

22 April 2021

March 2021 Quarterly Activities Report

March 2021 Quarter production of 19,047 ounces from Darlot Gold Mine with FY21 guidance maintained | King of the Hills fully-funded after Red 5 secures commitment for \$175m in debt facilities and completes \$60m entitlement offer | Development on schedule with Mining Permit approved and key contracts awarded

West Australian Gold Operations

Processing and Production

- **Gold production for the March 2021 Quarter of 19,047 ounces** (December Quarter: 21,534 ounces) and gold sales of 19,011 ounces (December Quarter: 22,412 ounces). Year-to-date production of 60,864 ounces. Consolidated all-in sustaining costs (AISC) of \$2,402 per ounce of gold sold for the quarter, which included mine ramp-up costs at Great Western of \$226 per ounce (December Quarter AISC: \$2,181 per ounce).
- **Production guidance for FY21 maintained at 80,000 – 85,000 ounces** at an average AISC of \$2,150 – \$2,280 per ounce.
- Mining commenced at the **Great Western** open pit near Darlot. Ore from Great Western will replace ore previously trucked to the Darlot mill from the King of the Hills (KOTH) underground.
- **Nil Lost Time Injuries (LTI)** recorded during the March Quarter.

King of the Hills (KOTH) Development

- Bulk earthworks for the KOTH process plant largely complete, concrete foundations commenced.
- Accommodation village construction well advanced and being utilised.
- **KOTH Mining Permit approved** by the Department of Mines, Industry Regulation and Safety (DMIRS).
- **Approval for MACA Interquip** to proceed to Phase 2 of the Engineering, Procurement & Construction (EPC) contract for the processing plant.
- **Letter of Intent signed** with leading civil and mining contractor **Macmahon Contractors** for both the open pit and underground mining contracts.
- **Power Purchase Agreement secured with Zenith Pacific** for an on-site power station to supply gas and solar-generated power for KOTH for a period of 10 years from construction completion.

Exploration and Resource Development

- Over **19,600m of diamond core, RC and AC drilling completed** during the quarter across **multiple prospects within the broader Darlot area**, with programs aimed at delivering Resource growth and new discoveries as part of the Darlot Mining Hub production strategy.
- Phase 1 RC in-fill drilling completed at the Mission Prospect has **confirmed the continuity** of north-trending, steeply west-dipping quartz vein sets **along the known 500m strike extent of the mineralisation**.
- Phase 1 RC in-fill drilling at the Cable Prospect commenced in early January 2021 and is currently 50% complete, with highly encouraging observations including the intersection of a **60cm zone of lode containing visible gold**, with assays pending.

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Corporate and Finance

- **King of the Hills fully-funded** after Red 5 secured commitments for **\$175m in debt facilities** and launched a **fully-underwritten \$60m entitlement offer to shareholders** (institutional offer completed during the March Quarter and retail component completed subsequent to the end of the reporting period).
- **Group cash on hand and bullion of \$79.7m** at the end of March 2021.
- \$27.3m spent on KOTH construction activities and exploration activities.
- **Working capital loan facility with Macquarie now fully repaid** at 31 March 2021, following final repayment of \$5m during the quarter.
- **Darlot hedge commitments reduced to zero**, following the delivery of 14,500 ounces as planned during the quarter and the settlement of 24,500 ounces outstanding on 31 March 2021 for a total payment of \$4.8m.

An investor call for the Quarterly results will be held for the investment community on 22 April 2021, commencing at 8.00am (AWST)/10.00am (AEST). Investors, brokers, analysts and media can join the webinar by clicking: <http://redback.events/ir-dab2d4>

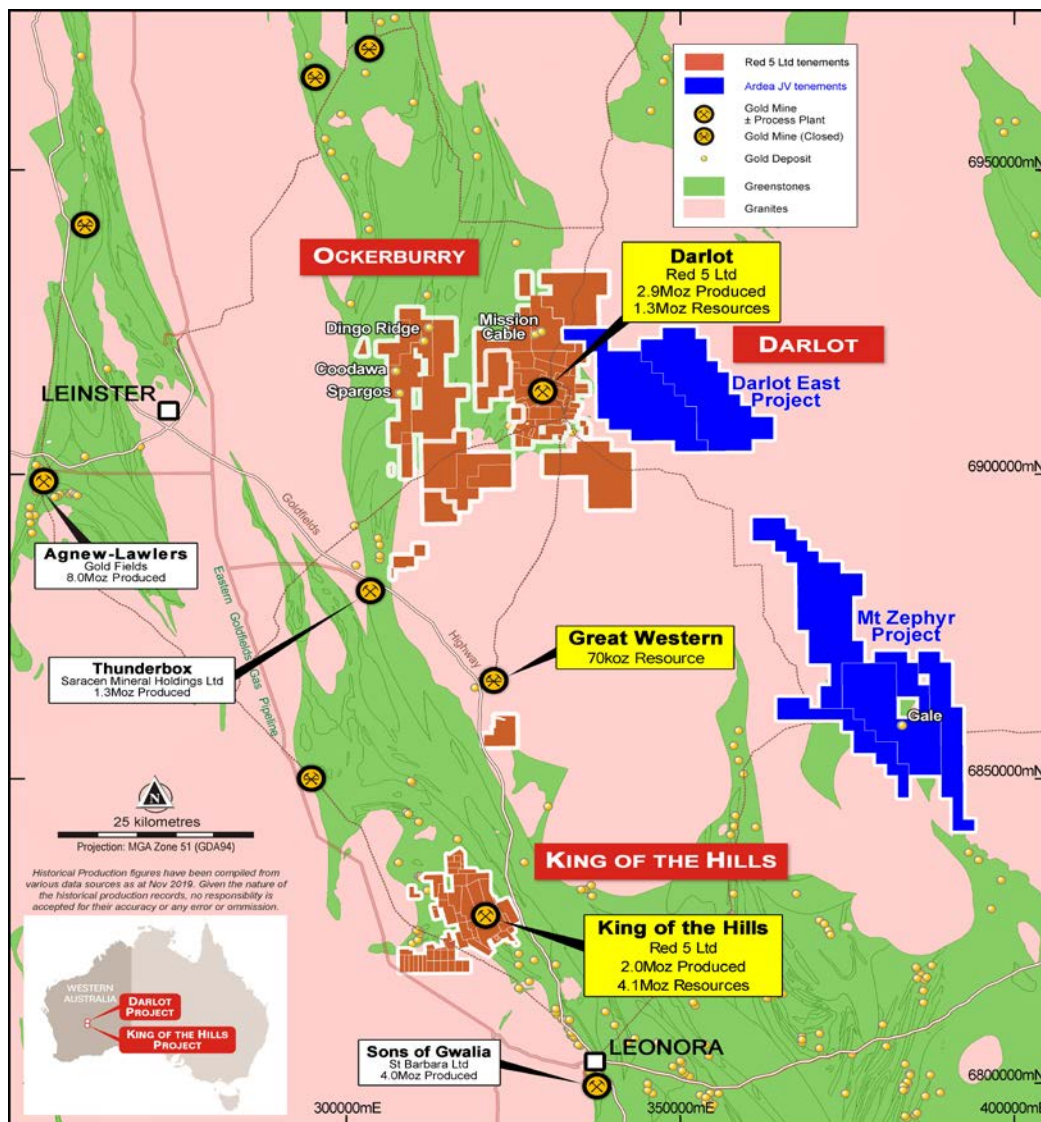


Figure 1: Darlot and KOTH locations, showing historical production from key gold deposits in the region.

Management Comment

Red 5 Managing Director, Mark Williams, said: *"The March Quarter has been a key period for Red 5, with the execution of commitments for a \$175m project finance facility and the launch of a fully underwritten \$60m pro-rata Entitlement Issue to all shareholders, marking key steps towards the development of a major new Australian gold mine at King of the Hills (KOTH).*

"The commitment for project finance from a Tier-1 banking syndicate, comprising BNP Paribas, HSBC and Macquarie, follows an extensive due diligence process by the banks that has once again confirmed the positive metrics for the KOTH development outlined in the Final Feasibility Study released in September 2020.

"I would also like to acknowledge the support of all shareholders that participated in our Rights Issue, which has positioned Red 5 to achieve its goal of becoming a mid-tier Australian gold producer.

"With this project finance now being finalised, Red 5 has embarked on the next phase of development at KOTH, with approval given during the quarter for the EPC contractor to commence Phase 2 of the construction contract. A large portion of the bulk earthworks are now complete, the village accommodation is in use, the procurement of long-lead time equipment items is progressing on schedule and we remain on track for first gold in the June Quarter 2022.

"We were also very pleased during the quarter to appoint Mr Andrew McRae as the KOTH Mine Manager and also to sign a Letter of Intent with mining contractor Macmahon for the open pit and underground mine contracts.

"In terms of our current gold operations at Darlot, total gold production for the quarter was 19,047 ounces. The new satellite open pit at Great Western began during the quarter, with production from Great Western replacing ore from KOTH underground at the Darlot mill.

"Exploration for the quarter has continued to focus across multiple near-mine and regional prospects aimed at increasing existing Resources and making new discoveries to support the Darlot Mining Hub strategy."

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 remains 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.

The Perth region (where the Company's head office is located) had one reported case of COVID-19 community transmission during the quarter. However, there has been no material impact from COVID-19 on the Company's operations to date.

1. KING OF THE HILLS DEVELOPMENT

During the quarter, Red 5 approved Phase 2 of the Engineering, Procurement & Construction (EPC) contract, which will allow the Company's EPC contractor, MACA Interquip, to ramp-up the mobilisation of its construction teams in the coming months.

The majority of budgeted expenditure for Phase 2 comprises fixed-price contracts. To date, the Project is under budget and on track to deliver first gold production from the KOTH processing plant in the June 2022 Quarter.

1.1. Process Plant Construction

The bulk earthworks pad for the administration buildings, wet plant area, crushing and ore handling area is 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 underway.

Engineering design at the end of March 2021 was 75% complete. Structural steel detailing is underway and steelwork fabrication commenced 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.



Figure 2: Process plant site construction.

The procurement of long-lead time equipment items is progressing well against the scheduled procurement program.

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 Quarter.

The Metso Gyratory Crusher spider and 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 the June Quarter.



Figure 3: SAG mill shell undergoing refurbishment.

1.2. Village Construction

144 rooms at the accommodation village have now been commissioned to accommodate the site construction personnel and contractors. The balance of the rooms will be progressively commissioned with sufficient accommodation available for the construction ramp-up.



Figure 4: KOTH Village under construction.

1.3. Letter of Intent for KOTH Mining Contract

Red 5 has signed a Letter of Intent with Macmahon Contractors Pty Ltd, a subsidiary of leading civil and mining contractor Macmahon Holdings (ASX: MAH), for the award of the KOTH mining contract. The Letter of Intent follows the completion of a thorough competitive tender process for the open pit and underground mine contracts and encompasses the combined mining operations at KOTH.

The KOTH Gold Mine is based on 16 years of open pit mining and an initial underground mining operation. The proposed mining contract is for an initial 5-year period, with final contract documentation expected to be completed in the June Quarter and the contract to commence in the March 2022 Quarter.

1.4. Power Purchase Agreement for on-site power station

Red 5 has entered into a Power Purchase Agreement with Zenith Pacific (KOTH) Pty Ltd (Zenith), a subsidiary of Zenith Energy Limited. Zenith is a growing Australian power producer that has 12 off-grid power stations in Australia.

Zenith will build, own and operate approximately 30MW of power generation capacity, which will comprise high-efficiency reciprocating gas fuel power generation together with a 2MW (DC) Photo Voltaic (PV) solar farm and a Battery Energy Storage System, to service KOTH's power needs.

Power supply to the site is planned to commence in the March Quarter 2022 with an initial term of 10 years. The contract includes provision for a potential future upgrade to the power station to support increased plant throughput beyond the initial planned 4Mtpa rate.

Gas will be supplied from the Goldfields Gas Pipeline, located 12km west of the mine, under separate contracts.

1.5. Appointment of Mine Manager

In preparation for the start of mining operations, Red 5 has appointed Mr Andrew McRae as KOTH Mine Manager. Mr McRae is a Mining Engineer who has held a number of senior management roles over the past ten years at Evolution Mining's Cowal Gold Mine in New South Wales. His technical and project management skills and experience will be of great benefit to the planning, ramp-up and safe execution of operations at KOTH.

An Operational Readiness program for the start-up of the King of the Hills mine is underway, and further key positions will be appointed in the next six months.

1.6. Project Permits and Approvals

The KOTH Project is located within the boundaries of existing mining tenements and utilises much of the previously approved disturbance footprint and landforms of the current KOTH operation. Except for a proposed gas pipeline corridor to the south, no additional tenement applications are likely to be required for the proposed Project.

During the quarter, the KOTH Mining Proposal was approved by the Department of Mines, Industry Regulation and Safety (DMIRS). A Works Approval from the Department of Water and Environmental Regulation (DWER) for the Power Station construction is expected in the June Quarter.



Figure 5: Foundations commenced for stockpile tunnel and reclaim.

2. WEST AUSTRALIAN GOLD OPERATIONS

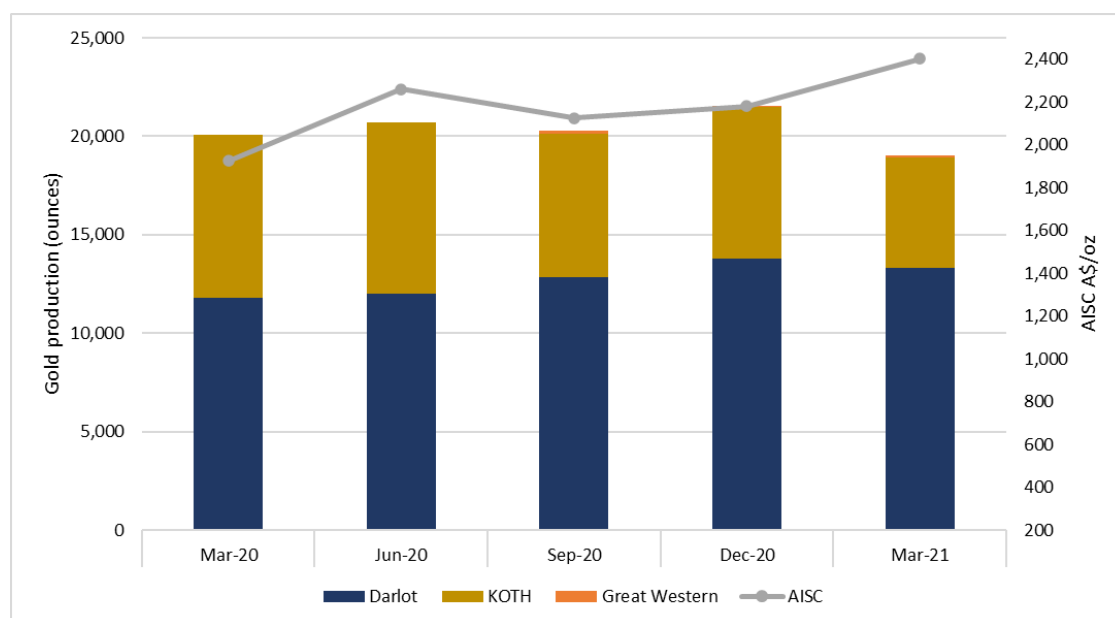
2.1. Sustainability

Zero Lost Time Injuries (LTI) were reported in the March 2021 Quarter.

LTIFR (Quarter): 0.00 (Lost Time Injury Frequency Rate)
LTIFR (12-month): 1.08
TRIFR (12-month): 8.76 (Total Recordable Injury Frequency Rate)

2.2. Production Summary

A total of 19,047 ounces of gold were recovered for the quarter (December Quarter: 21,534 ounces), with ore sourced from the Darlot and KOTH underground mines and Great Western open pit. AISC was \$2,402 per ounce (inclusive of Great Western mine development costs of \$226 per ounce). Quarterly gold production and AISC are shown in the graph below, which shows the respective contributions from Darlot, KOTH and Great Western.



2.2.1. Processing

Crusher and mill availabilities were 86.9% and 95.6%, respectively, during the March Quarter. A total of 246,782 dry tonnes were milled at an average throughput of 122 dry tonnes per hour.

Table 1: Darlot Mill Processing Statistics

	Units	March 2021 Quarter	December 2020 Quarter	September 2020 Quarter	June 2020 Quarter
Ore milled	t	246,782	262,662	259,870	237,312
Average head grade	g/t	2.61	2.81	2.66	2.98
Recovery	%	92.0	90.6	91.3	91.1
Gold recovered	oz	19,047	21,534	20,283	20,707
Gold sales	oz	19,011	22,412	19,332	20,929

The Darlot mill maintained a steady performance during the quarter, with no significant downtime or interruptions recorded. One minor scheduled shutdown was completed for routine maintenance and inspections. The next major mill maintenance shutdown is scheduled for June 2021 and will include a reline of the primary mill and the

installation of new process water pumps and associated pipework to increase water supply to the primary and secondary mills.

Two key projects were completed during the quarter:

- Primary Gravity Circuit – a new Knelson concentrator and screen were installed and commissioned on the primary mill circuit. The objective is to increase overall gold recovery and reduce reagent consumption, particularly from the Great Western ore which has a significantly high gravity gold component; and
- Crusher Magnet – a new automated crusher magnet discharge and cleaning arrangement was installed on the primary crusher discharge conveyor. This will reduce downtime in the secondary and tertiary circuits by removing steel associated with the underground ore more efficiently and help increase overall production from the crushing circuit.

2.2.2. Darlot Gold Mining Activities

Table 2: Darlot Gold Mine – Mine Production Statistics

	Units	March 2021 Quarter	December 2020 Quarter	September 2020 Quarter	June 2020 Quarter
Mined tonnes	t	115,702	156,198	165,460	159,816
Mined grade	g/t	3.22	2.92	2.76	2.60
Contained gold in ore	oz	11,964	14,673	14,689	13,342

Development for the quarter was predominantly focused on the Thomson 980, Pedersen 1110 and Grace/Marsh remnant areas. There were delays with production in Thomson as the ore was found to be open along strike with faces providing 3g/t feed, adding future production stopes. Diamond drilling targeting additional flat lodes also delayed development, however this has added additional Reserves. New capital development in the Pedersen Lower was prioritised to ensure that production areas are spread out and ore headings opened for the June Quarter.

Production was focused on the Walters 780, Grace 1140 and Thomson 980 areas. Air-leg mining continued in the Hurst, Federation, Border and Benauds Link sectors. Grades encountered in these stopes were 1g/t higher than expected. Productivity from these stopes also increased from 3kt to 4.5kt per month through the quarter.

In late January 2021, the main water line from the underground pump station to the surface failed. Pending its repair, a temporary system was installed to pump water up the decline using a number of staged pumps. A number of resources were used to run poly and setup pumps, delaying some production activities. The mine plan was also re-scheduled to ensure efficiencies in the June Quarter. Labour shortages resulted in lower productivity, and as a result, there are significant amounts of broken stocks underground awaiting haulage to surface and processing. Labour availability improved in March 2021, allowing for increased production from stoping areas in the Grace areas.

For Darlot, a total of 10,136m of underground diamond drilling was completed at the Darlot mine, and 11,031m of close-spaced RC drilling was completed for the St George open pit project adjacent to the Darlot mine. Darlot underground drilling mostly consisted of in-fill and grade control for the Middle Walters South zone, 200m south of the main Centenary workings, targeting the dolerite-hosted intersection of the Lords and Walters structures. Future follow-up drilling is planned in this area. Grade control drilling of the Thomson 980 area was also undertaken; a strongly mineralised flat extensional structure was identified on the footwall of the Oval fault.

Further Resource definition drilling was undertaken in the Oval area targeting mineralisation hosted in felsic intrusives. Close-spaced RC drilling at the St George open pit project intersected horizontal extensional quartz veins located between the Oval and Burswood faults.

2.2.3. King of the Hills Mining Activities

Table 3: KOTH Gold Mine – Mine Production Statistics

	Units	March 2021 Quarter	December 2020 Quarter	September 2020 Quarter	June 2020 Quarter
Total mined tonnes, including low grade material	t	5,925	116,518	110,017	161,379
Mined grade	g/t	6.06	2.69	2.02	2.33
Contained gold	oz	1,154	10,061	7,146	12,084
Ore trucked to Darlot for processing					
Total trucked tonnes	t	87,708	89,546	89,759	99,930
Trucked grade	g/t	2.26	3.28	2.49	2.83
Contained gold	oz	6,377	9,442	7,196	9,093
Ore stockpile inventory at KOTH					
Total tonnes	t	110,961	197,820	175,717	155,457
Grade	g/t	0.92	1.30	1.31	1.46
Contained gold	oz	3,272	8,267	7,426	6,644

All of the production tonnes sourced during the quarter were from narrow veins. These stopes were the Oros and Margery lodes in the northern section of the mine, with the delivered grade above plan.

No underground development was undertaken at KOTH in the quarter, with the only activity being the preparation of the diamond drill platform before the development drill was demobilised. Mine operations were suspended on 15 January, and the mining contractor was fully demobilised from site by the end of January. The KOTH underground mine is currently being maintained in a standby state with pumping, ventilation and electrical reticulation remaining active.

2.2.4. Great Western Open Pit Mining

Table 4: Great Western – Mine Production Statistics

	Units	March 2021 Quarter	December 2020 Quarter
Total mined tonnes, including low-grade material	t	11,014	-
Mined grade	g/t	1.14	-
Contained gold	oz	403	-
Ore trucked to Darlot for processing			
Total tonnes	t	2,410	10,616
Grade	g/t	3.18	0.67
Contained gold	oz	246	229
Ore stockpile inventory at Great Western			
Total tonnes	t	15,844	6,752
Grade	g/t	0.80	0.65
Contained gold	oz	407	2,141

The Red 5 and mining contractor team mobilised to the Great Western site in January. Land clearing and grubbing of topsoil for the Great Western Open Pit, haul roads, waste storage facilities, ROM, office, workshop and turkey's nest dam started in mid-January once the mining proposal for Great Western was approved by DMIRS.

The Great Western pit design has been split into two stages in order to manage the gold production profile of the pit and therefore project cash flow. Stage 1 mining started in the first half of February. Infrastructure offices, fuel farm, water supply, gensets, power reticulation, crib rooms and ablutions have now been established.

Ore Haulage from Great Western to the Darlot processing plant started in the second half of March. Mining rates have been impacted by machine operator and labour shortages now prevalent across the mining industry.

2.3. Operational Costs

Table 5: Darlot, Great Western and King of the Hills Gold Mines – AISC for the Quarter

	Units	March 2021 Quarter	December 2020 Quarter	September 2020 Quarter	June 2020 Quarter
Mining costs	A'000	14,135	23,315	24,871	24,464
Cartage costs	A'000	2,368	2,202	2,169	2,460
Great Western ramp-up to operations	A'000	4,299	79	-	-
Processing costs	A'000	7,161	7,423	7,713	7,796
General and administration costs	A'000	3,128	2,917	3,493	3,327
Royalties and selling costs	A'000	1,394	1,571	1,707	1,913
By-product credits	A'000	(299)	(324)	(316)	(262)
Production and selling costs	A'000	32,186	37,183	39,637	39,698
Capital expenditure and underground mine development (sustaining)	A'000	3,553	4,174	3,159	6,522
Corporate overheads	A'000	2,182	2,867	1,866	3,865
Inventory movements	A'000	7,762	4,656	(2,325)	(2,838)
All-in Sustaining Costs	A'000	45,683	48,880	42,337	47,247
Gold sales for AISC purposes	oz	19,011	22,412	19,932	20,929
Mining costs	A\$/oz	743	1,040	1,249	1,168
Cartage costs	A\$/oz	125	99	110	118
Great Western ramp up to operations	A\$/oz	226	3	-	-
Processing costs	A\$/oz	377	331	387	372
General and administration costs	A\$/oz	165	130	175	159
Royalties and selling costs	A\$/oz	73	70	86	91
By-product credits	A\$/oz	(16)	(14)	(16)	(12)
Production and selling costs	A\$/oz	1,693	1,659	1,991	1,896
Capital expenditure and underground mine development (sustaining)	A\$/oz	187	186	158	312
Corporate overheads	A\$/oz	115	128	94	185
Inventory movements	A\$/oz	408	208	(117)	(136)
All-in Sustaining Costs (AISC)	A\$/oz	2,402	2,181	2,126	2,259

Production and selling costs remained within target due to continued cost control measures aimed at reducing costs by the end of FY21, with the main opportunity areas being the process plant upgrades and mining cost optimisation. The AISC for the quarter was driven by the removal of waste to exposed ore during the development and ramp-up of Great Western and unfavourable inventory movements associated with the combined effect of drawing down KOTH ROM stocks and mill ROM stocks utilisation at Darlot during the quarter.

FY2021 guidance is maintained at between 80,000 to 85,000 ounces at an AISC of \$2,150 - \$2,280 per ounce.

3. EXPLORATION AND RESOURCE DEVELOPMENT

3.1. Darlot Regional Exploration

Regional surface exploration and Resource definition programs continued across the Darlot tenure throughout the March Quarter, targeting a number of key satellite deposits and prospect areas.

In line with the Company's Darlot Mining Hub strategy, Resource and exploration drilling progressed along the Mission and Cable mineralised trends, with ongoing Resource-focused Phase 1 in-fill drilling at the Cable Prospect and exploration focused drilling undertaken to test extensional potential along strike and below the Mission and Cable oxide gold footprints.

Air-core drilling also commenced across the Darlot tenure targeting several areas identified along highly prospective and under-explored structural corridors to test for dispersion of gold and pathfinder elements beneath transported cover.

Red 5 has an extensive exploration commitment at Darlot, with over 35,000m of diamond and RC drilling planned in FY21 across multiple near-mine and regional prospects, aimed at increasing existing Resources and making new discoveries to support the Darlot Mining Hub strategy.

3.1.1. Mission and Cable

The Mission and Cable satellite gold deposits are located approximately 10km north of the Darlot Gold Mine, along strike from the Taranaki Shear within the Yandal Greenstone Belt. Primary gold mineralisation at both prospects is predominantly associated with medium to high-grade quartz vein sets hosted within dolerite units, similar to the nearby Centenary orebody at the Darlot mining operations.

Due to the narrow ore zones associated with the Mission and Cable deposits, a staged and decision-based in-fill drilling approach has been adopted to delineate the Resources. Phase 1, 20m x 40m RC in-fill drilling completed in the December 2020 Quarter at Mission has confirmed the continuity of north-trending, steeply west-dipping quartz vein sets along the known 500m strike extent of mineralisation.

Phase 1, 20m x 40m RC in-fill drilling commenced in early January at the Cable Prospect and is currently 50% complete, with the remaining drill holes scheduled to be completed in early FY22. Early-stage visual results from the Cable drill holes have been encouraging, showing continuity of the north-trending vein sets similar to the drilling results returned from the Mission in-fill program.

In addition to the Resource definition programs, diamond drilling continued at Cable and Mission during the March Quarter, with first-pass drilling completed at the Cable Prospect to identify and delineate the primary gold source below the oxide zone; and a Phase 2 diamond program completed at Mission to further evaluate the continuity of a quartz lode hosting visible gold defined from the Phase 1 drill program completed in the December Quarter.

The first four diamond drill holes completed at Mission in November-December 2020 returned positive results, with the primary orogenic gold lode intersected on the contact between the Mission-Cable magnetic dolerite and underlying volcanic sediments. The lode structure hosts a 20-30cm wide laminated vein with visible gold observed in two of the holes drilled. The other two holes also intersected the contact with strong shearing and faulting observed in drill core.

The Phase 2 diamond program completed at Mission in the March Quarter comprised two drill holes designed to further test the strike potential of the Mission primary structure down-dip by 40m and along strike from 40-60m

from the visible gold hits. Assay results are pending, but observation of the drill core has confirmed the continuity of the lode structure along strike and at depth.

The Phase 1 diamond drill program completed at Cable in the March Quarter consisted of four diamond drill-holes and was designed to test the extension of the Cables mineralised trend down-dip, provide additional structural information of mineralised veins and shears, and upgrade areas of low confidence in stratigraphy and along the structural corridor. Assays are pending, but observations of the drill core are encouraging including the intersection of a 60cm zone containing primary orogenic gold lode hosting visible gold from 111.45m from 21CBDD002.

Assay results are pending, with the delays currently being experienced reflecting the industry-wide assay backlog.

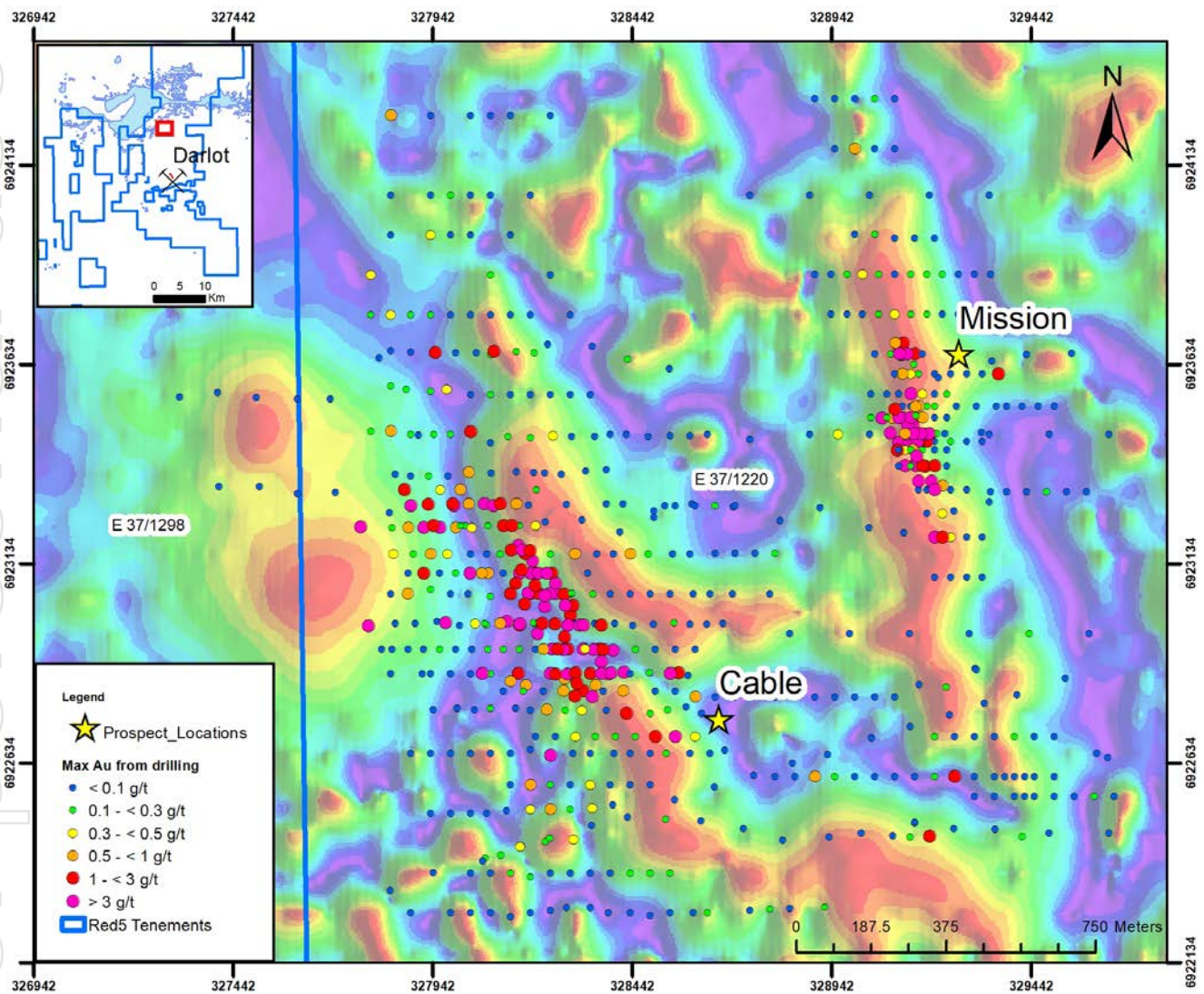


Figure 6: Plan map showing the aerial magnetics of Cable and Mission Resource with maximum gold (g/t) from historical drilling.

3.1.3. King of the West

The King of the West prospect is located within tenement E37/1253, in close proximity to the Goldfields Highway and opposite the Jaguar base metal mine, 5km south of the Wonder North gold project and 10km south of Red 5's new Great Western gold mine.

The geological setting of the project area shows strong similarities to the nearby Wonder/Celtic and Great Western areas, comprising north-south trending greenstone packages intruded by granitoids which are intersected by WNW-ESE striking structures.

Reconnaissance exploration undertaken by Red 5 in 2020 returned high-grade results from grab samples taken from the King of the West prospect and also identified a 3.4g/t rock chip sample from an untested structure in the northern part of the tenement. To date, large parts of the tenement with structures and geology that bear a striking similarity to major gold deposits in the area, including Great Western, remain untested and warrant further work.

The AC drilling completed in the March Quarter at King of the West was designed to test three areas in the north, central and southern parts of the project area with a focus on drilling targets which comprise geological and structural features analogous to proximal gold deposits.

All drill-hole logging has been completed and the samples dispatched to MinAnalytical. Assay results are pending.

3.1.4. Emperor West

The Emperor West target area is situated in the south-western area of the Darlot tenure and lies within the fertile and under-explored Emperor structural corridor. A number of high-resolution open file aeromagnetic surveys have been obtained that cover the project area, and interpretation and re-processing of these surveys has highlighted structural anomalies similar to those associated with nearby gold deposits.

Based on this interpretation, it appears that the target area contains a significant lithological boundary between a granitic intrusion covering the southern part and mafic intrusives (dolerite/gabbro) in the northern part of the tenement. These contacts are highly prospective for gold mineralisation, as the shear zones along these contacts allow fluid flow and the difference in rheological and geochemical characteristics are favourable for generating traps for gold to precipitate.

In addition, the general structural architecture of the tenement, which contains several E-W and N-S oriented structures, also makes it prospective for intra-granitic gold mineralisation. The variety of geological characteristics and prospectivity for several different mineralisation styles on the tenement makes the lack of historical exploration on E37/1054 surprising.

A scout air-core drilling program designed to characterise the regolith profile and test for dispersion of gold and pathfinder elements in transported overburden and lithological contacts was completed in mid-March. Surface signatures and anomalies have been linked with buried mineralisation at nearby deposits and provide an effective geochemical tool for exploration in this area.

The program, comprising 33 holes totalling 1,021m, has confirmed the presence of favourable mafic lithologies. The results also build on the geological and geochemical datasets for the Darlot area, with the aim of improving the exploration targeting process through increased understanding of local mineralisation systems.

All drill-hole logging has been completed, samples have been submitted, and assay results are pending.

4. SIANA GOLD PROJECT, PHILIPPINES

Red 5's Philippine-affiliated Company, Greenstone Resources Corporation, continues to evaluate its preferred plan and options for the Siana Gold Project, including a revised mining strategy for the Siana open pit mine for the potential future recommencement of operations. While mining operations remain suspended at Siana, ongoing activities at the site include dewatering of the open pit, infrastructure maintenance and geotechnical monitoring.

Greenstone Resources Corporation is currently evaluating two non-binding offers for the sale of the Siana Gold Project.

5. CORPORATE AND FINANCIAL

5.1. King of the Hills project financing facilities

During the quarter, Red 5 received a committed letter of offer from BNP Paribas, Australia branch, The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch and Macquarie Bank Limited (together with the Syndicate Banks) for project financing facilities for the development of KOTH.

Red 5 and the Syndicate Banks are now working towards satisfying the conditions precedent for documentation and financial close. Those conditions precedent include execution of finance documents, satisfaction of typical conditions precedent outlined in the agreed term sheet and completion of due diligence satisfactory to the Banks. Financial close and the first debt draw-down is expected in the June Quarter.

The key terms of the project financing facilities include:

- A\$160m senior secured project loan facility;
- A\$15m cost overrun and working capital facility;
- Loan term in respect of the senior secured project loan facility of 5.75 years, maturing on 30 September 2026;
- Loan term in respect of the cost overrun and working capital facility maturing 18 months after anticipated project completion;
- Mandatory hedging comprising 189,651 gold ounces. It is expected that all hedge contracts will range from A\$2,150-\$A2,165/oz at financial close (~25% of production during the loan term, 8% of ore reserves);
- An interest rate in respect of the senior secured project loan facility of BBSY-bid plus a margin below 4.00% p.a.;
- An interest rate in respect of the cost overrun and working capital facility of BBSY-bid plus 5.00% p.a.; and
- Guaranteed and secured on a first-ranking basis over all Australian assets of Red 5, Greenstone Resources (WA) Pty Ltd, Opus Resources Pty Ltd and Darlot Mining Company Pty Ltd.

The project financing facilities are to be provided on usual financial terms for a syndicate-banking group, featuring competitively-priced and flexible facilities.

The Syndicate Banks' commitment to providing the project financing facilities follows an extensive due diligence process by the Independent Technical Expert (ITE) on behalf of the banks. Completion of the Institutional Entitlement Offer satisfied a requirement of the project financing facilities for the Company to raise not less than A\$33m in equity.

5.2. Entitlement Offer

During the quarter, the Company launched a fully underwritten A\$60m, 4-for-21 accelerated non-renounceable entitlement offer to all shareholder to conclude development financing for KOTH, to fund drilling and development programs at the Darlot Gold Project and for further working capital.

The Entitlement Offer was completed in two parts, being:

- An accelerated component (Institutional Entitlement Offer); and
- A retail offer, which opened on 24 March 2021 and closed subsequent to the end of the quarter on 9 April 2021 (Retail Entitlement Offer).

The Entitlement Offer was completed at an Offer Price of \$0.16 per share. Petra Capital Pty Ltd and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers, Joint Bookrunners and Joint Underwriters to the Entitlement Offer.

Red 5 completed the book-build for the institutional component of the entitlement offer (Institutional Entitlement Offer) on 19 March 2021, raising approximately \$39m through the issue of approximately 245 million shares. The Retail Entitlement Offer closed subsequent to the end of the quarter on 9 April 2021 and raised a further \$20.8m through the issue of approximately 130 million shares at \$0.16 per share.

5.3. Quarterly Cash Position Reconciliation

Mining operations continue to generate operating cash flow to fund the Company's exploration and growth activities.

Table 7: Quarterly Cash Position Summary

	Operations A\$M	Construction A\$M	Total A\$M
Cash and Bullion – 31 December 2020	16.9	81.6	98.5
Sales receipts net of hedging	43.1	-	43.1
Operating costs including royalties and Great Western development	(39.2)	-	(39.2)
Working capital payments	(10.8)	-	(10.8)
Free cash flow used in operations	(6.9)	-	(6.9)
Sustaining capital and mine development expenditure	(3.6)	-	(3.6)
Growth and exploration activities	(2.5)	-	(2.5)
KOTH construction	-	(27.3)	(27.3)
KOTH operational readiness activities	-	(1.4)	(1.4)
Cash used in development activities	(6.1)	(28.7)	(34.8)
Equity raising (net of brokerage costs)	38.0	-	38.0
Repayment instalment of Macquarie Working Capital Facility	(5.0)	-	(5.0)
Repayment out-of-the-money hedging	(4.8)	-	(4.8)
Corporate overheads and business development activities	(2.2)	-	(2.2)
KOTH - maintenance and holding costs	-	(1.0)	(1.0)
Siana Gold Project – maintenance and holding costs	(1.5)	-	(1.5)
Interest payments and FX movements	(0.6)	-	(0.6)
Cash from financing activities and other expenditure	23.9	(1.0)	22.9
Total cash and bullion decrease	10.9	(29.7)	(18.8)
Cash and bullion – 31 March 2021	27.8	51.9	79.7

Cash flow used in operations for the March Quarter before working capital payments was \$3.9m reflecting the anticipated removal of waste to exposed ore during the ramp-up of Great Western. The average sales price achieved for the quarter was A\$2,267 per ounce.

At 31 March 2021, the Company had total cash and cash equivalents of \$79.7m (\$76.9m cash and \$2.8m bullion). This was after the completion of the institutional component of the entitlement offer (\$38.0m net of brokerage costs), the full repayment outstanding of \$5.0m for the working capital loan facility with Macquarie and the payment of out-of-the-money hedges of \$4.8m pursuant to the close-out of 24,500 ounces hedged with Macquarie. A further \$20.8m was received in early April for the retail component of the entitlement offer.

During the quarter, Red 5 paid \$27.3m in KOTH construction activities, primarily on the village construction facilities. Red 5 has paid \$43.0m to date for KOTH construction activities, which are part of the \$226m capital budget.

Red 5 also invested \$2.5m in growth exploration programs at Darlot and Great Western during the March Quarter.

During the March Quarter, the Company made payments of \$0.28m (December Quarter: \$0.28m) to related parties, comprising payments to directors and director-related entities for executive salaries, directors fees and consulting fees for the provision of additional consultancy services to the Company.

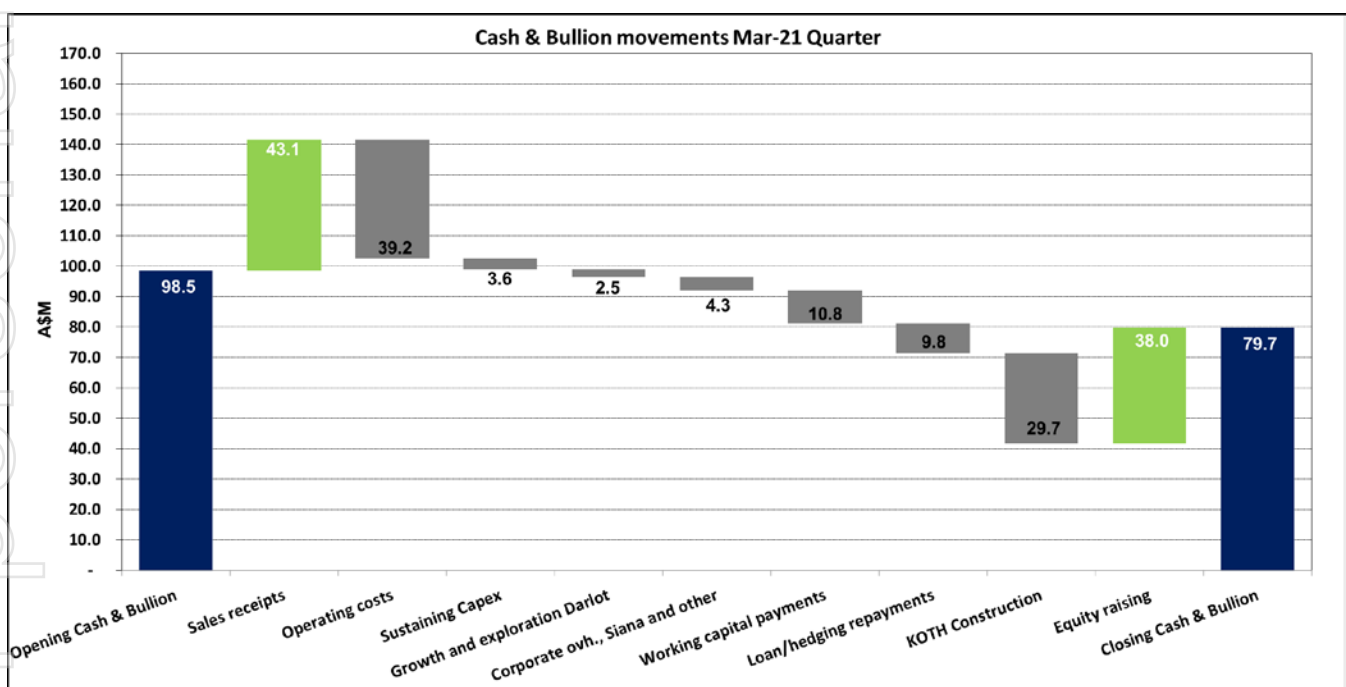


Figure 8: March 2021 Quarter Cashflow Waterfall Chart.

5.4. Hedging

During the March 2021 Quarter, the Company delivered 14,500 ounces into its hedging contracts at a weighted average price of A\$2,095 per ounce.

As part of the use of proceeds from the Entitlement Offer, the Company closed out its hedge book at the end of March. This comprised 24,500 gold ounces at a weighted average price of \$2,077 per ounce, which were to be delivered during the June 2021 and September 2021 Quarters. These ounces were closed out at \$2,272 per ounce for a total payment of \$4.8m.

During the March Quarter, the Company also completed the mandatory hedging requirement for the \$175m KOTH debt facility commitment, comprising 189,651 gold ounces, as part of the overall KOTH debt funding

package. The gold hedging for KOTH has been secured in advance of financial close under the Company's existing working capital loan security with Macquarie Bank. Upon financial close, 50% of the hedging will transfer to BNP Paribas and HSBC. Once the transfers are finalised, it is expected that all hedge contracts will range from A\$2,150-A\$2,165 per ounce.

Authorised for release by the Board.

ENDS

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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.

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 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.

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 – 31 MARCH 2021

WESTERN AUSTRALIA		
Project	Tenement number	Red 5 interest
Darlot Gold Mine	E36/0865, E36/0940, E36/0941, E36/0944, E36/0945, E36/0964, E36/0968, E36/0969, E36/0980, E36/0997, E37/1054, E37/1086-I, E37/1194, E37/1195, E37/1210, 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, E37/1395, E37/1398, E37/1400, E37/1413, G37/0037, 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, M37/0503, M37/0584, M37/0592, M37/0608, M37/0667, M37/0774, M37/0775, M37/1217, P36/1879, P36/1883, P36/1884, P36/1889, P37/8309, P37/8431, P37/8432, P37/8587, P37/8698, P37/8699, P37/8700, P37/8701, P37/8716, P37/8788, P37/8789, P37/9210, P37/9345	100%
	E36/0999, E36/1002, E36/1013, E37/1393, E37/1415, E37/1428, E37/1440, L37/0238, P36/1920, P36/1921	100% (Applications pending)
	E37/1220	Right to explore and mine Sub-Lease Area
	E37/1271, E37/1272, E37/1273, E37/1274, E39/1706, E39/1854, E39/1985	Farm-in agreement to earn up to 80%
	M37/0552, M37/0631, M37/0709, M37/1045	49%
	M37/0246, M37/0265, M37/0320, M37/0343, M37/0345, M37/0393, M37/0776	84%
	M37/0421, M37/0632	100% with a portion of tenements at 49% via agreement
King of the Hills Gold Project	E37/1385, E37/1410, 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, P37/9270, P37/9271, P37/9281, P37/9282, P37/9283, P37/9284, P37/9286, P37/9287, P37/9289, P37/9291, P37/9392, P37/9393, P37/9394, P37/9395, P37/9396, P37/9397,	100%

WESTERN AUSTRALIA		
Project	Tenement number	Red 5 interest
	P37/9398, P37/9399, P37/9400, P37/9401, P37/9402, P37/9403, P37/9404, P37/9405, P37/9406, P37/9407, P37/9408, P37/9409, P37/9410 E37/1409, L37/0248, P37/9285, P37/9288, P37/9290, P37/9292, P37/9293, P37/9294, P37/9295, P37/9491, P37/9492	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
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%

Interests in mining tenements or farm-in or farm-out agreements acquired or disposed of during the quarter were as follows:

WESTERN AUSTRALIA		
Project	Tenement number	Red 5 interest
Darlot Gold Mine	E36/1013, E37/1440, P36/1920, P36/1921	100%
King of the Hills Gold Project	P37/9491, P37/9492 P37/9269, P37/9272, P37/9273, P37/9274, P37/9275, P37/9276, P37/9277, P37/9278, P37/9279, P37/9280	100% 0% (tenements relinquishment)

Abbreviations

Tenements (Australia)

M: Mining Lease
P: Prospecting Licence
E: Exploration Licence
L: Miscellaneous Licence

Tenements (Philippines)

MPSA: Mineral Production Sharing Agreement
APSA: Application for MPSA

Company name

Greenstone: Greenstone Resources Corporation
SHIC: Surigao Holdings and Investments Corporation