

31 January 2018

## December 2017 Quarterly Activities Report

***Strong first quarter for Red 5 as an Australian gold producer with production of 17,777oz; maiden 895koz JORC Resource and 131koz Reserve at Darlot underpins 2018 outlook; Group Mineral Resources in WA increased to 1.3Moz<sup>1</sup> inclusive of King of the Hills, where underground mining is underway***

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### Operations – Darlot Gold Mine, Western Australia

- Acquisition of the Darlot mining operation completed on 2 October 2017, with the ownership transition, integration of the operation and existing workforce successfully completed.
- Gold production of 17,777oz and gold sales of 16,150oz for the quarter, representing a strong maiden production performance under Red 5's ownership. All-in sustaining costs (AISC) of A\$1,291 per ounce.
- Encouraging results from the remnant mining program in the upper and mid-levels of the mine, with stopes in the first 3 extensions to existing mining areas exceeding expectations in terms of mined tonnages and grade.
- Strong performance by the Darlot processing plant, with periods of throughput reaching up to 100 tonnes per hour and opportunities identified to increase capacity.

### Development – King of the Hills Gold Project (KOTH), Western Australia

- The first stockpiled ore from King of the Hills was successfully trucked and milled at Darlot.
- Underground mining contract awarded to experienced underground mining contractor, Pit N Portal Mining Services, and underground mining commenced in early January 2018 following receipt of mining approvals.
- Initial results from heap leach amenability test work on lower grade ores shows potential for a longer term growth project at KOTH which will be pursued in 2018.

### Exploration and Resource Development

- Maiden JORC 2012 Mineral Resource estimate completed for Darlot, delivering a significant increase in contained gold ounces over the previously reported SAMREC estimates (1.2Mt @ 5.97g/t Au for 224,000oz<sup>2</sup>):  
*Measured, Indicated and Inferred Mineral Resource of 6.0Mt @ 4.6 g/t Au for 895koz of contained gold*
- JORC 2012 Resource includes a maiden Probable Ore Reserve of 1.0Mt @ 4.0 g/t Au for 131koz of contained gold, delivering additional mine life for the Darlot mining operations.
- Multi-pronged exploration and resource definition programs commenced post quarter end at Darlot and King of the Hills to further expand and de-risk the Resource and Reserve base, with numerous high-priority targets identified, including targeting immediate extensions of the CDA Oval deposit immediately along strike of and below current workings.
- Grade and resource drilling also commenced in January 2018 at King of the Hills with drilling initially targeting the northern section of the mine.

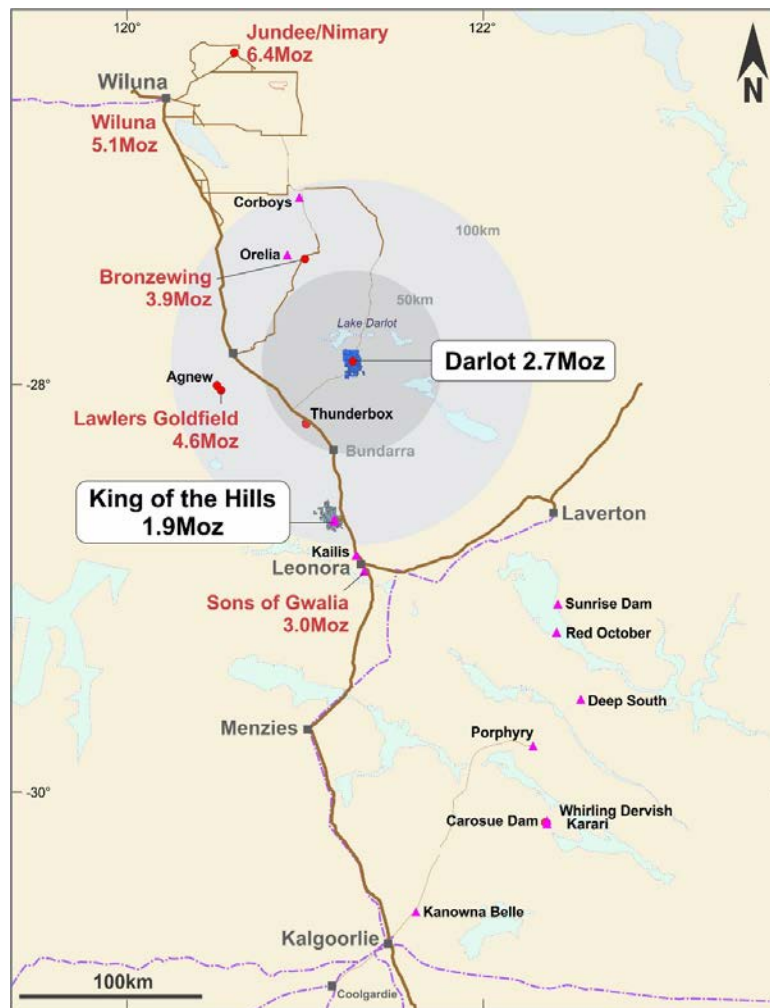
### Finance and Outlook

- Group cash and metal in account of A\$21.8M as at 31 December 2017.
- Gold production<sup>3</sup> for calendar year 2018 expected to be in the range of 85-95,000oz.

<sup>1</sup> Combined new Mineral Resource (JORC 2012) at Darlot (see below) and Saracen Resource and Reserve Statement 2 August 2017 for KOTH as at 30 June 2017

<sup>2</sup> Gold Fields Resource and Reserve Supplement 2016 p.69 and p.71 as previously reported by Red 5 on 3 August 2017

<sup>3</sup> Guidance is subject to market and operating conditions and no unforeseen circumstances occurring. Potential production and throughput rates are subject to a range of contingencies which may affect performance.



**Figure 1:** Darlot and King of the Hills locations, showing historical production from key gold deposits in the region.

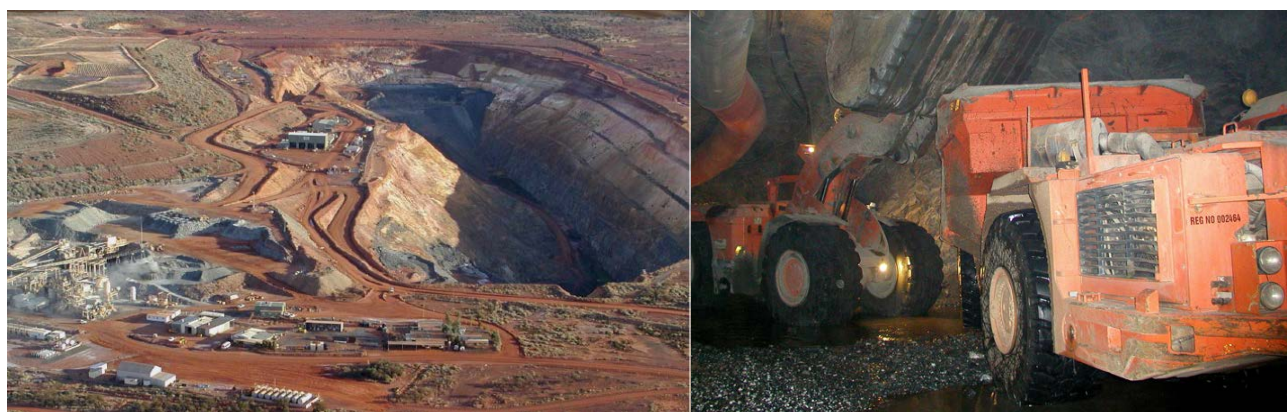
The underground mining contract for the KOTH project was awarded to Pit N Portal Mining Services with underground mining commencing in early January 2018 following the receipt of all required mining approvals. This will provide a supplementary source of ore feed to the Darlot mill.

At Darlot, an extensive re-evaluation of the previously reported SAMREC estimates completed by the previous owner (1.2Mt at 5.97g/t Au for 224,000oz<sup>2</sup>) resulted in a significant increase in the Resource base, with the publication of a maiden Measured, Indicated and Inferred JORC 2012 Mineral Resource of 6.0Mt at 4.6g/t Au for 895,000oz of contained gold, including a maiden Ore Reserve of 1.0Mt at 4.0g/t Au for 131,000oz, as reported on 21 December 2017.

The increase was primarily due to the inclusion of areas deemed by the previous owner for SAMREC estimate reporting purposes to have been sterilised, including numerous areas which are now being targeted as part of Red 5's mining strategy, together with reduced mining cut-off grades and additional areas not quoted previously.

Together with previously reported JORC 2012 Mineral Resources for the KOTH project, this increased the Group's JORC Mineral Resource inventory in Western Australia's Eastern Goldfields to 1.3 million ounces.

In addition to a re-evaluation of the existing Mineral Resource inventory, Red 5's exploration team undertook a review of numerous exploration opportunities at Darlot during the quarter. This has allowed a ranking and prioritisation of targets, with diamond drilling underway targeting potential extensions immediately down-plunge and along strike from existing mining areas. Surface drilling is set to commence next quarter targeting a number of prospective targets with the potential to deliver new gold discoveries for the Company.



**Figure 2:** Darlot Gold Mine, Western Australia – (left) aerial view; (right) underground mining operations

The completion of the maiden JORC 2012 compliant Mineral Resource and a maiden Ore Reserve, together with the start of production at KOTH, enabled the Group to announce Group gold production guidance for calendar year 2018 of 85-95,000oz sourced from both Darlot and KOTH.

Mining operations at the Siana Gold Project remained suspended during the quarter, with ongoing activities including dewatering of the open pit, monitoring of geotechnical issues and community relations.

## OPERATIONS – DARLOT GOLD MINE

### Production Summary

Total gold production from the Darlot Gold Mine was 17,777 ounces for the December 2017 quarter. All-in sustaining costs (AISC) were A\$1,291per ounce. The commencement of underground development and mining at the KOTH project and resource definition activities at the Darlot mine during the March 2018 quarter will have an impact on the expected AISC for the next quarter.

Operationally, the project performed well with mining of the Darlot underground orebody benefiting from the Company’s strategy to target extensions to existing mining areas. Three areas are currently being targeted on this basis with results exceeding expectation in terms of recovered tonnes and grade. Key production metrics for the quarter are summarised in **Table 1** below:

**Table 1 – Darlot Gold Mine, Key Production Metrics**

	December 2017 Quarter
Mined tonnes	132,703t
Mined grade	4.17g/t
Tonnes milled	130,944t
Average head grade	4.21g/t
Recovery	94%
Gold production	17,777oz
Gold sales	16,150oz
All-in sustaining cost	A\$1,291/oz

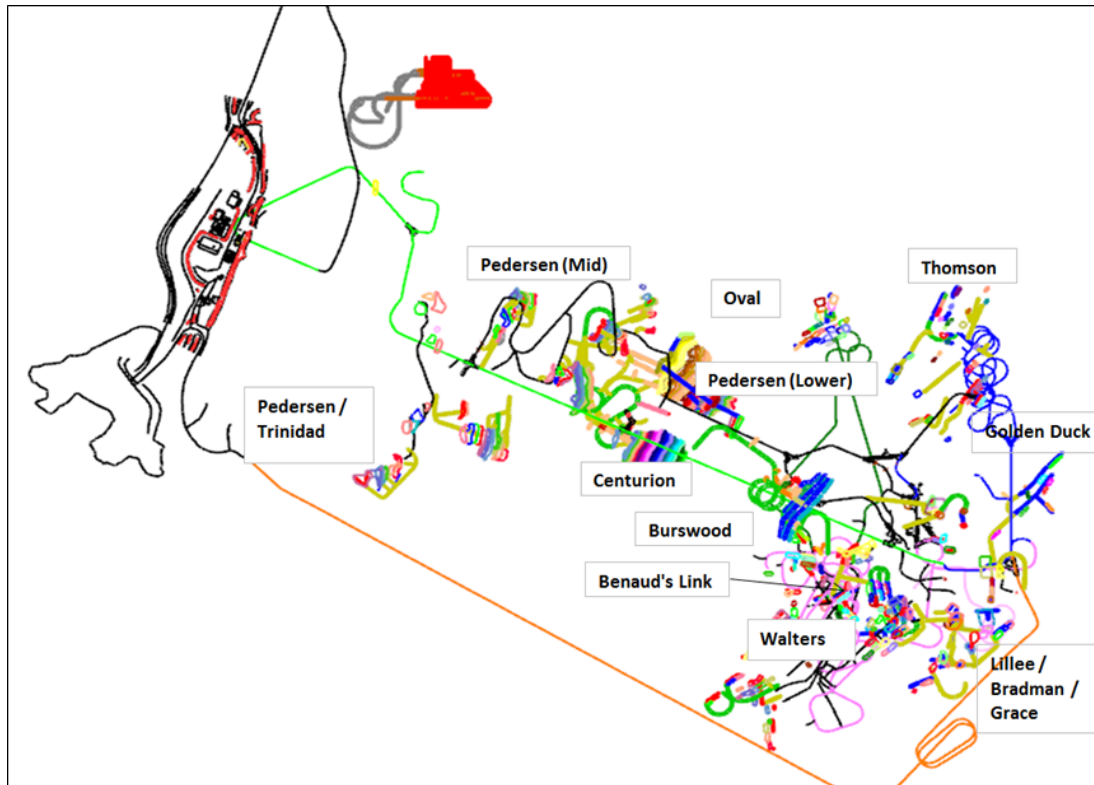
### Mining Activities

Ore was sourced from multiple working areas including the higher grade CDA Oval workings, located within the Centenary underground mining area at Darlot and a trial parcel of stockpiled ore from KOTH which was processed during the quarter.

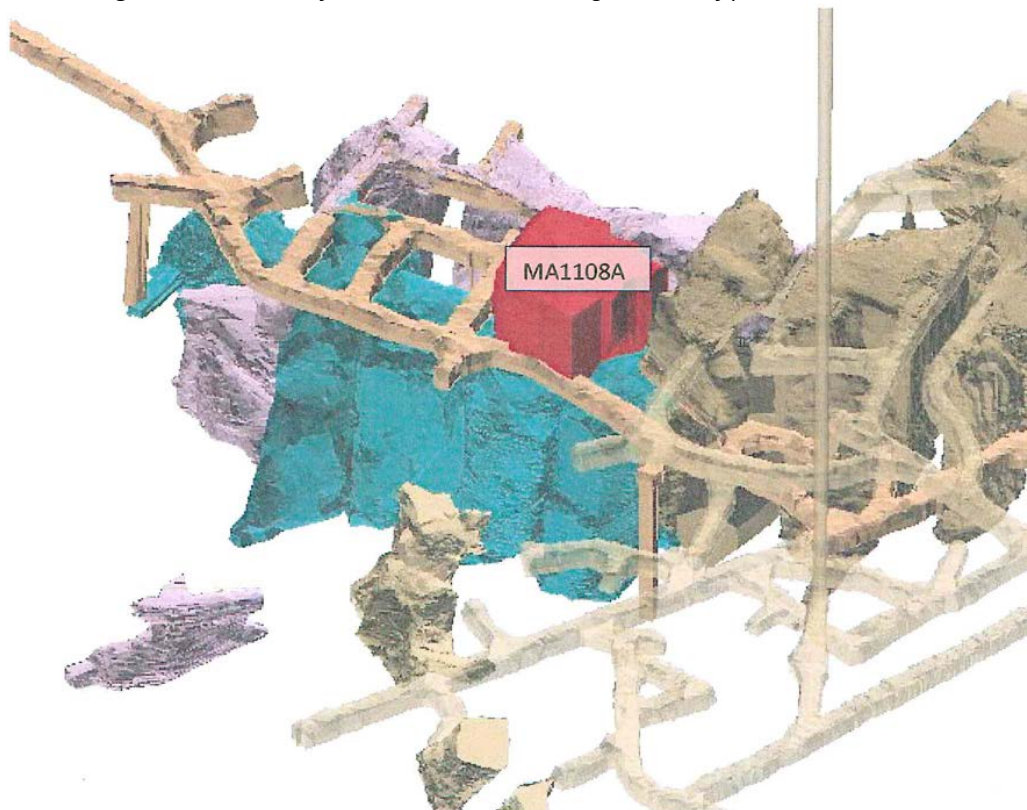
A key part of Red 5’s Stage 1 development plan for Darlot is to mine a number of different areas in the upper and mid-levels of the mine which had previously been considered to have been sterilised. This program is delivering promising results, with stopes in the first three extensions to existing mining areas (Marsh, Walters and Bradman) exceeding expectations in terms of mined tonnages and grade.

The location of the Darlot lodes and planned work areas for the Life of Mine Plan can be seen in Figure 3, with a more detailed view of the three extensional work areas seen in Figures 3 to 6.

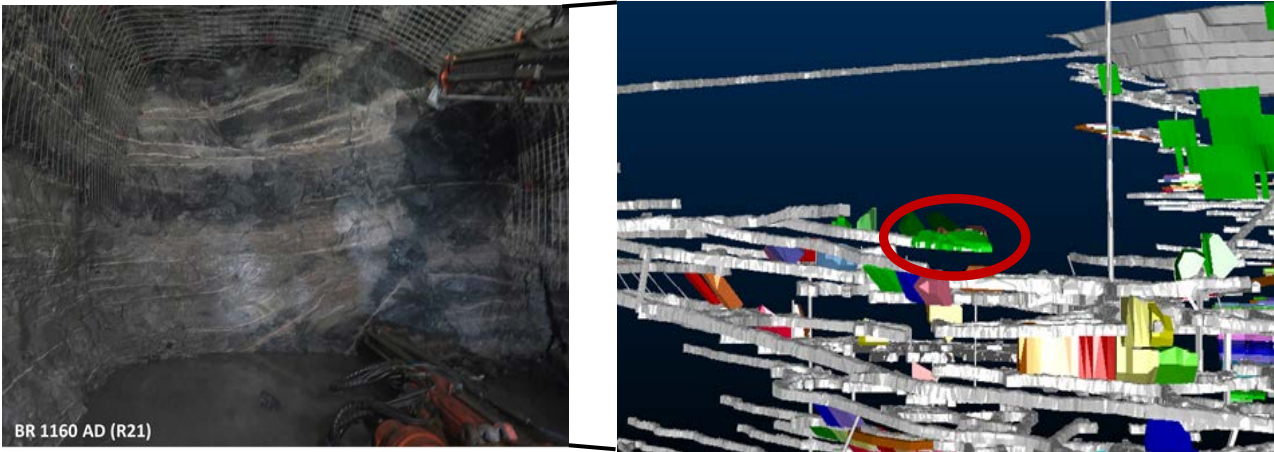
The Marsh 1108 stope, as shown in Figure 4 was a developed block of ore identified as suitable for a bulk stope with an opportunity to mine 55kt at 1.9g/t but the final mining shape is expected to produce 86kt at a similar grade for 5.5koz. This stope is close to half mined out with every indication that the recoveries through the process plant are being maintained.



**Figure 3:** Plan view of the Darlot lodes showing location of planned work areas.

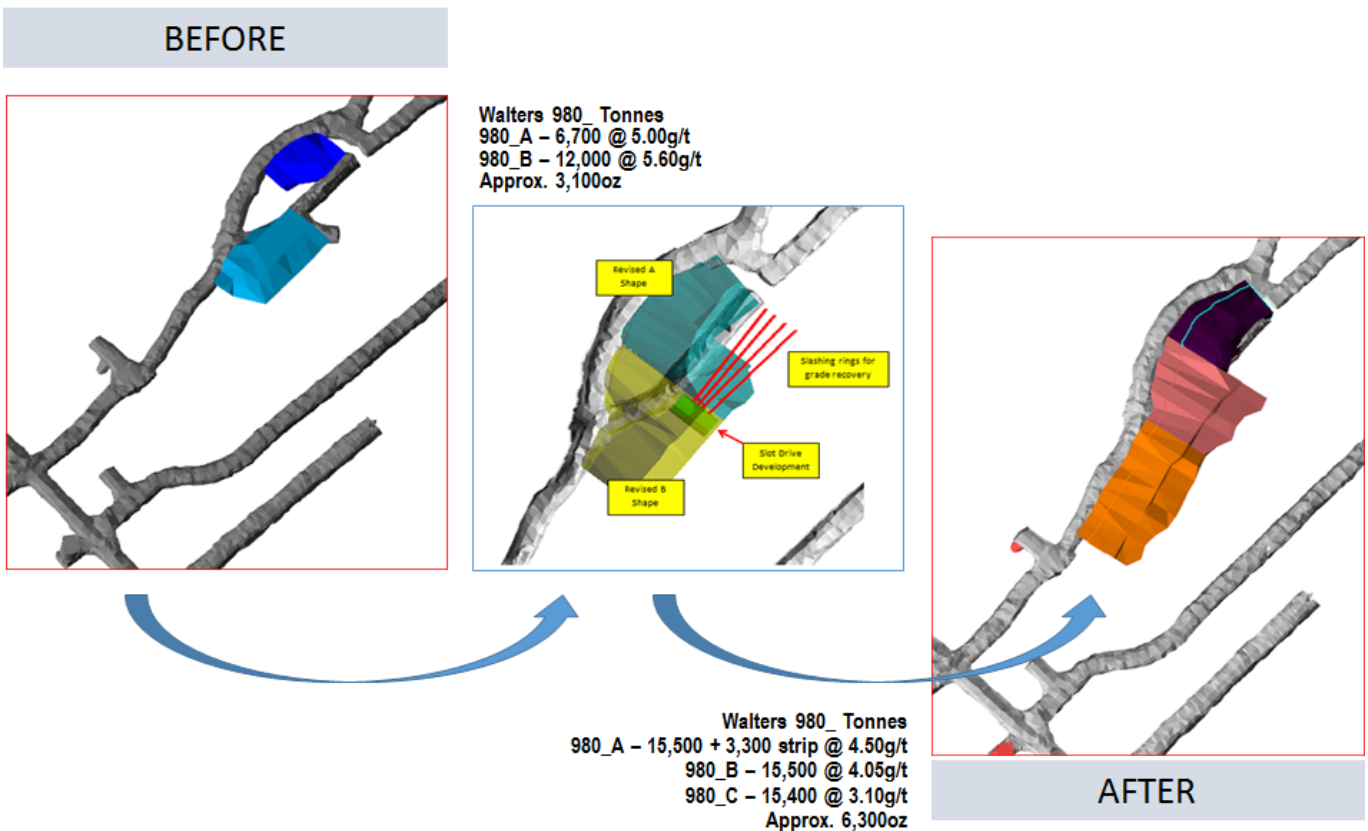


**Figure 4:** Isometric view of the Marsh 1108 Bulk stope.



**Figure 5:** Bradman 1160 planned stope area.

The Bradman 1160 extension (Figure 5) is currently being developed, with initial designs containing 16kt at 5g/t. However, the development grades were exceptional through this area with the development face in Figure 5 averaging 7g/t. The Company is planning to mine 33kt at 5g/t with an additional 66kt at 3g/t (Bradman West) identified as being economic and mineable.



**Figure 6:** Walters 980 Stope evolution.

The third extensional work area being developed is the Walters 980 stopes, where a closer inspection and evaluation has doubled the available ounces to be mined from 3.1koz to 6.3koz as seen in Figure 6. The Walters B stope is currently being mined after 19kt was successfully mined out of the W980 A stope.

## Processing

The Darlot processing plant performed strongly, with periods of throughput reaching up to 100 tph – above the design annualised throughput capacity of 830,000tpa. A total of 130,944 tonnes of ore was processed for the quarter at an average head grade of 4.21g/t Au, with recoveries averaging 94%.

The performance of the processing department at Darlot supports Red 5’s strategy of aiming to fully utilise mill capacity in order to reduce unit operating costs.

The Company’s Stage 1 development plan under the Eastern Goldfields Consolidation Strategy is to maximise throughput at the Darlot mill over an initial 3-4 year period by processing ore from both the Darlot and KOTH underground mining operations. Stage 2 of the Strategy will centre on increasing the Company’s Reserve base in the Eastern Goldfields through regional exploration within the 25,700ha tenement footprint acquired under the Darlot and KOTH transactions, as well as assessing additional business development opportunities.

## DEVELOPMENT – KING OF THE HILLS PROJECT

### Mining Activities

During the quarter, Red 5 awarded the underground mining contract for the KOTH project to experienced underground mining contractors, Pit N Portal Mining Services. The contract is a standard fixed and variable three-year mining contract. Pit n Portal will supply all equipment, mining and technical personnel whilst Red 5 will supply power, diesel, accommodation and flights.

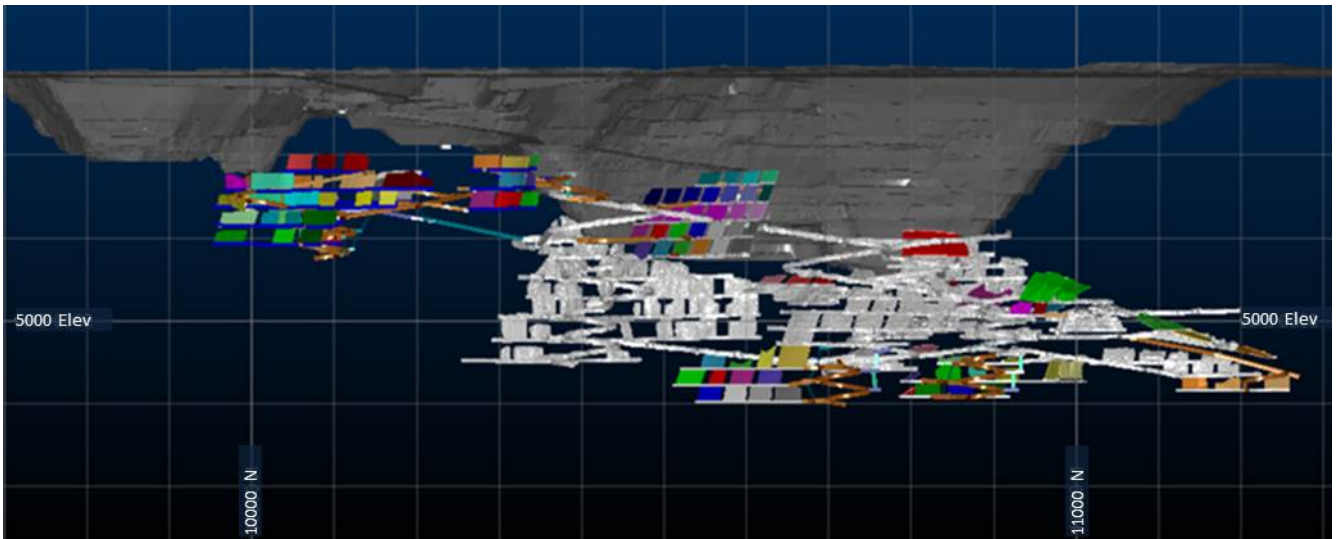
Final mining approvals to recommence mining at KOTH were received from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) during the quarter, clearing the way for Pit n Portal to commence mobilisation to site towards the end of the quarter and to assume management of dewatering activities.

In anticipation of the commencement of mining at KOTH, a parcel of stockpiled, low to medium grade run-of-mine (ROM) ore from KOTH was successfully screened and transported to the Darlot by the contractor, MLG Oz, for trial processing.



**Figure 7:** Road train delivering KOTH screened stockpiled ore to Darlot.

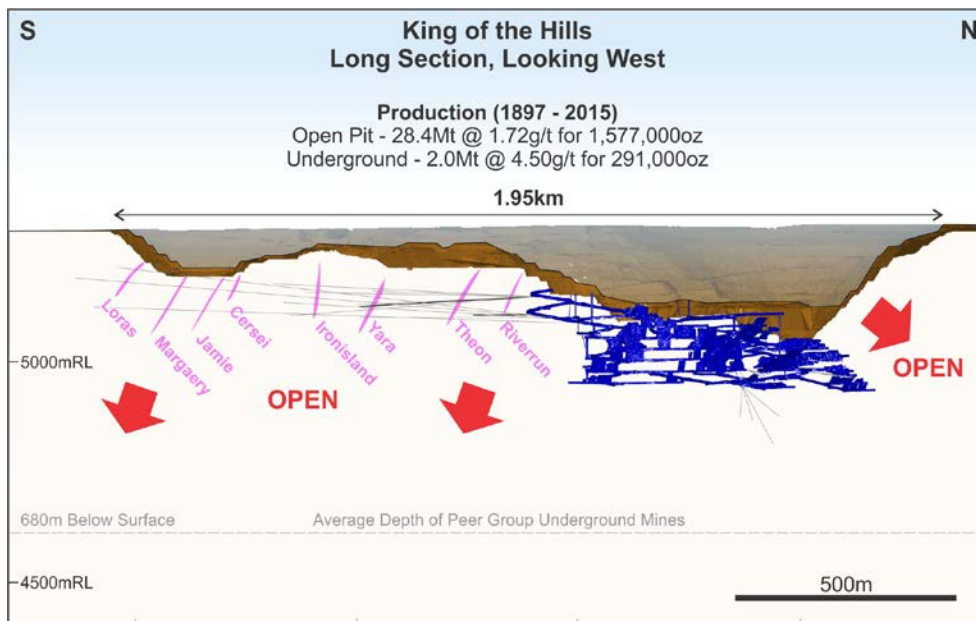
Underground mining commenced at KOTH in early January 2018, with initial production coming from the northern end of the mine in a continuation of the historical operations of St Barbara (2011-2015) and Saracen (2016) (Figure 8). Saracen suspended operations in January 2017, leaving broken ore in stopes and development headings in ore, providing an inventory that has allowed a rapid production start for Red 5 in 2018.



**Figure 8:** Long Section view looking east of the King of the Hills Deposit, illustrating the current pit, the North Mine underground workings and the proposed mine design for both the North and Central mining areas.

### Heap Leach Project

Initial results from heap leach amenability test work undertaken during the quarter on samples of ore from the KOTH project are positive and indicate the potential for heap leaching of lower grade ores which can be accessed via a cut-back on the historical open pit (Figure 9).



**Figure 9:** KOTH Long Section showing the historical open pit and underground workings.

Preliminary Intermittent Bottle Roll (IBR) test work indicates >70% gold recovery is achievable at typical heap leach operating conditions. Based on these positive results, further sampling and second stage column leach test work will be scheduled in 2018 and is expected to take approximately three months once started.

The KOTH Heap Leach Project is a promising growth opportunity at KOTH, which will be pursued during 2018 in parallel with a planned exploration program.

## EXPLORATION AND RESOURCE DEVELOPMENT

### Darlot Gold Mine – JORC 2012 Mineral Resource

During the quarter, an extensive review of the previously reported SAMREC estimates completed by the previous owner (1.2Mt at 5.97g/t Au for 224,000oz<sup>2</sup>) was undertaken, resulting in a significant increase in the Resource base with the publication on 21 December 2017 of a maiden Measured, Indicated and Inferred Mineral Resource for Darlot in accordance with the JORC 2012 Code (see **Table 2** below).

**Table 2 – Mineral Resource estimate, Darlot Gold Mine, by resource area and JORC classification.**

Mineral Resource, Darlot Gold Mine					
Area	Au cut off g/t	JORC 2012 Classification	Tonnes kt	Au g/t	Au koz
Centenary	2.0	Measured	7.1	10.1	2
		Indicated	1,633	5.5	289
		Inferred	1,028	4.7	154
Pedersen	2.0	Indicated	1,394	3.9	177
		Inferred	613	3.5	69
Lords South Lower	2.0	Indicated	548	4.6	81
		Inferred	38	4.1	5
Centenary Depth Analogue Lower	2.0	Indicated	167	8.0	43
		Inferred	113	6.3	23
Burswood	2.0	Indicated	162	4.8	25
		Inferred	295	2.9	28
Sub-total		Measured	7.1	10.1	2
Sub-total		Indicated	3,904	4.9	615
Sub-total		Inferred	2,086	4.1	278
<b>Sub Total</b>		<b>Measured + Indicated</b>	<b>3,911</b>	<b>4.9</b>	<b>617</b>
<b>Total</b>		<b>All</b>	<b>5,997</b>	<b>4.6</b>	<b>895</b>

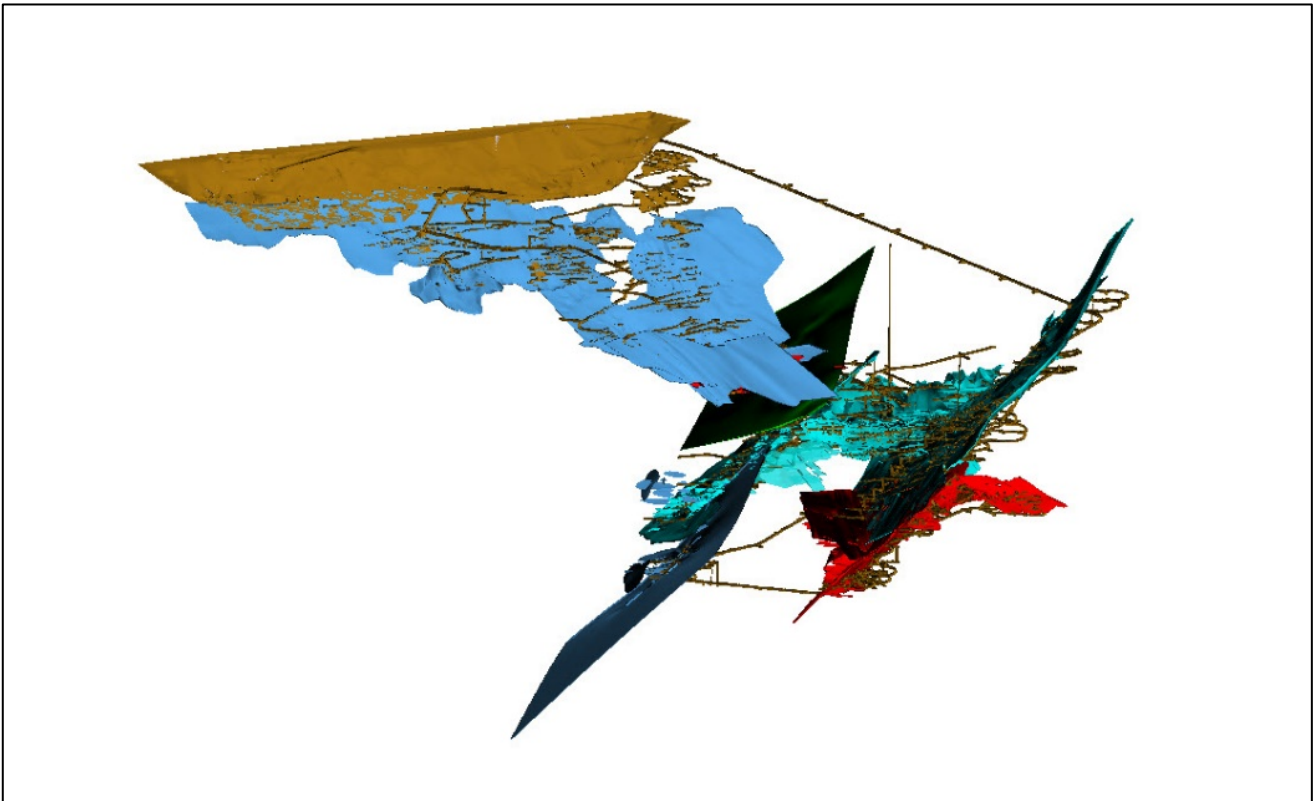
#### Notes on Mineral Resources:

1. Mineral Resources are quoted as inclusive of Ore Reserves.
2. Discrepancy in summation may occur due to rounding.
3. The updated JORC 2012 Underground Reserve expected marginal cut off will range between <2.0 to 2.3 g/t Au.
4. The figures take into account mining depletion as at 27 November 2017.
5. Figures do not include closing estimated ROM stocks of 13,200t @ 3.8g/t for 1,612oz as at 27 November 2017.

Most of the Mineral Resources quoted in Table 2 are currently being mined, and the Burswood deposit is adjacent to current underground workings.

A summary of the data and methodologies supporting the Mineral Resource estimates, including separate JORC Tables for each of the deposits reported, were provided in the ASX announcement dated 21 December 2017 (refer ASX Release “Maiden 895koz Resource and 131koz Ore Reserve for Darlot Gold Mine Sets Foundation for Gold Production Outlook for 2018”, 21 December 2017).





**Figure 10:** Isometric view of all Darlot lodes, Darlot open pit and underground development looking north east.

### Darlot Ore Reserve Estimates

As part of the re-evaluation of the Resource inventory at Darlot, Red 5 also published a maiden Ore Reserve estimate for the Darlot Gold Mine in accordance with the JORC 2012 Code, as shown in **Table 3** below.

**Table 3 – Ore Reserve estimate, Darlot Gold Mine, for the Deposit by JORC Classification.**

	<b>Tonnes (Million)</b>	<b>Au (g/t)</b>	<b>Au metal in situ (oz)</b>	<b>Recovered Au metal (oz)</b>
Probable	1.0	4.0	131,800	123,900
Proven	-	-	-	-
<b>Total</b>	<b>1.0</b>	<b>4.0</b>	<b>131,800</b>	<b>123,900</b>

Notes on Ore Reserves:

- Ore Reserves are quoted as inclusive of Mineral Resources.
- Discrepancy in summation may occur due to rounding.
- Gold price of AUD1,650 used in the calculations of the Darlot Ore Reserves.
- Current processing recoveries at the Darlot processing plant range between 93% to 94% for Au.
- No Inferred Resources have been used in the derivation of the Ore Reserve estimate.
- External dilution of 20% has been applied.

A summary of the material assumptions, classification criteria, mining and processing methods, cut-off grade, block model estimation methodology, material modifying factors and assumptions supporting the Ore Reserve estimate, including separate JORC Tables for each of the deposits reported, were provided in the ASX announcement dated 21 December 2017 (refer ASX Release “Maiden 895koz Resource and 131koz Ore Reserve for Darlot Gold Mine Sets Foundation for Gold Production Outlook for 2018”, 21 December 2017).

## Darlot Exploration

During the quarter, the Red 5 exploration team commenced a detailed review of the wide range of exploration opportunities and priorities at Darlot. The project comprises a total land-holding of approximately 13,900 hectares with all tenements in good standing and minimal third-party royalties.

The presence of numerous ore grade intercepts over multiple prospect areas combined with outstanding potential both to extend existing deposits and discover new deposits, makes the Darlot project a significant exploration opportunity for the Red 5 Group over the next 2-3 years. This is supported by a vast drilling and exploration database, including comprehensive cutting-edge 3D seismic studies, structural modelling, geophysical surveys and geochemical fingerprinting based on historical drill chips and field mapping.

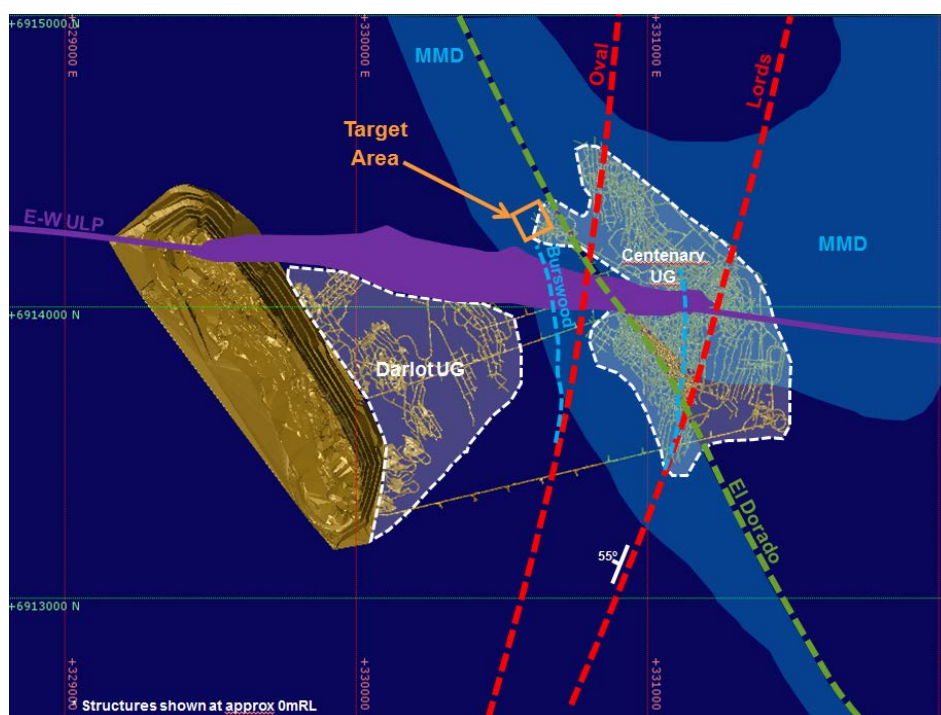
Exploration activities will be prioritised around:

- Near-mine extensional opportunities of existing deposits and mining areas.
- Surface targets offering the potential for significant new discoveries and repetitions of the Darlot and Centenary orebodies (Aurora Target, Waikato Deep, Waikato near surface Magnetic Trend, Darlot North).
- Targets generated by the 3D seismic surveys completed over the Darlot tenements last year.
- Potential open pit oxide targets associated with a series of small historical pre-JORC 2012 resources.

Underground diamond drilling has commenced targeting priority near-mine extensional opportunities in the CDA Oval mining area (see below) and surface drilling is scheduled to commence at the end of February 2018 targeting the first of a series of priority opportunities (Aurora Target – see below).

## CDA Oval Diamond Drilling

An underground diamond drilling program commenced in early January 2018 targeting the Oval structure along strike from the current CDA Oval underground workings with further holes targeting down dip of the CDA Oval resource after completion of these holes. The CDA Oval down dip holes have been designed to be drilled over two campaigns. The first phase is designed on a nominal 40 x 40 metre program to test the viability of the mineralisation and if successful a second infill phase drilled to a nominal 20 x 20 metres. The CDA Oval workings are located at the bottom of the Oval structure which is part of the Centenary underground mining area at Darlot (Figure 11). Based on the current designs a total of 29 holes have been currently planned. The CDA Oval area provided a significant proportion of high grade ore feed to the Darlot mill during the December 2017 Quarter.



**Figure 11:** Plan view showing the area adjacent to the CDA Oval underground workings being targeted by drilling.

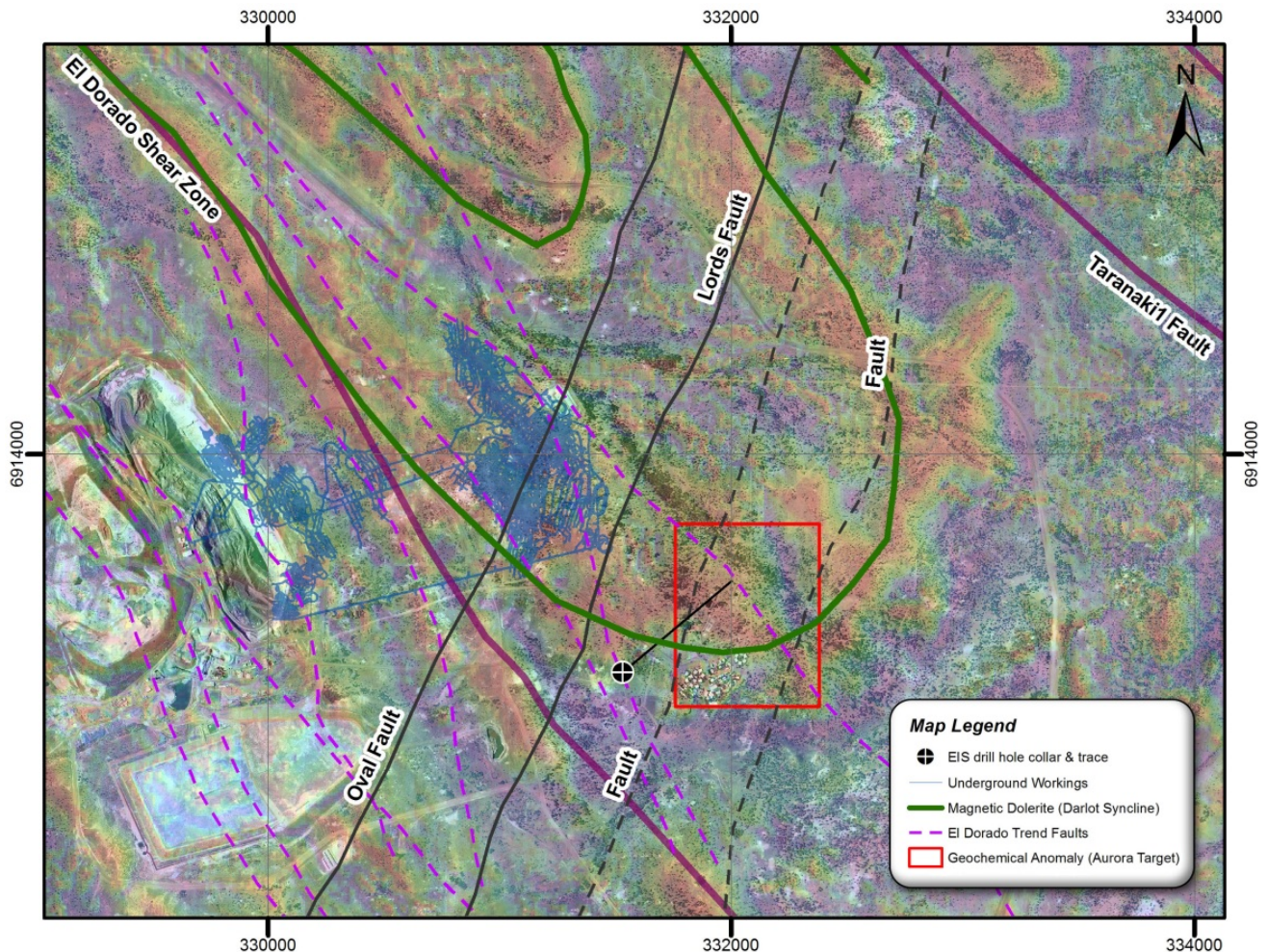
The initial focus of the drilling is to upgrade this area, which is located immediately adjacent to the CDA Oval underground workings along strike and down dip of the Oval fault, with the aim to convert the CDA Oval resource to an Indicated Resource and, if successful, allow conversion to Ore Reserve. This could provide additional levels in the CDA Oval below the current 655RL to the 600 RL levels.

Recent mine development into the hanging wall of the Oval 655 level has provided a drill platform which has facilitated access to drill this area with shorter (<100m) holes.

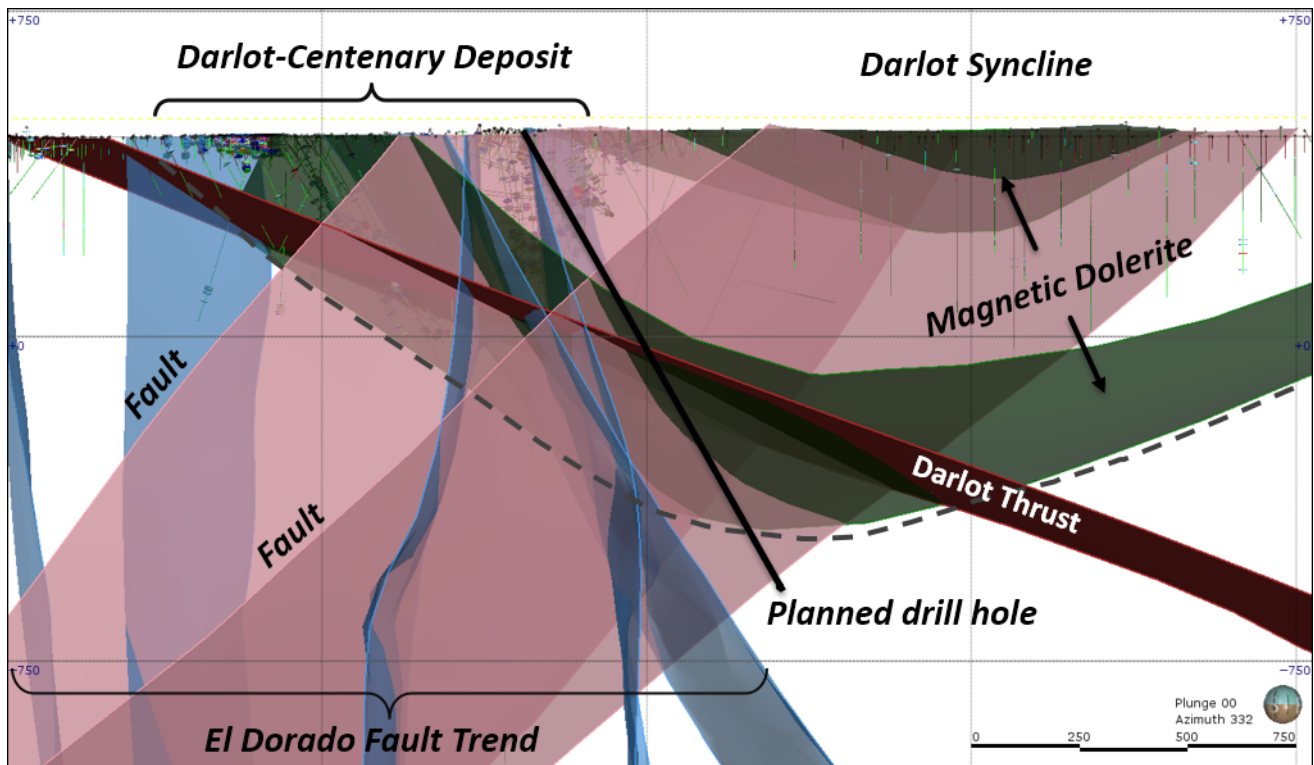
#### Aurora Prospect Exploration Incentive Scheme Grant

During the quarter, the Company secured a Western Australian Government co-funding grant of \$100,000 towards a planned drilling programme at the Aurora prospect, which contains shallow historical drilling that is generally wide spaced.

The drilling programme is designed to test a selection of historical and recent geochemical and geophysical targets identified along a structural corridor confirmed by the 3D seismic, stratigraphic/lithological and mineralisation trends over parts of the Darlot Syncline (Figures 12 and 13).



**Figure 12:** Plan map showing aerial image with magnetic response and planned drill-hole to test the Aurora target using the Western Australian Government co-funding grant.



**Figure 13:** Cross-section (looking north-west) through the Aurora target area showing trace of the co-funded planned drill-hole with structural and stratigraphic target features.

Surface drilling of the Aurora Prospect is scheduled to commence in mid-February 2018.

### SIANA GOLD PROJECT, PHILIPPINES

Through its Philippine-affiliated company Greenstone Resources Corporation, the Red 5 Group holds an interest in the Siana Gold Project, located on the island of Mindanao in the Philippines, which is held under a Mineral Production Sharing Agreement (MPSA). Mining operations at the Siana Project are currently suspended, pending an improvement in operating conditions in the Philippines.

#### Mining Activities

Mining operations at the Siana Gold Project remained suspended during the Quarter. Ongoing activities at Siana including dewatering of the open pit and monitoring of geotechnical issues and pit wall stability are continuing. As reported previously, a gold shipment comprising 2,939 ounces was completed in October 2017 from gold recovered from the processing of medium-low grade stockpiles at Siana. Subsequent clean-up of the Siana processing plant has occurred.

In early October 2017, the Philippines Government announced that the Commission on Appointments had formally confirmed the appointment of Mr Roy Cimatu as Secretary of the Philippines Department of Environment and Natural Resources (DENR). The Red 5 Group is continuing to closely monitor regulatory and operating conditions in the Philippines.

#### Exploration Activities – Mapawa Project

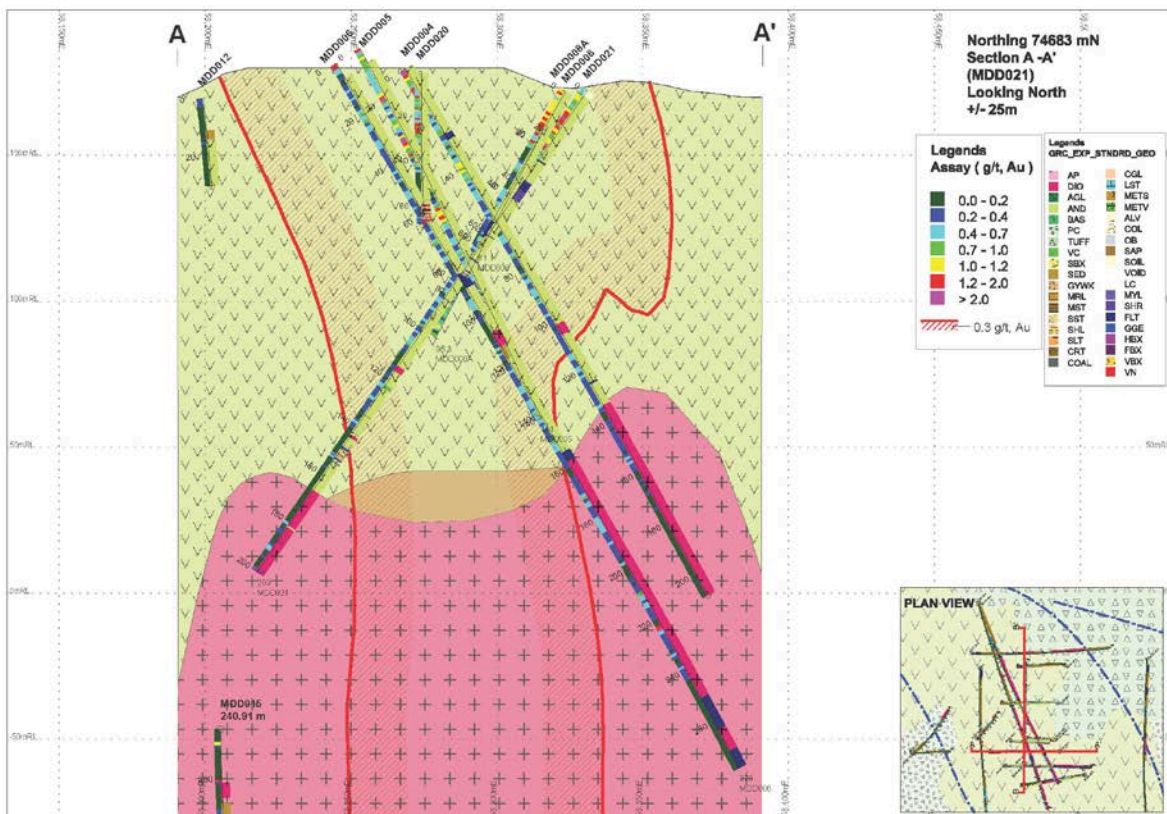
During the quarter, two diamond drill-holes at the Mapawa Project were completed to comply with licence commitments and to progress ongoing Feasibility Studies on a potential future open pit development at the Mapawa project, as a supplementary satellite source of ore feed to the Siana operations. The holes were designed to pass through the LSY Mineral Resource (Indicated and Inferred Resource of 8.8Mt at 1.02g/t for 289,000oz, refer ASX announcement dated 21 October 2015) and to collect information for metallurgical, geotechnical and acid mine drainage information.

Assays were received for the two holes, MDD020 and MDD021, which are in line with the LSY Resource model and are summarised in **Table 4** below and shown in Figures 14 and 15 below. Refer to Appendix 1 for the JORC Table 1 for the reported results.

**Table 4 – Assay results from drill-holes MDD020 and MDD021 for assays above 0.2g/t Au.**

Hole ID	From	To	Length	Au
MDD020	1.0	45.0	44.0	0.66
MDD020	52.0	182.6	130.6	0.53
MDD020	199.6	200.1	0.5	4.49

Hole ID	From	To	Length	Au
MDD021	0.00	85.00	85.00	0.78
MDD021	86.00	109.00	23.00	0.45
MDD021	109.30	110.00	0.70	0.26
MDD021	115.00	116.80	1.80	0.27
MDD021	118.00	120.00	2.00	0.24
MDD021	120.90	134.00	13.10	0.32
MDD021	137.30	141.00	3.70	0.28
MDD021	142.10	142.30	0.20	0.35
MDD021	144.20	145.00	0.80	0.20
MDD021	151.50	153.20	1.70	0.53
MDD021	154.00	154.40	0.40	0.28
MDD021	156.80	157.60	0.80	0.23



**Figure 14: Interpreted geology section through drill hole MDD021 A-A' looking north.**

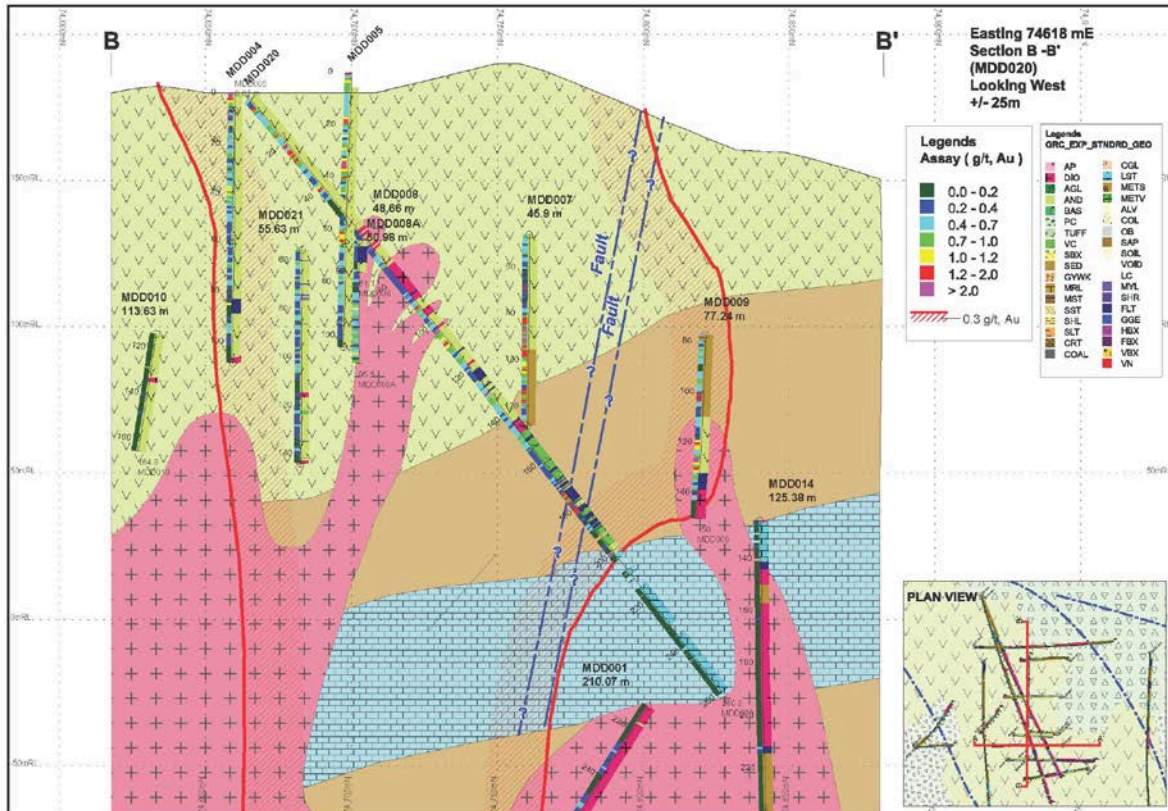


Figure 15: Interpreted geology section through drill-hole MDD020 B-B' looking west.

## FINANCIAL

### Cash balance

The Group's cash balance, including refined gold held in the metal account, as at 31 December 2017 was \$21.8 million. As previously advised, a working capital debt facility of \$10-\$15 million is continuing to be considered by Red 5.

### Hedging

During the quarter Red 5 signed a bullion agreement with MKS Switzerland S.A., which provides the Company with the option but not the obligation to forward sell up to 30,000 oz over a six month period. Subsequent to the December 2017 quarter, Red 5 entered into trades to sell 4,500 oz at an average price of \$1,686/oz.

### 2018 Production Guidance and Outlook

Gold production guidance for the Darlot operations, including from KOTH, for calendar year 2018 is in the range of 85,000-95,000oz, with production for the first quarter of calendar year 2018 expected to be in the range of 16,000-19,000oz.

### Mt Cattlin Royalty

Red 5 holds the right to receive a royalty of \$1.50 per tonne of ore processed from the Mt Cattlin lithium-tantalum mine in Western Australia, which is owned and operated by ASX-listed Galaxy Resources Limited (ASX: GXY). Galaxy Resources has reported that 414,192 tonnes of ore were processed at Mt Cattlin for the December 2017 quarter.

The Board of Red 5 considers the right to receive the Mt Cattlin royalty as a valuable asset and is continuing to evaluate ways to maximise that value to the Group.

## ENDS

### For more information:

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### 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.

### 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. Byron 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'. Byron 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

The information in this report that relates to the Mineral Resources at the Mapawa Project is extracted from the report titled *Maiden 289,000oz Gold Resource for Mapawa LSY Deposit*, dated 21 October 2015 and is available on the ASX web-site. The information in this report that relates to the Mineral Resources for the Darlot Underground deposit and the information in this report that relates to the Ore Reserves for the Darlot Underground deposit is extracted from the report titled *Maiden 895koz Resource and 131koz Ore Reserve for Darlot Gold Mine Sets Foundation for Gold Production Outlook for 2018*, dated 21 December 2017 and is available on the ASX web-site. 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 LIMITED**  
**TENEMENT SCHEDULE – 31 DECEMBER 2017**

WESTERN AUSTRALIA				
Project	Tenement number	Red 5 interest		
<i><b>Darlot Gold Mine</b></i>	E47/1247, E37/1268, E37/1269, E37/1296, E37/1297, E37/1298, L37/0109, L37/0110, L37/0118, L37/0206, L37/0207, L37/0223, L37/0224, M37/1217, M37/0155, M37/0252, M37/0373, M37/0417, M37/0418, M37/0419, M37/0420, M37/0584, M37/0592, M37/0608, M37/0667, M37/0774, M37/0775, P37/8698, P37/8699, P37/8700, P37/8701, P37/8716, P37/8788, P37/8789	100%		
	M37/1045, M37/0552, M37/0631, M37/0709	49%		
	M37/0246, M37/0265, M37/0320, M37/0343, M37/0345, M37/0393, M37/0776	83.5%		
	M37/0421, M37/0632	100% with portion of tenements at 49% via agreement		
<i><b>King of the Hills Gold Project</b></i>	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	100%		
<i><b>Montague Project</b></i>	M57/429, M57/485, E57/793	25% free carried		
PHILIPPINES				
Project	Tenement number	Registered holder	Equity interest	
			Red 5	Other
<i><b>Siana Gold Project</b></i>	MPSA 184-2002-XIII	Greenstone	40%	SHIC 60%
	APSA 46-XIII	Greenstone	40%	SHIC 60%
<i><b>Mapawa gold project</b></i>	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**

<b>Project</b>	<b>Tenement number</b>	<b>Red 5 interest</b>
<b>Darlot Gold Mine</b>	E47/1247, E37/1268, E37/1269, E37/1296, E37/1297, E37/1298, L37/0109, L37/0110, L37/0118, L37/0206, L37/0207, L37/0223, L37/0224, M37/1217, M37/0155, M37/0252, M37/0373, M37/0417, M37/0418, M37/0419, M37/0420, M37/0584, M37/0592, M37/0608, M37/0667, M37/0774, M37/0775, P37/8698, P37/8699, P37/8700, P37/8701, P37/8716, P37/8788, P37/8789	100%
	M37/1045, M37/0552, M37/0631, M37/0709	49%
	M37/0246, M37/0265, M37/0320, M37/0343, M37/0345, M37/0393, M37/0776	83.5%
	M37/0421, M37/0632	100% with portion of tenements at 49% via agreement
<b>King of the Hills Gold Project</b>	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, P37/8348	100%
	P37/8348	Nil (surrendered)

**Abbreviations**

*M: Mining Lease*

*P: Prospecting Licence*

*E: Exploration Licence*

*L: Miscellaneous Licence*

*Greenstone: Greenstone Resources Corporation*

*SHIC: Surigao Holdings and Investments Corporation*

*MPSA: Mineral Production Sharing Agreement*

*APSA: Application for MPSA*

## JORC Code, 2012 Edition – Table 1 report for LSY prospect – Drill Hole Sample Assay Results

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole samples from the LSY prospect were collected from the recent drilling campaign in the Mapawa area. Half of the core is taken from a predetermined interval and then sent to Intertek, Manila.</li> <li>The samples taken are considered representative of the geology in the area. The assayed samples are also considered representative of the drilled area. QAQC samples such as blanks, duplicates and standard reference materials to check the sampling technique and analysis are inserted during sampling.</li> <li>Diamond drilling was used to obtain 0.2m to 1.2m samples. Half of the core sample is collected with a weight from 0.5kg to a maximum of 10kg. From here, the external lab will crush, split and pulverize the sample to &lt;75 µm, 95%passing. For Au, fire assay is done in a 50g charge with AAS finish. For the 37 elements, four-acid digestion is used with ICP-OES finish. For Hg, AR01/OMMS method is used.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling is used starting with core size of PQ to HQ. Triple tube is used. Core is oriented using Reflex ACT III core orientation tool.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Core recovery and RQD are measured on the drill site immediately after pulling out.</li> <li>Drillers are advised to perform short drill runs every time they encounter gougy fault and shear zones and similar rock types.</li> <li>No correlation was made whether sample recovery affected grade of the samples.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> </ul>	<ul style="list-style-type: none"> <li>Drill cores are geologically logged describing the general appearance, lithology, structure, alteration and mineralization of the intercept. Geotechnical logging, RQD and alpha-beta measurements were conducted.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Logging is qualitative and quantitative in nature. Core photography is done twice. First, immediately after pulling out the core and second, before geologic logging. Photographs of dry and wet drill cores are taken.</li> <li>Total length of drilled meterage is 460.3 while intersections with Au <math>\geq</math> 0.5 g/t Au totaled to 154.4m, which is about 34 % of the drilled material. All intercepts were already geologically logged.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Core is cut into half and the half taken as sample.</li> <li>Not applicable.</li> <li>The samples are prepared by the external laboratory. Samples are dried at 105°C for approximately 12 hrs. Samples will then be crushed to &lt;2mm at 90% passing. This will pass through a riffle split, samples are then pulverized to -200mesh.</li> <li>Blanks, duplicate and standard samples are inserted in a 50-sample batch dispatched to the external laboratory. The external lab also gets a second split every 20 samples from the riffle split during sample preparation for analysis.</li> <li>Field duplicates are sent every 50-sample batch taking half of the sampled half core.</li> <li>Sample sizes are considered appropriate to the material being sampled.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Intertek Laboratory was contracted to conduct the analysis of the drill hole samples. The assay technique used for Au is fire assay with AAS finish, which is appropriate and considered as a total assay. For the 37 elements including Ag, Cu, Pb, and Zn, four-acid digest with ICP-OES finish is used and is considered total assay.</li> <li>Not applicable</li> <li>Intertek implements their own QAQC program, which includes analysis of second split from the riffle split, blank, repeat samples and standard reference materials.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Samples are checked by the on-site Geologist and are reviewed by a Senior Geologist.</li> <li>Twining of holes was not done in this campaign.</li> <li>Primary data such as core recovery, RQD, and alpha-beta is collected and recorded by a technician. These are then encoded by data entry staff and then checked and validated by a geologist. Collar details and geologic data are verified and encoded by the geologist-in-charge and then validated by database geologist. All of the data collected are initially kept in an excel file before imported to an MS Access database.</li> <li>Assay values falling below the detection limit are recorded as half the</li> </ul>

Criteria	JORC Code explanation	Commentary
		value the detection limit.
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• The sample locations of the drill hole collars were surveyed using a handheld GPS (<math>\pm 5</math>m). Downhole surveys are done using Reflex EZ-Trac, shot every 30m if possible.</li> <li>• The grid system used is WGS84/ UTM Zone 51N.</li> <li>• Not applicable.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Collar locations do not follow a specific spacing. The collar location was decided based on the prognosis on where maximum information can be gathered to be useful metallurgically, geotechnically and for resource estimation.</li> <li>• The drill hole location is expected to further establish on the continuity of the geology and grade of the prospect with respect to the previous drill holes in the area.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>• There is a potential of sampling bias due to core orientation.</li> <li>• The relationship between the drilling orientation and the orientation of key mineralised structures is not material</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill cores are kept in the core house with detailed security personnel. Sampling is done under the supervision of the geologist in charge. The samples are bagged and prepared for dispatch to the satellite prep lab of Intertek in Surigao City. An exploration staff member escorts and turns over the samples to the prep lab.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>• No external audits are done in this data set.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The LSY Prospect is located in Surigao del Norte, northeast of Mindanao Philippines, within Mineral Production Sharing Agreement (MPSA) No. 280-2009-XIII (internally called Mapawa MPSA), granted on 21 April 2009 for a term of 25 years (renewable for a further 25 years). The Mapawa MPSA is in good standing and is in the 7<sup>th</sup> and 8<sup>th</sup> of Exploration period.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The Mapawa project has been known to be prospective since the 1930s. The Mapawa MPSA hosts the LSY prospect in Block III. Surigao Consolidated Mining Company (Suricon) actively explored the area undertaking field mapping, trenching and drilling. Trial-mining was done in the late 1990s. In 2009, Merrill Crowe Corporation was awarded the MPSA. Greenstone Resources Corporation (GRC), which was its assignee, conducted drilling activities in late 2009 to early 2011. But there was no major exploration activities conducted in the other blocks of the tenement. The Duyangan prospect located in Block II of the tenement was historically identified to be mined by small scale miners. Based on local historical accounts, this was a gold rush area back in the 1970s to 1980s.</li> <li>The only known major exploration activity conducted in the whole of the tenement was the air magnetics survey flown for AngloGold Ashanti ca 1999.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Mapawa MPSA host several epithermal/porphyry gold-copper prospects within the tenement. This includes the LSY, Sto. Niño, and Duyangan prospects.</li> </ul> <p>The LSY deposit currently has an 8.8Mt @1.0 g/t Au, JORC 2012 compliant resource (refer to ASX announcement “Maiden 289,000oz Gold Resource for Mapawa LSY Deposit”, dated 21 October 2015) while the Sto. Niño area hosts several narrow quartz carbonate hosted epithermal Au bearing veins.</p> <p>Numerous samples from Mapawa Block 2 show free gold hosted in jasperoid and free gold is panned by the artisanal miners. The small-scale artisanal miners have liberated significant amounts of free gold using soil panning after sinking through several metres of non-mineralised limestone cover. The area is interpreted to be either an old colluvial channel or a potential diatreme intrusive. The new area is called the Duyangan prospect and is located within 4.25 km to the north west of a major Manila Mining operation, which has produced 20 million tonnes of ore from the diatreme-based gold mineralisation; and 2.5 km to south east of the historic Motherlode deposit, which produced over 500</p>

Criteria	JORC Code explanation	Commentary
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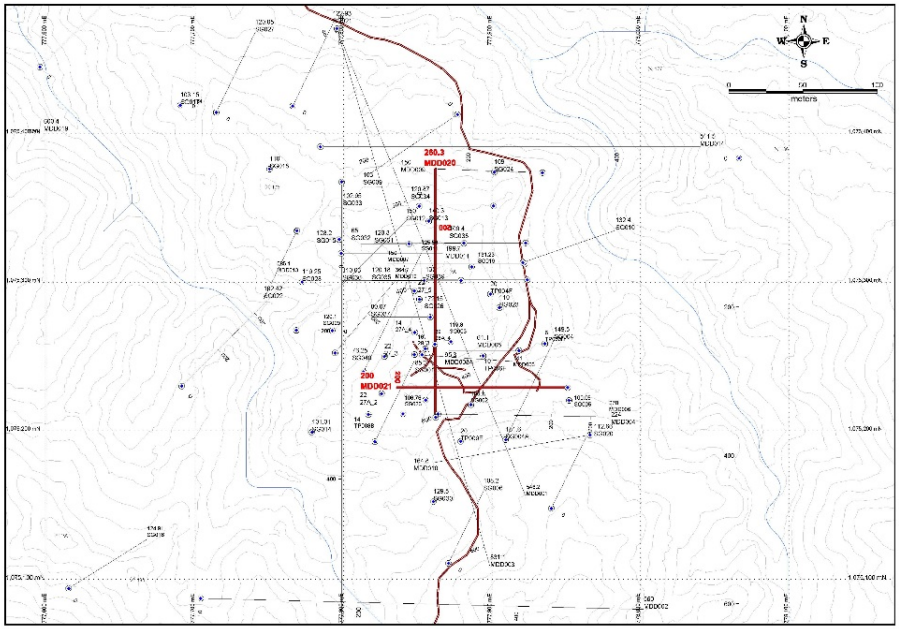
*Drill hole Information*

- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
  - easting and northing of the drill hole collar
  - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
  - dip and azimuth of the hole
  - down hole length and interception depth
  - hole length.
- If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

thousand gold ounces.

- See separate sheet for intersection list.

Hole ID	X	Y	Z	Azi	Dip	EOH (m)
MDD020	58,274.15	74,664.80	193	0	-50	260.3
MDD021	58,331.24	74,683.44	189	270	-55	200



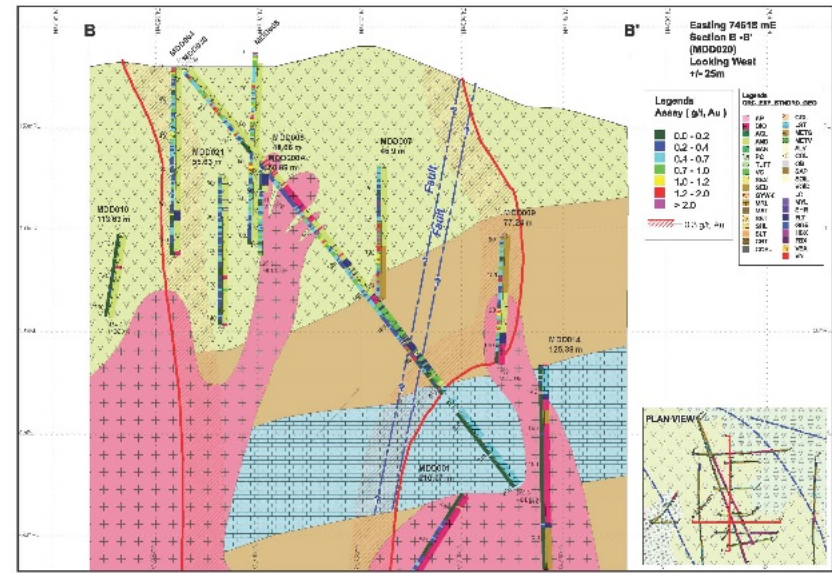
- Not applicable
- All reported assays are the weighted average of the raw assay results. No upper cut-offs have been applied. Adjustments were made to those above and below detection limits. Assay values falling below the detection limit are recorded as half the value the detection limit.
- All grades below 0.50 g/t are not included in the computation. Au values are rounded of the nearest hundredths.
- No metal equivalents are reported in this announcement.

*Data aggregation methods*

- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.
- Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
- The assumptions used for any reporting of metal equivalent



Criteria	JORC Code explanation	Commentary
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Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intercepts are reported based samples with Au value <math>\geq 0.2</math> g/t.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>All meaningful and material information has been included in the body of the text.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>To be determined.</li> <li>To be determined.</li> </ul>