

21 September 2021

Red 5 completes divestment of the Siana Gold Project, Philippines

*Financial close has been achieved for the divestment of the Siana Gold Project to
TVI Resource Development (Phils.) Inc.*

- **US\$19 million cash consideration received.**
- **Net Smelter Return royalty of 3.25% payable for up to 619,000 ounces of gold, with an estimated future face value of US\$36 million (based on a US\$1,800/oz gold price) (Royalty).**
- **TVI Resource Development (Phils.) Inc. is in the advanced stages of securing funding to restart the Siana Gold Project, which is expected to re-commence operations in the first half of 2023.**

Further to its announcement of 29 July 2021, Red 5 Limited (ASX: RED) (**Red 5 or the Company**) advises that all conditions have now been satisfied for the sale of its interests in Philippine company Greenstone Resources Corporation (**GRC**), which holds both the Siana Gold Project (**Siana**) and the Mapawa Gold Project in the Philippines, to TVI Resource Development (Phils.) Inc. (**TVIRD**) (**Agreement**).

TVIRD, which is the Philippine affiliate of the Canadian-listed TVI Pacific Inc (**TSX-V:TVI**), has two operating mines and several other development projects in the Philippines with interests in gold, nickel and copper. Through its major shareholder, Prime Resource Holdings Inc., TVIRD has advised that funding to restart Siana is expected to be sourced from existing operating cash-flows and debt facilities if required, and is targeting a restart of operations in the first half of 2023.

TVIRD will become the 100% owner of GRC and, therefore, the divestment includes the process plant and all other infrastructure at Siana. Red 5 has received gross proceeds of US\$19 million through the repayment of outstanding shareholder advances due from its Philippine-affiliated company, Red 5 Asia Inc, which is a shareholder of GRC. Red 5 group will also receive a Royalty of 3.25% payable for up to 619,000 ounces of gold, which will become payable from first gold from the restart of the Siana processing plant.

The divestment of its interests in the Siana and Mapawa Projects is consistent with Red 5's strategy to focus on its King of the Hills and Darlot gold mines in Western Australia, with the aim of becoming a mid-tier Australian gold producer. Red 5 entered into the Agreement with TVIRD after considering various options for the Siana Project following the suspension of mining operations there in 2017.

PCF Capital acted as Financial Advisor to Red 5. HopgoodGanim Lawyers and SyCipLaw Center have acted as Legal Advisors to Red 5.

Commenting on the transaction, Red 5 Managing Director, Mark Williams, said:

"Red 5 would like to thank TVIRD for a smooth transition during the divestment process, which has included securing all Philippines regulatory approvals. We look forward to maintaining a long-term relationship with TVIRD and wish them well with their plans to restart the Siana Gold Project for the benefit of all key stakeholders in the region."

Red 5 Limited

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“From a Red 5 perspective, the transaction streamlines our portfolio and removes the annual holding cost of approximately A\$6 million. The divestment crystallises a combination of cash value for our shareholders while maintaining future exposure to the upside at Siana via a capped Net Smelter Return Royalty of 3.25%. I would once again like to thank everyone who has been involved in assisting us with this transaction.

“We are now well established on our growth trajectory to becoming a mid-tier Australian gold producer with the construction of the King of the Hills gold mine now in full swing and first gold production on track for the June Quarter 2022, complementing our nearby existing production base at Darlot.”

ENDS

Authorised for release by the Board.

For more information:

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