KOTH Underground and Darlot Underground mines. The KOTH processing plant is expected to maintain its current throughput rate of 5.5Mtpa.

Cutback of Stage 2 in the KOTH Open Pit commenced in June 2023, which will become the primary open pit ore source in FY26. During FY24, open pit mining of the Stage 1 main ore body will continue, with overall monthly mining rates remaining consistent at approximately 1.1M bank cubic metres (BCM) per month. Mining of the Stage 2 cut-back will be treated as Growth Capital in FY24 and brought to account against Stage 2 production ounces during the life of mine.

An uplift of TSF4 will commence in the second half of FY24, which will be completed and commissioned in FY25.

2. EXPLORATION AND RESOURCE DEVELOPMENT

2.1. KOTH Grade Control and Resource Extension Drilling

In the June Quarter, 9,393m was drilled with programs completed in the Central, Regal and East decline areas. Grade control was completed in the Central 5100 and 5130, with results confirming previous interpretations.

Drilling of Regal targeted extensions of the intersection of the Regal lode with the granodiorite/ultramafic contact below the 4850mRL. Additional lodes were intersected by this drilling with assay results pending. Drilling in the East Decline was designed to follow up successful drilling, targeting an extension of the East Decline trend of high-grade veins intersecting the contact.

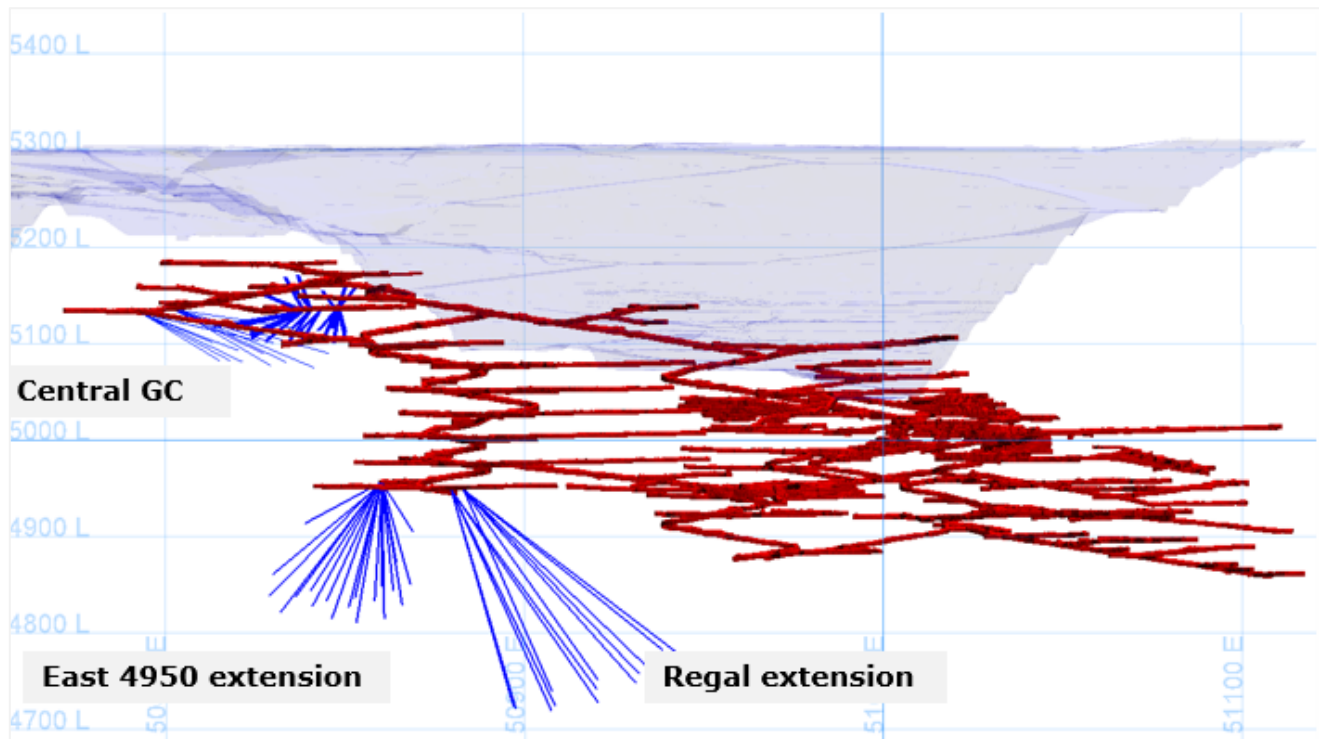


Figure 6: Underground drill programs completed during the Quarter.

2.2. Surface Exploration

2.2.1. Yandal South – NW Structure

Drill program access and pad preparation were completed in June 2023 for follow-up (Phase 2) exploration drilling at the NW Structure, located within the Yandal South target area.

The initial Phase 1 air-core program completed in November 2022 delivered encouraging results, including shallow high-grade mineralisation, broad low-grade mineralisation, end-of-hole (EOH) mineralisation and widespread alteration indicative of gold deposit forming processes.

The best results from the program included 4 metres @ 1.7g/t Au within a wider mineralised zone of 12 metres @ 0.64g/t Au in hole 22DRAC0080 and 4 metres @ 1.08g/t Au from 40 metres in hole 22DRAC0082 (refer to Red 5's ASX announcement dated 13 February 2023).

The planned Phase 2 RC drill program at the NW Structure has been designed to follow up the best-observed areas down to 150 metres, with a revised drill orientation and tighter line spacing (100 metres).

Recently completed passive seismic data reveals a >1,000m depth extent to the NW Structure, with inversion modelling showing a possible thrust style geometry dominating the geological setting. Gold mineralisation coincides spatially with the hanging wall of this structure. The program is considered to have a high probability of delivering quality intercepts and will contribute valuable data to an emerging discovery.

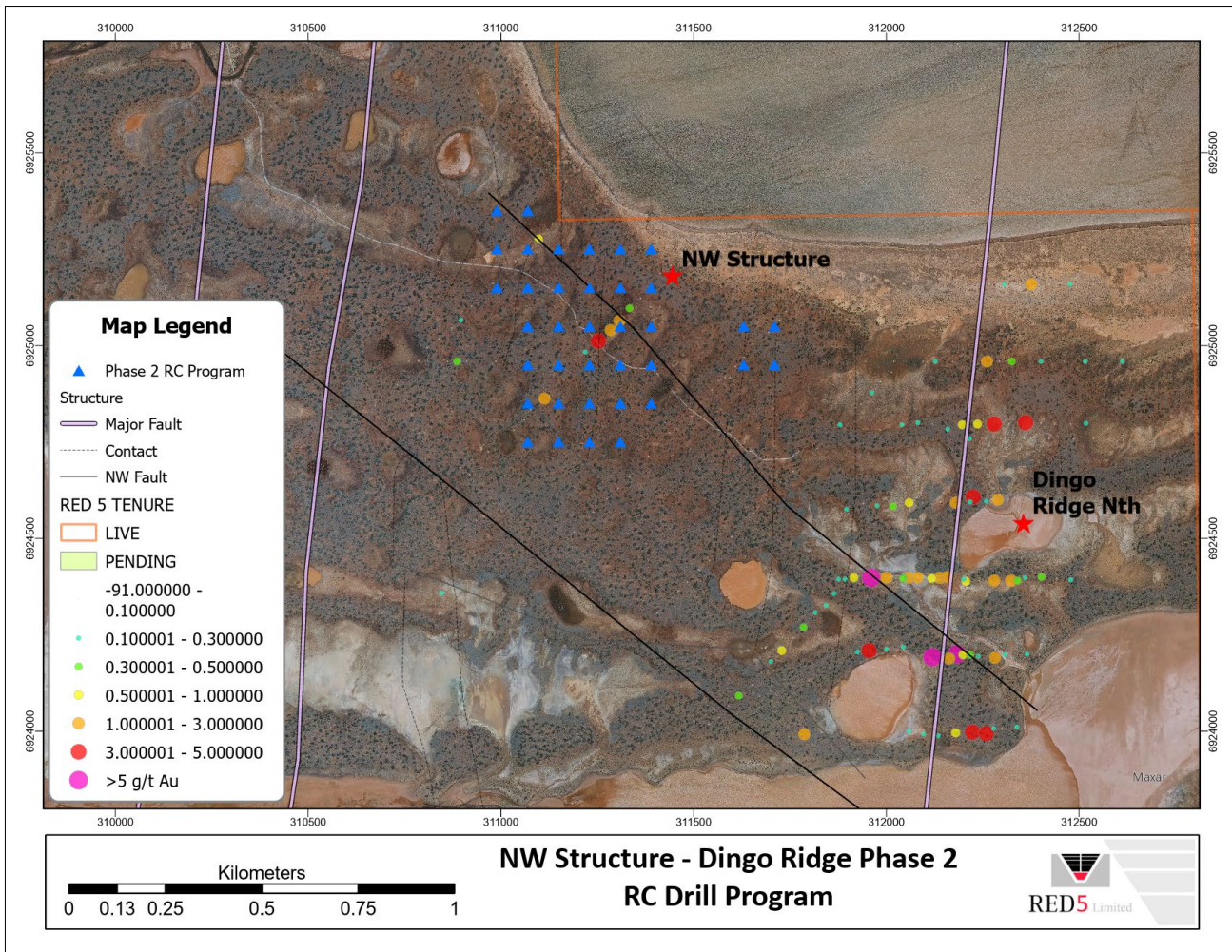


Figure 7: Map showing the planned hole positions for Phase 2 drilling (blue triangles) at the NW structure zone.

3. CORPORATE AND FINANCIAL

3.1. Board Appointments

In July 2023, Red 5 appointed highly regarded mining executives Mr Russell Clark as Chair and Mr Peter Johnston as Non-Executive Director.

The appointments are part of an ongoing renewal of the Red 5 Board, as the Company embarks on its next chapter of growth as a leading mid-tier Australian gold producer.

Mr Russell Clark is an internationally experienced mining professional and director with over 40 years of experience in senior corporate, operational and project development roles. He served as Managing Director and CEO of Grange Resources for five years, managed Newmont's Australian and New Zealand Operations including the KCGM mine in Kalgoorlie as Group Executive of Operations, and held a number of mine general manager roles for Normandy Mining. He is a qualified Mining Engineer and has worked across Australia, North and South America, Africa, Europe and the Asia Pacific.

Mr Clark is currently Chair of CZR Resources, Chair of Pearl Gull Iron and a Non-Executive Director of Tungsten Mining. He is a Fellow of the Australian Institute of Company Directors (AICD).

Mr Johnston is a highly experienced Australian mining executive and Board Director who has more than 35 years of operational and project development experience. Mr Johnston's distinguished career has seen him hold senior roles with major resource companies including Head of Global Nickel Assets for Glencore, Managing Director and Chief Executive Officer of Minara Resources and Executive General Manager at WMC Resources for Olympic Dam, the Nickel Division and the Copper and Fertilisers Division.

Mr Johnston is currently Chair of Jervois Mining and Non-Executive Director of NRW Holdings and Tronox (US). He is the former Non-Executive Chair of the Minerals Council of Australia, Chairman of the Chamber of Mines of WA and held previous long-term NED roles with Silver Lake Resources and Emeco. He is a Fellow of the Australian Institute of Company Directors (AICD) and of the Australasian Institute of Mining & Metallurgy.

3.2. Second Tranche of Share Placement

The second tranche of the Share Placement, announced on 21 February 2023, was approved by shareholders at a General Meeting held on 12 April 2023, with settlement of the Second Tranche Share Placement completed on 18 April 2023. The Company issued 173,670,085 ordinary fully-paid shares at a subscription price of \$0.135 each for gross proceeds of \$23.45 million. In addition, a share purchase plan offer to eligible shareholders raised a further \$10 million through the issue of 74,074,074 ordinary shares at a subscription price of \$0.135 per share.

3.3. Quarterly Cash Position

Table 2: Quarterly Cash Position Summary

	A\$M
Cash and bullion – 31 March 2023	23.4
Sales receipts net of hedging	149.5
Operating costs including royalties	(98.9)
Subtotal – June Quarter operating cash flow	50.6
Payments for prior period working capital	(23.3)
Cash from operating activities	27.3
Sustaining capital and mine development expenditure	(5.5)
Growth and exploration activities	(3.4)
Cash used in development activities and other expenditure	(8.9)
Interest payments and bank fees	(3.2)
Debt Repayment	(22.0)
Equity raising (SPP and Tranche 2)	31.9
Corporate overheads and business development activities	(2.6)
Cash from financing activities	4.1
Total cash and bullion increase/(decrease)	22.5
Cash and bullion – 30 June 2023	45.9

Cash and bullion at 30 June 2023 was \$45.9 million, compared with \$23.4 million at 31 March 2023. The Company's net debt position improved significantly in the June Quarter, reducing by \$44.5 million to \$81.9 million on 30 June 2023.

The Company had a strong operating performance for the Quarter, producing a record 61,705 ounces. This resulted in an operating cash flow for the June Quarter of \$50.6 million. Since mining in the KOTH Open Pit reached the granodiorite-ultramafic contact primary ore body in February, the Company has had four consecutive months of positive cash flow, with the baseload feed from the Open Pit being complemented by the higher-grade feed from the KOTH Underground and Darlot Underground mines.

During the June Quarter, \$23.3 million of trade creditors as of 31 March 2023 were paid, including the completion of an agreed schedule of payments with the primary mining contractor. The Company's Trade Creditors were all within normal trading terms as at 30 June 2023, with the Current Ratio (Current Assets versus Current Liabilities) at 1.4 times (unaudited).

During the Quarter, the Company received net proceeds of \$31.9 million from the equity raising announced in February 2023, with proceeds being applied to reduce debt (including payment of the Lender's \$15 million Working Capital Facility in April) and the remainder used to strengthen the balance sheet.

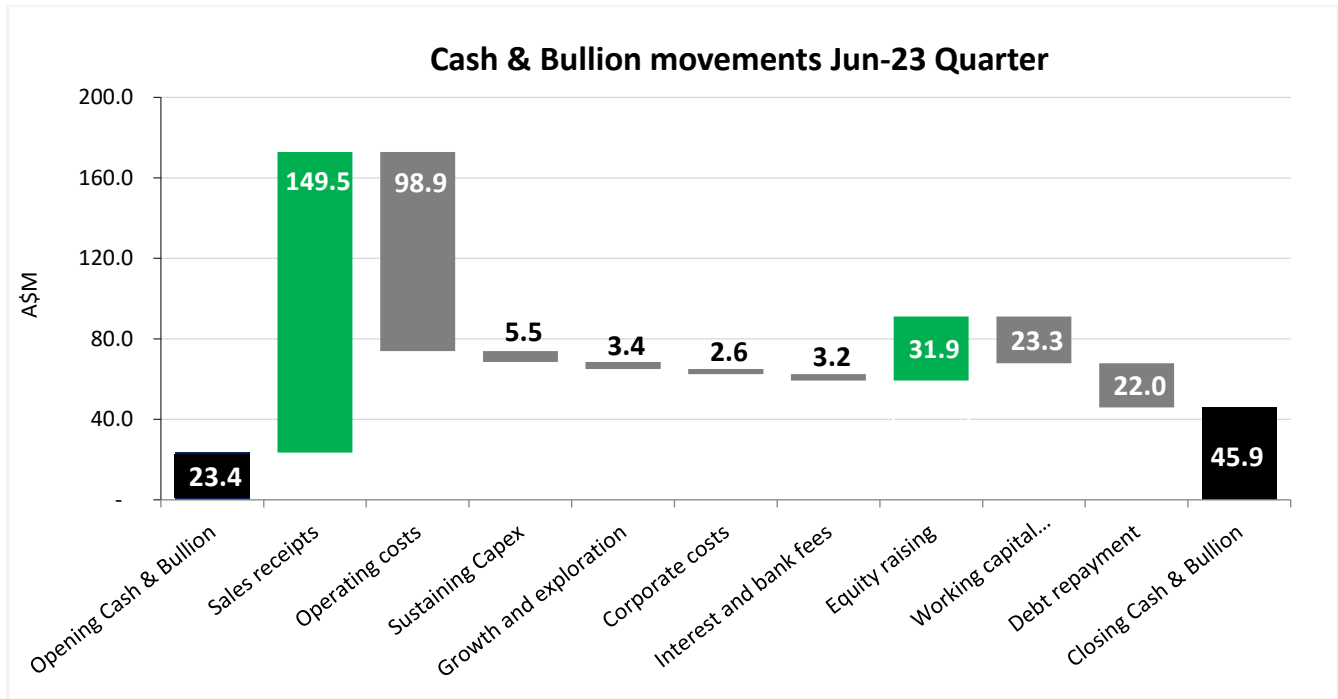


Figure 8: Cashflow waterfall for the June 2023 Quarter.

3.4. Loan facility and hedging

During the June Quarter, \$22 million of project facility debt was paid down, reducing total debt under the KOTH Debt Facility to \$127.8 million. A further \$4.25 million loan repayment will be made in the September Quarter.

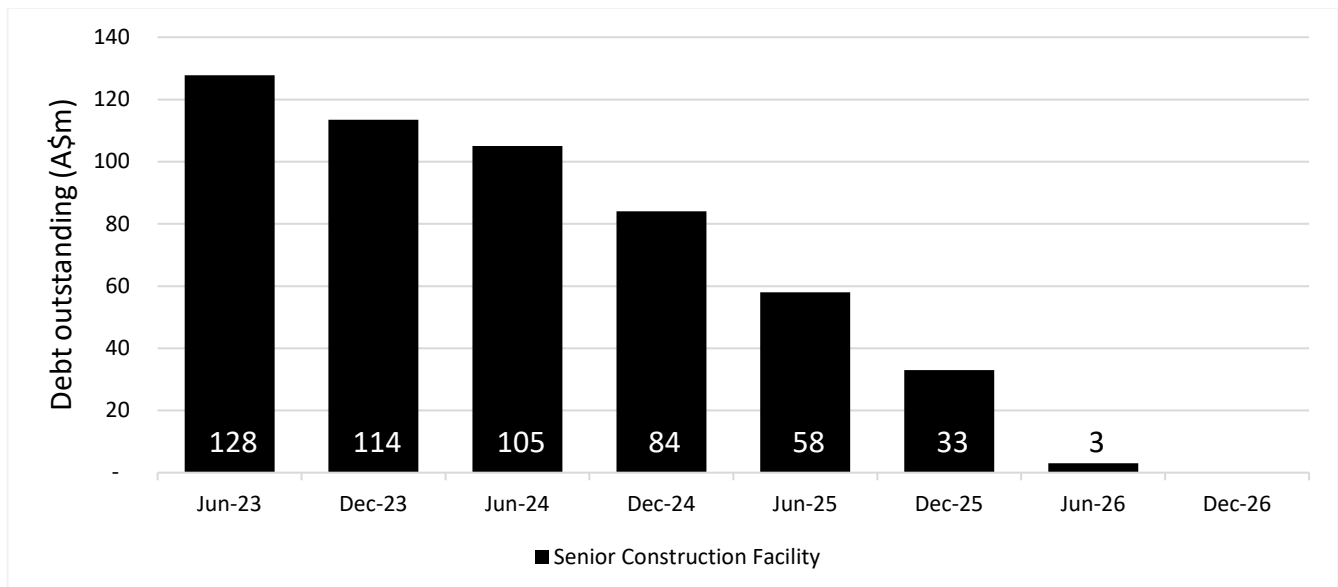


Figure 9: Loan Repayments Profile.

27,065 ounces of gold were delivered against existing forward gold contracts, at an average price of A\$2,332 per ounce during the June Quarter. The average selling price for the Quarter, inclusive of hedges, was A\$2,668 per ounce. At 30 June 2023, Red 5 has 313,119 ounces (representing 11% of KOTH Ore Reserves) of forward gold contracts outstanding, between July 2023 – September 2026, at an average price of A\$2,526 per ounce.

Authorised for release by the Board.

ENDS

For more information:

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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.