

27 May 2021

Gas supply contracts for the King of the Hills Project awarded to Alinta Energy and APA

Gas supply, gas transportation and power generation agreements now in place to support the 16-year life of mine King of the Hills Gold Project

Red 5 Limited (**ASX: RED**) is pleased to advise that it has entered into two contracts for the supply of gas to the King of the Hills (**KOTH**) Gold Project via the Goldfields Gas Pipeline, located 12km west of the mine:

1. A Gas Supply Agreement with Alinta Sales Pty Ltd (**Alinta Energy**), a subsidiary of Alinta Energy Pty Ltd. Alinta Energy is a major energy company in Western Australia.
2. A Gas Transport Agreement with APA Operations Pty Ltd (**APA**), a subsidiary of APA Group (**ASX:APA**). APA is a major energy infrastructure company in Australia.

The Gas Supply Agreement with Alinta Energy has an initial term of three years starting in the March Quarter 2022, with an option to extend the contract period for a further two years. The contract has a fixed-price tariff with annual escalation for a daily contract quantity of 4,250 gigajoules (GJ's).

The Gas Transport Agreement with APA consists of three contracts covering construction development for the pipeline lateral connection and gas let down station, transportation agreement and access deed. The gas transportation agreement is for 10 years commencing on practical completion of the new pipeline lateral, which is expected to coincide with practical completion of the KOTH process plant, which is anticipated for the March Quarter 2022. Gas will be supplied from the Goldfields Gas Pipeline and the associated new gas pipeline infrastructure currently under construction. The gas pipeline capacity rate will be charged at a fixed price subject to CPI indexation over the contract period.

Gas will be supplied to the power station being built at KOTH by Zenith Energy (see ASX Announcement 29 March 2021). Zenith will build, own, and operate approximately 30MW of power generation capacity, which will comprise high-efficiency reciprocating gas fuel power generation and a 2MW (DC) Photo Voltaic (PV) solar farm Battery Energy Storage System.



Figure 1: The Goldfields Gas Pipeline will supply gas to the mine, located 12km's west of KOTH.

Red 5 Limited

ABN 73 068 647 610

ASX: **RED**

Shares on issue: **2,346M**

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

Red 5 Managing Director Mark Williams said the award of the Gas Supply and Gas Transport agreements to Alinta Energy and APA has locked in an important component of King of the Hills power supply requirements and marked another key construction milestone for the Project.

"Gas supply represents a vital component in the delivery of the King of the Hills Project, providing an efficient and low-cost source of energy to power the operation.

"Both Alinta Energy and APA are highly regarded energy and infrastructure suppliers, and we're very pleased to now have these long-term contracts in place.

"Our gas supply under these agreements will be integrated with a solar farm and battery, ensuring King of the Hills has a reliable and cost-effective power solution in place," Mr Williams said.

ENDS

Authorised for release by the Board.

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

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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.