

28 January 2021

December 2020 Quarterly Activities Report

December 2020 Quarter production of 21,534 ounces from Darlot Gold Mine | Process plant site works and development ramping up at King of the Hills following the recent award of fixed-price EPC and bulk earthworks contract | Global banking syndicate mandated to finalise debt financing

West Australian Gold Operations

Processing and Production

- **Gold production for the December 2020 Quarter of 21,534 ounces** (September Quarter: 20,283 ounces) and gold sales of 22,412 ounces (September Quarter: 19,932 ounces). Year-to-date production of 41,817 ounces. Consolidated all-in sustaining costs (AISC) of \$2,181 per ounce of gold sold for the quarter (September Quarter: \$2,126 per ounce). Free cash flow from operations for the quarter was \$10.8 million.
- **Updated production guidance for FY21 of 80,000 – 85,000 ounces** (previously 90,000oz – 98,000 ounces) at an average AISC of \$2,150 – \$2,280/ounce (previously \$1,830 – \$2,030/ounce).
- Mining approvals received for the **Great Western** open pit near Darlot with mining set to commence in February 2021. Ore from Great Western will substitute the ore feed into the Darlot mill from the King of the Hills (KOTH) underground. The KOTH underground ore is being preserved for the new process plant, due to commence operations in the June 2022 Quarter.
- **Nil** Lost Time Injuries (LTI) recorded during the quarter.

King of the Hills (KOTH) Development

- Bulk earthworks underway for the process plant at KOTH following the appointment of MACA Interquip as EPC Contractor in November 2020. Camp construction is well advanced, with the KOTH village ready for use in February 2021.
- 15-megawatt SAG mill, shell and motors have been shipped from Houston to Johannesburg to undergo refurbishment and upgrade. The mill variable speed drive is undergoing inspection at ABB in Switzerland.
- All approvals for the commencement of construction of the KOTH processing facility are now in place.
- A global banking syndicate has been mandated to finalise the debt financing facility for the King of the Hills Project. The Project remains on track to achieve first gold production in the June Quarter 2022.
- Following execution of the EPC Contract, commitments to-date for the KOTH Project will total \$143 million, compared to the capital budget of \$155 million for these commitments.
- Mining Services contract tender responses were received during the quarter and are currently under assessment.

Exploration and Resource Development

- Over 35,000m of diamond core and RC drilling underway across key 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 in-fill RC drilling currently in progress at the Mission deposit. Drilling has intersected quartz veining along strike from the existing Mineral Resource, indicating likely continuity of the ore zone.
- New zones of quartz veins intersected at Mission also highlight the potential to add new lodes to the existing deposit.

Red 5 Limited

ABN 73 068 647 610

ASX: **RED**Shares on issue: **1,971M**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

- Diamond drilling at the highly prospective Ockerburry exploration project, located immediately east of the Darlot Gold Mine, commenced in November 2020.
- Farm-in Joint Venture Agreement signed with Ardea Resources Ltd (ASX: ARL) for Red 5 to earn up to an 80% interest in the Mt Zephyr and Darlot East Gold Projects, both located in close proximity to the Darlot Gold Mine.

Corporate and Finance

- Red 5's ASX classification changed from a "Mining Exploration Entity" to a "Mining Producing Entity".
- **Group cash on hand and bullion at the end of December 2020 of \$98.5m**, following the repayment of \$3.0m for the Macquarie Bank working capital loan facility and \$9.3m spent on KOTH construction activities, Final Feasibility Study works and exploration activities.
- Total working capital loan facility of \$5.0 million remaining at 31 December 2020.
- Darlot hedge commitments reduced by 14,000 ounces as planned, to a total outstanding of 39,000 ounces at an average price of \$2,084/oz.

An investor call for the Quarterly results will be held for the investment community on 28 January 2021, commencing at 8.00am (AWST) / 11.00am (AEDT). Investors, brokers, analysts and media can join the webinar by clicking <http://redback.events/ir-0f2b3d>.

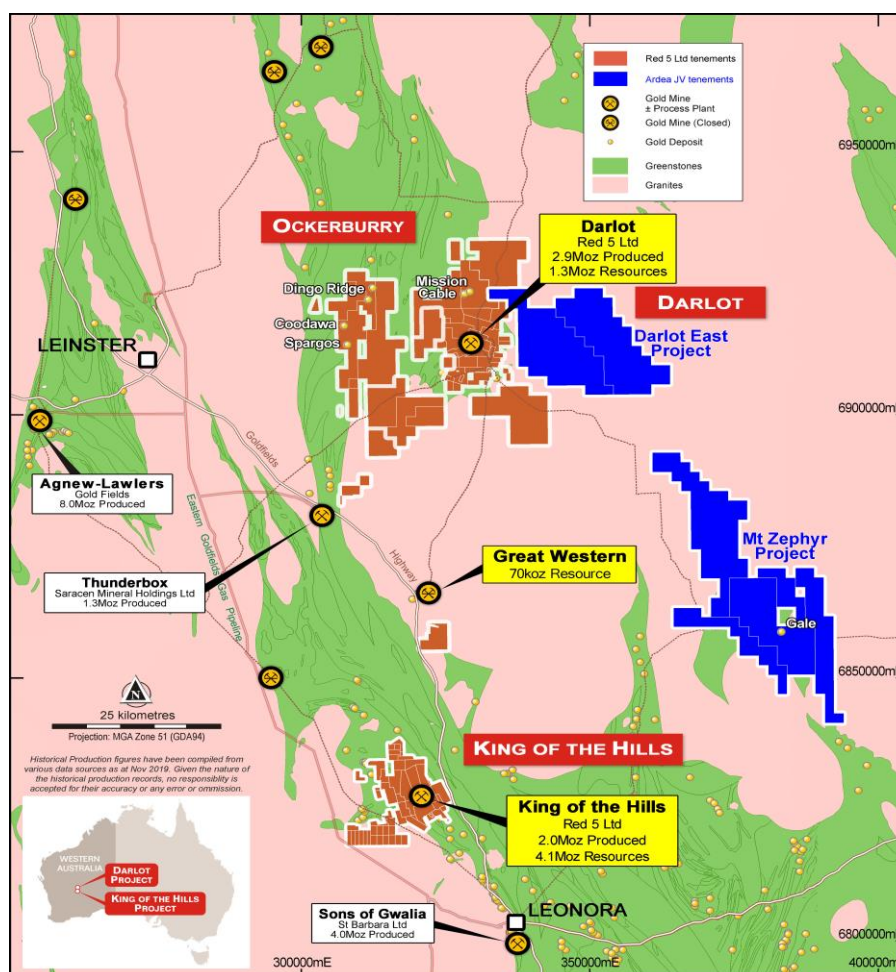


Figure 1: Darlot and KOTH locations, showing historical production from key gold deposits in the region, with JV Farm-in tenements with Ardea Mining shown in blue.

Management Comment

Red 5 Managing Director, Mark Williams, said: *“The December Quarter was another busy and productive period for the Group with the key focus of activity being the steady ramp-up in construction activity at King of the Hills (KOTH), which is set to become Australia’s next major gold mine. KOTH is a transformational opportunity for our shareholders – a large, long-life, high-quality gold project that is forecast to generate substantial cash-flow with annual gold production peaking at 203,000 ounces in FY24 and averaging 176kozpa for the first six years of its life.*

“The successful delivery of the KOTH project will move Red 5 up the ranks of Australia’s mid-tier gold producers.

“We made strong progress during the December Quarter towards the development of a bulk mining and processing operation at KOTH, with the award of a fixed-price EPC and bulk earthworks contract for the process plant to multi-disciplined mineral processing provider MACA Interquip. MACA has already made very positive progress with bulk earthworks at the planned processing plant area.

“Construction of the village is also well advanced, and we expect to have the village facilities ready and available for our construction workers in February 2021. With \$143 million worth of contracts already awarded, accounting for 82% of the total estimated capital spend, we have made a strong start.

“Good progress has also been made towards securing the debt finance component of the construction cost for KOTH, by mandating a global banking syndicate to provide a project finance facility. We expect to finalise this facility in the near future.

“With respect to the Darlot Gold Mine, we posted quarterly production of 21,534 ounces at an all-in sustaining cost of \$2,181/oz for the December 2020 Quarter, reflecting the benefits of the operational changes implemented last year.

“While we have had to adjust our guidance for FY21 due to lower than expected mining rates and grade from the Darlot Underground, predominantly associated with mining in remnant areas, our transition plan for the Darlot Mining Hub continues with mining expected to start in February 2021 at the satellite Great Western Deposit. This has enabled us to place the KOTH Underground on care and maintenance to preserve the ore at KOTH for processing as part of the new bulk mining operation. The construction of a modern, large scale treatment facility on-site will provide for a more efficient processing strategy for this deposit.

“On the exploration front, we have continued to progress our major surface exploration campaign surrounding the Darlot Gold Mine, with positive results received during the December Quarter from the Mission deposit and assays currently awaited from the highly-prospective Ockerburry tenements.

“We are also looking forward to getting on the ground to commence drilling and exploration programs at the Mt Zephyr and East Darlot projects following the execution of a farm-in joint venture agreement with Ardea Minerals (ASX: ARL) during the quarter. These tenements lie within trucking distance of the Darlot mill, with Ardea’s grassroots exploration programs delivering a strong suite of highly-prospective targets.”

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 is 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.

Currently, there has been no material impact from COVID-19 on the Company's operational performance.

1. KING OF THE HILLS DEVELOPMENT

1.1. Award of EPC and Bulk Earthworks Contract

Following the completion of a positive Final Feasibility Study (FFS) for the proposed stand-alone integrated bulk open pit and underground mining and processing operation at KOTH on 15 September 2020, Red 5 issued a Notice of Award for the Engineering, Procurement and Construction contract (EPC Contract) and the bulk earthworks for the Process Plant to multi-disciplined mineral processing provider MACA Interquip (ASX: MLD).

The EPC contract and bulk earthworks – which encompass the KOTH processing facility, equipping of the bore fields, high voltage power distribution, workshop, warehouse and bulk earthworks – will be undertaken as a fixed-price contract. MACA Interquip has a strong track record in the construction of similar carbon-in-leach (CIL) processing plants to the 4Mtpa process plant planned at KOTH.

1.2. Process Plant Construction

Following approval of the Mining Proposal by DMIRS, the EPC Contractor, MACA Interquip, mobilised to site in December 2020 and commenced earthworks in the process plant area. The 15-megawatt SAG mill, shell and motors were shipped from Houston to Johannesburg in December to undergo refurbishment and upgrade. The mill variable speed drive is undergoing inspection at ABB in Switzerland.

1.3. Village Construction

Commitments for 35 additional single person quarters (SPQs) and three laundries were made during November 2020, totalling approximately \$2.8 million.

The construction of the Village facilities commenced in October 2020 and is progressing on schedule, with the Central Facilities Buildings (kitchen/diner, wet mess, recreation room, administration building and gym) delivered to site and placed on their foundations. The majority of the second-hand SPQs have been installed. These units will provide the initial 220-person accommodation on site for the construction crews.

1.4. Project Finance Facility Lender Syndicate

A global banking syndicate has been mandated to finalise the debt financing facility for the KOTH Project. The debt financing facility for the remaining funding required for the \$226 million capital project is expected to be in place in the March 2022 Quarter.

1.5. 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.

Approval for the Mining Proposal was received from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) in mid-December 2020, meaning that all approvals for the commencement of construction of the processing facility are now in place.

The remaining major permits required for mining operations to commence are:

1. Mining Proposal from DMIRS, expected in the March Quarter 2021;
2. Works Approval from DWER for Power supply, expected in the March Quarter 2021; and
3. Gas Pipeline approval from DMIRS/DWER, expected in the June Quarter 2021.

2. WEST AUSTRALIAN GOLD OPERATIONS

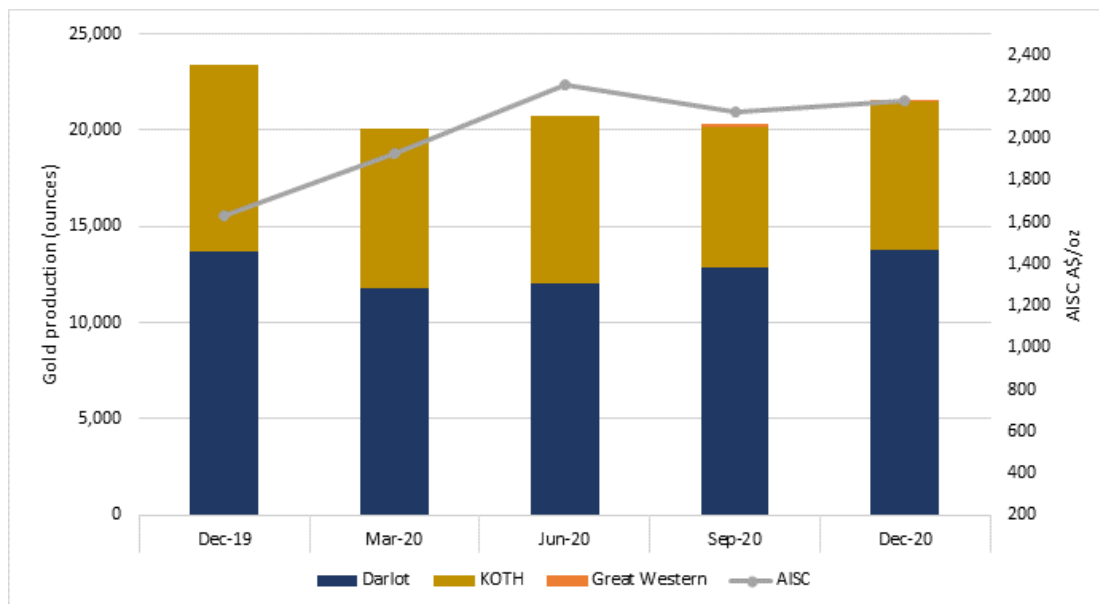
2.1. Sustainability

Zero Lost Time Injuries (LTI) were reported in the December 2020 Quarter.

LTIFR (Quarter): 8.58 (Lost Time Injury Frequency Rate)
LTIFR (12-month): 2.05 (Total Recordable Injury Frequency Rate)
TRIFR (12-month): 11.28

2.2. Production Summary

A total of 21,534 ounces of gold were recovered for the Quarter (September Quarter: 20,283 ounces) with ore sourced from the Darlot and the KOTH underground mines. AISC was \$2,181 per ounce (inclusive of KOTH mine development costs). Quarterly gold production and AISC are shown in the graph below, which shows the respective contributions from Darlot and KOTH.



2.2.1. Processing

Crusher and mill availabilities were 85.3% and 92.6% respectively during the quarter. A total of 271,718 wmt of ore was milled at an average throughput of 128 dry tonnes per hour.

Table 1: Darlot Mill Processing Statistics

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

One scheduled maintenance shutdown was completed during October 2020 which consisted of a 48-hour mill shutdown centred around a reline of the primary ball mill. The only other significant downtime recorded in the processing plant was the failure of a bearing in the secondary mill gearbox in November 2020, that required the gearbox to be changed out with the spare unit. The secondary mill was able to be by-passed during this time, which allowed the primary mill to continue running at approximately 60% plant capacity, minimising the impact on production.

The process plant recorded a number of new production milestones during the quarter as efforts to increase throughput and reliability continue to show positive results. The milestones include:

- Record quarterly milled tonnes – 262,662t;
- Record monthly tonnes crushed for October 2020 – 98,064t at an average rate of 247tph; and
- Record monthly milling rate of 135 dtph for October 2020.

Several key projects have progressed on schedule during the quarter and are due for completion in the March Quarter 2021. These include:

- Upgrading of the gravity circuit – including the installation of a new gravity screen and Knelson concentrator on the primary milling circuit and integration with the current secondary gravity circuit.
- Crusher upgrades – the new secondary and tertiary cone crushers from Sandvik are scheduled for delivery in February 2021.

2.2.2. Darlot Gold Mining Activities

Table 2: Darlot Gold Mine – Mine Production Statistics

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

Development for the quarter predominantly focused in the Thomson 980, Walters 780 remnant area, BAR and Grace/Marsh remnant areas.

As part of the increased focus on improving grades, lower grade ore sources were isolated either on the ROM for further assessment or at the underground source. Several initiatives included split-firing and shanty-back development headings are yielding benefits in regard to dilution control.

Oval stoping concluded in the December Quarter and no further paste-fill activities are planned at this stage in the life-of-mine plan. Stopping continued during the quarter in the Bradman, Marsh and Benaud's Link ore bodies and further opportunities for higher grade ore are being identified. These are newly completed mine developments that replace remnant bulk stoping areas.

Stopping in the Border 1040 and Hurst 1320 ALS 3 area performed above plan and continues to deliver grades at +4g/t. Federation_1140 continued to be mined throughout the quarter with positive results. New access bays were developed towards the Lords South 775 level to access +6g/t material.

De-risking of remnant stopes continues by either in-fill diamond drilling or sludge drilling where required and where a high-risk rating for the material to be mined is identified. Inclusion of operators to assist technical staff by reporting ore source changes and isolating questionable material is continuing. Low strength explosives are continuing to be used on all hangingwall production holes, in order to minimise blast damage on low rock strength zones.

2.2.3. King of the Hills Mining Activities

Table 3: KOTH Gold Mine – Mine Production Statistics

	Units	December 2020 Quarter	September 2020 Quarter	June 2020 Quarter
Total mined tonnes, including low grade material	t	116,518	110,017	161,379
Mined grade	g/t	2.69	2.02	2.33
Contained gold in ore	oz	10,061	7,146	12,084
Ore trucked to Darlot for processing				
Total mined tonnes	t	89,546	89,759	99,930
Mined grade	g/t	3.28	2.49	2.83
Contained gold in ore	oz	9,442	7,196	9,093
Ore stockpiled at KOTH				
Total mined tonnes	t	197,820	175,717	155,457
Mined grade	g/t	1.30	1.31	1.46
Contained gold in ore	oz	8,267	7,426	6,644

The majority of the production tonnes sourced during the quarter were from narrow veins. These stopes were the Theon, Oros, Margery, Jaje, Jojen, and Lemonwood lodes. Stope performance was in line with expectations with some stopes performing above plan. Capital development during the quarter was focused on the west decline, with lateral development focused on the ore drives in the West 4890 level and turnouts off the decline.

Approximately 10kt of ore was remaining for January 2021 before the underground mine goes into care and maintenance until the start-up of the new processing plant being constructed at King of the Hills and due to commence operations in the June 2022 Quarter.

2.2.4. Great Western Open Pit Mining

The mining proposal for Great Western has been approved by DMIRS in January, enabling mining at Great Western to commence in February.

All grade control drilling activities were completed during the December Quarter with over 95% of assays now received.

An open pit mining team has been established and the mining and haulage contractors have been mobilised to site. Land clearing and pre-stripping activities will commence in the second half of January 2021 with first ore expected at the Darlot processing plant by the end of February 2021. The Great Western Open Pit is expected to deliver 12,000 to 13,000 ounces to the Darlot processing plant at an average grade of 1.7g/t to 1.8g/t in the second half of FY21 and will deliver additional ounces into the FY22 plan.

2.3. Operational Costs

Table 4: Darlot and King of the Hills Gold Mines – AISC for the Quarter

	Units	December 2020 Quarter	September 2020 Quarter	June 2020 Quarter
Mining costs	A'000	23,315	24,871	24,464
Cartage costs	A'000	2,281	2,169	2,460
Processing costs	A'000	7,423	7,713	7,796
General and administration costs	A'000	2,917	3,493	3,327
Royalties and selling costs	A'000	1,571	1,707	1,913
By-product credits	A'000	(324)	(316)	(262)
Production and selling costs	A'000	37,183	39,637	39,698
Capital expenditure and underground mine development (sustaining)	A'000	4,174	3,159	6,522
Corporate overheads	A'000	2,867	1,866	3,865
Inventory movements	A'000	4,656	(2,325)	(2,838)
All-in Sustaining Costs	A'000	48,880	42,337	47,247
Gold sales for AISC purposes	oz	22,412	19,932	20,929
Mining costs	A\$/oz	1,040	1,249	1,168
Cartage costs	A\$/oz	102	110	118
Processing costs	A\$/oz	331	387	372
General and administration costs	A\$/oz	130	175	159
Royalties and selling costs	A\$/oz	70	86	91
By-product credits	A\$/oz	(14)	(16)	(12)
Production and selling costs	A\$/oz	1,659	1,991	1,896
Capital expenditure and underground mine development (sustaining)	A\$/oz	186	158	312
Corporate overheads	A\$/oz	128	94	185
Inventory movements	A\$/oz	208	(117)	(136)
All-in Sustaining Costs	A\$/oz	2,181	2,126	2,259

Production and selling costs continued to reduce quarter-on-quarter due to disciplined cost control measures and the implementation of “Project 200”, which is targeting to further reduce costs by the end of FY21, with the main opportunity areas being the process plant upgrades and mining cost optimisation.

The higher-than-anticipated AISC was driven by unfavourable movements in inventory associated with the combined effect of drawing down ROM stocks and a negative gold-in-circuit movement associated with CIL tank cleanouts for maintenance during the December quarter.

2.4. Project 200

During the previous quarter, Red 5 launched “Project 200”, an internal margin improvement project targeting a goal of achieving a sustainable annual \$200/ounce improvement to the All-in Sustaining Cost (AISC). The targeted improvement opportunities include:

- Production improvement efficiencies;
- Increasing gold production; and/or
- Cost reduction initiatives

2.5. Production Guidance and Outlook

Following the first half FY21 production result, FY2021 guidance has been revised to between 80,000 to 85,000 ounces at an AISC of \$2,150 - \$2,280 per ounce (previously 90,000 to 98,000 ounces at an AISC of \$1,830 – \$2,030 per ounce). Ore feed for processing at Darlot in the second half FY21 will be sourced from Darlot underground mining, stockpiles from KOTH Underground and open pit satellite feed from Great Western.

The revised guidance is consistent with the actual rates of mining that have been achieved at Darlot in the first half FY21, particularly in more difficult remnant mining areas and other smaller higher-risk stopes. The new guidance also accounts for the delay to the Great Western Open Pit, which has deferred planned ounces into FY22.

3. EXPLORATION AND RESOURCE DEVELOPMENT

3.1. Darlot Regional Exploration

Regional surface exploration programs continued at the Darlot Gold Mine throughout the December Quarter targeting a number of key satellite deposits and prospect areas.

The objective of the current phase of exploration is to support the Company’s Darlot Mining Hub strategy, which is aimed at establishing Darlot as a second long-life gold production hub in the Eastern Goldfields alongside the 16-year Life of Mine King of the Hills Gold Project.

Red 5 has a 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. Great Western

The Great Western gold deposit is located approximately 55km south of the Darlot Gold Mine, along the steeply south-dipping Great Western Shear within the Bundarra structural corridor. Historical exploration and resource drilling along the shear zone has successfully delineated a network of steep south-dipping, east-south-east striking parallel quartz vein zones which can vary between 3m and 40m in width and extend for over 450m along strike.

Exploration drilling planned for FY21 at Great Western consists of several drill programs including in-fill drilling to upgrade more sparsely drilled sections of the deposit to an Indicated Resource classification as well as more exploration-focused drilling designed to test extensions of the mineralisation at depth and within adjacent parallel structures to the north and south of the existing Mineral Resource.

Drilling commenced in July 2020 with four programs now completed. Strong results from the in-fill Reverse Circulation program have confirmed the continuity of the mineralisation and the ore system at depth.

Diamond drilling is currently in progress at Great Western to test extensions of the orebody and potential endowment at depth. Initial drilling has been encouraging with geological logging of the core indicating significant intervals of sulphide-bearing quartz vein zones and the occurrence of visible gold.

Logging of this hole has been completed with sampling yet to be completed.

3.1.2. 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.

Aeromagnetic data interpretation over the area indicates that the Archaean geology is folded about an open synclinal fold, with the Mission and Cable prospects located along the eastern limb and western limb respectively.

A staged drilling campaign comprising RC and diamond drill programs is planned at Mission and Cable in FY21. A total of 15,300m of RC and 3,000m of diamond core drilling is scheduled with programs focused on:

1. In-fill drilling designed to test and update the historical JORC 2004 mineral resource; and
2. Broader exploration drilling outside of the known mineralisation, designed to test extensional opportunities along the strike and depth of the gold deposits.

Planned diamond drilling will add orientated drill core and structural data from both deposits and augment data on deposit lithology, alteration complexes and mineralisation. The core data will also assist with resource targeting through increased understanding of local mineralisation systems at Cable and Mission.

Phase 1 RC in-fill drilling at Mission commenced in mid-September 2020 with initial results confirming the continuity of the north-trending, steeply west-dipping quartz vein zones along the known 500m strike extent of mineralisation.

In addition, drilling has also intersected a new vein zone east of the known mineralisation which has the potential to add to the existing resource. Further drilling designed to tighten the drill spacing over the Mission resource and to test extensions of the mineralised system along strike and depth is also scheduled as part of the current exploration drill campaign.

A similar exploration strategy consisting of staged drill programs is also scheduled over the Cable deposit area with plans to complete two phases of resource definition in-fill drilling over the known resource and also undertake exploration drilling to test the extension of mineralisation along strike and depth.

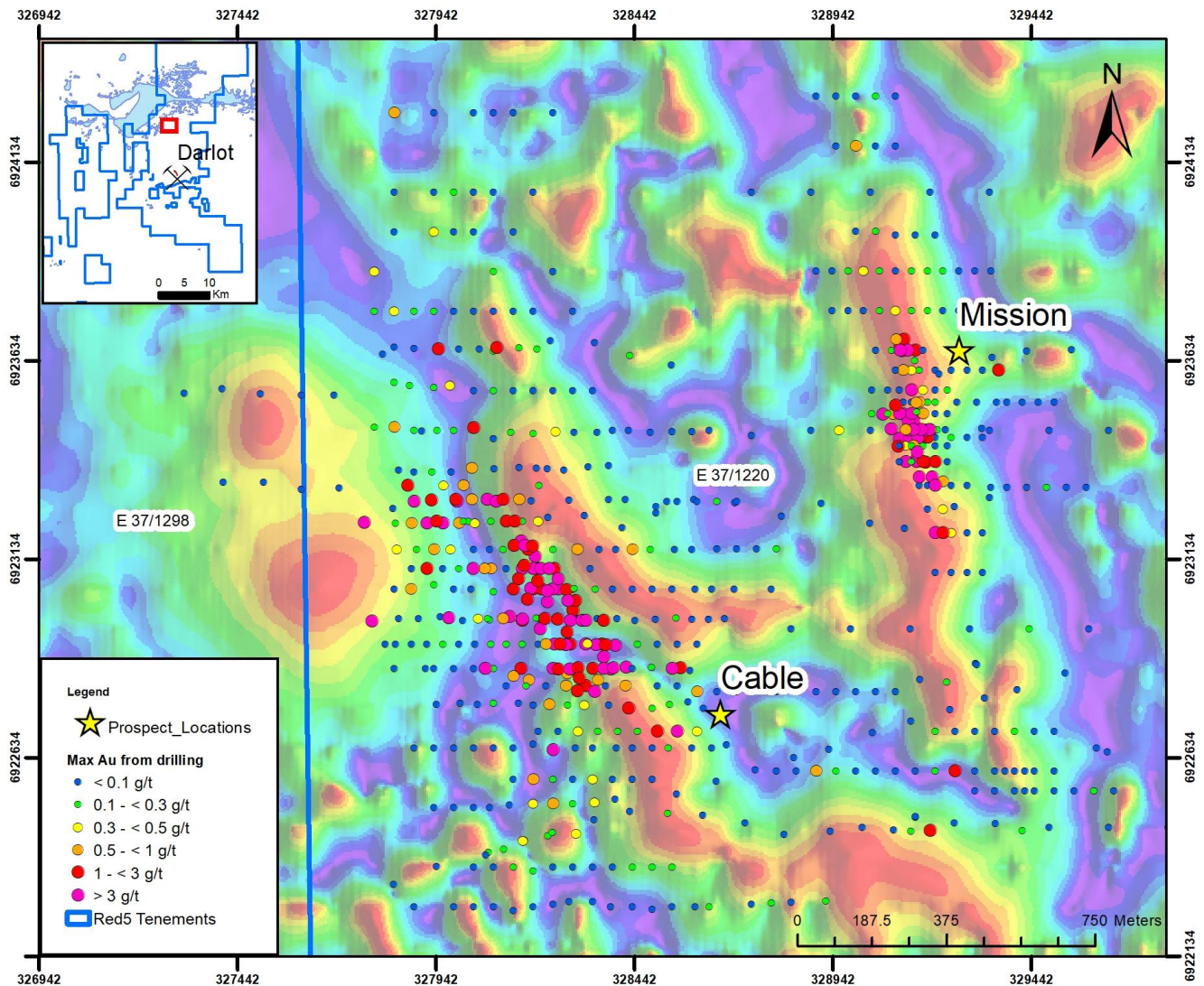


Figure 2: Plan map showing the aerial magnetics of Cable and Mission resource with maximum gold (g/t) from historical drilling.

3.1.3. Dingo Ridge – Ockerburry Area

The Dingo Ridge prospect is located approximately 20km north-west of the Darlot Gold Mine and lies along the northern section of the Ockerburry Shear Zone.

The target is characterised by a large, coherent 4km long, 500m wide north-north-east trending gold anomaly previously identified from historical drilling. The mineralisation at Dingo Ridge is open at depth, and the source and main control on the mineralisation remains unresolved by historical drilling.

Earlier drill programs completed at Dingo Ridge comprised mainly shallow drill holes (less than 150m) with the primary focus of the drilling being the discovery of oxide resources. This past work has been successful but remains incomplete and more focused exploration drilling is required to identify the main mineralisation control for effective testing of the gold system along strike and depth.

Based on this, exploration activity at Dingo Ridge commenced in November 2020 for a diamond drilling program. The program consists initially of two drill holes which are designed to target the northern and southern parts of the Dingo Ridge anomaly.

The southern drill hole is located where shallow historical drilling has returned strong gold assay intercepts associated with quartz veining. Likewise, the northern drill-hole will test a strongly mineralised area defined by the previous drilling but is also designed to target a recently discovered and well exposed mineralised sub-crop which contains abundant stockwork veining which may represent the primary source of gold mineralisation at Dingo Ridge.

Recent rock chip samples taken from the exposure returned gold assay values of 3.1g/t Au and 2.1g/t Au. The significant assays above 1.0g/t from this outcrop and other rock chip and grab samples collected in the region are listed in Table 5 below. For the full set of results from samples collected in the area refer to the Company's ASX announcement dated 10 November 2020.

Table 5. *Significant assay results above 1.0 g/t from the Rock chips and grab samples taken at the Dingo Ridge prospect at Ockerburry¹*

Sample ID	Au g/t	Description
R5SE0027	3.11	Dingo Nth outcrop – Subvertical vein
R5SE00056	2.14	Dingo Nth outcrop – laminated quartz vein
R5SE00030	1.74	Dingo Sth sheared wallrock – historic trench
R5SE00029	1.13	Dingo Sth quartz fragment – historic trench

1: Refer to announcement “*Strong start to FY21 surface exploration program to support Darlot Mining Hub production strategy*” dated 10 November 2020 for sample locations and JORC 2012 Table 1.

The diamond drilling is intended to test across the Dingo Ridge mineralised zone including the inferred position of the Ockerburry Shear in order to advance the current understanding of the structural and geological setting associated with the gold anomaly to assist with future RC drill-hole targeting.

Follow-up RC drilling is planned for the second half of FY21.

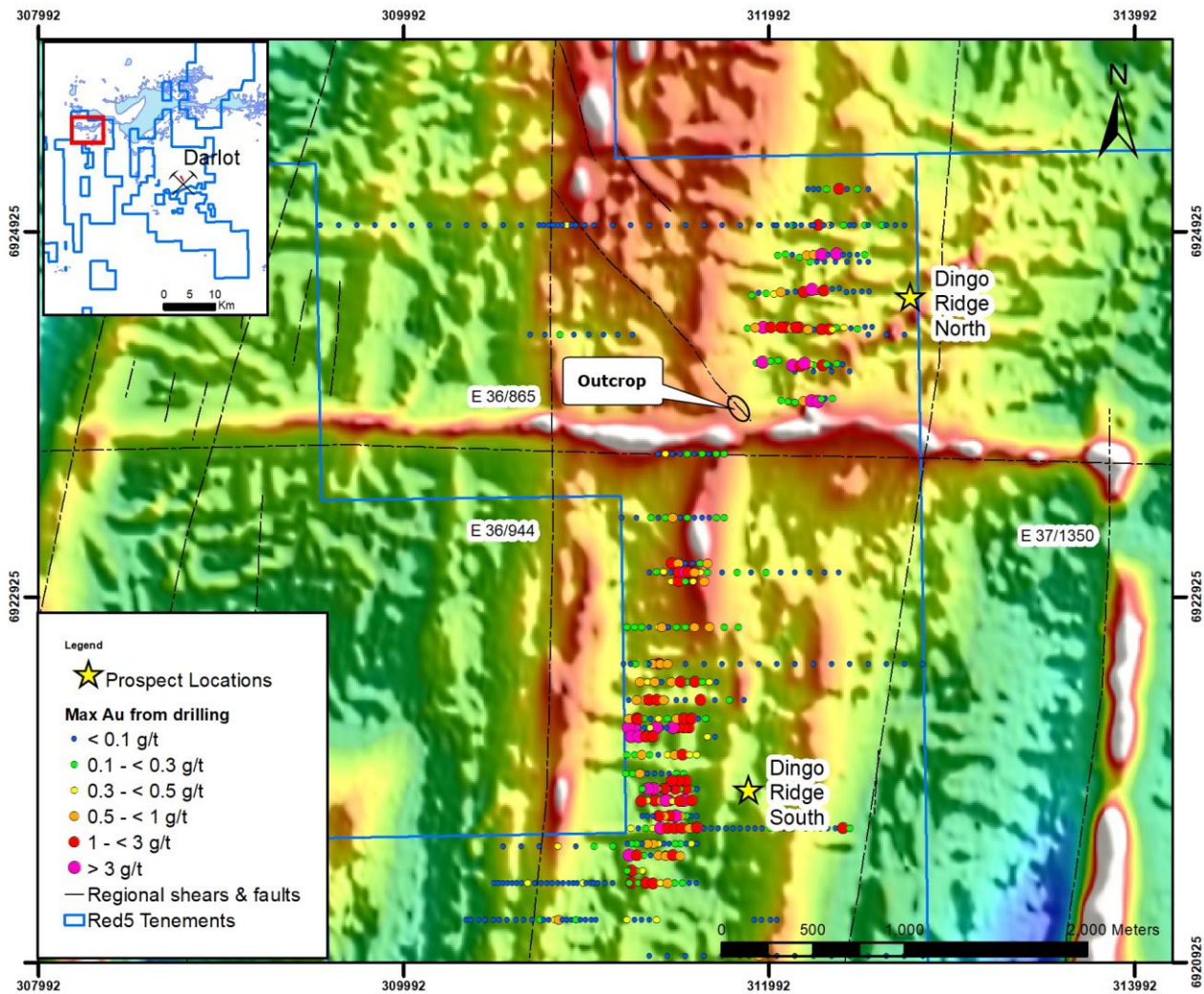


Figure 3: Plan map showing aerial magnetics of the Dingo Ridge gold anomaly and historical drilling showing maximum gold (g/t) of historic drilling and location of mineralised outcrop at Ockerburry.



Sheeted/laminated and brecciated quartz veining at Dingo Ridge North.

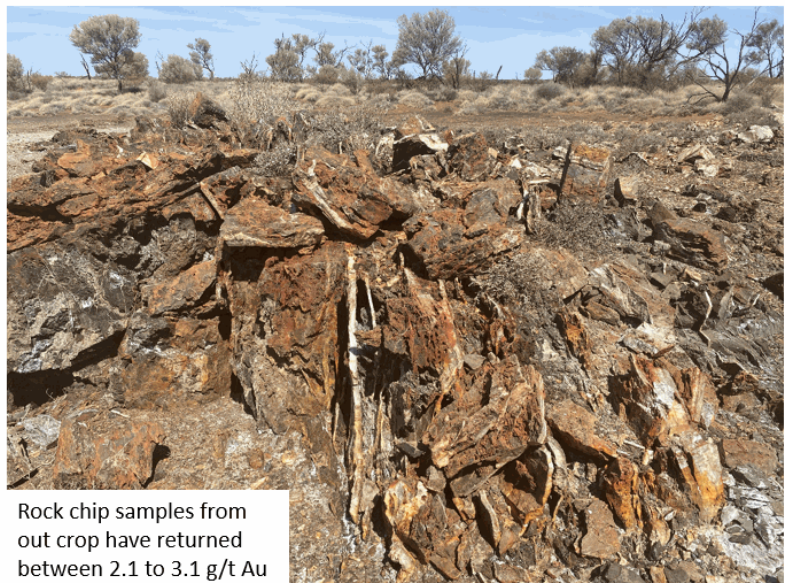


Figure 4: Photos showing mineralised outcrop at surface at Dingo Ridge North area (Dingo Ridge prospect – Ockerburry).

3.2. FARM-IN JOINT VENTURE WITH ARDEA RESOURCES

During the Quarter, Red 5 executed a Farm-in Joint Venture Agreement with ASX-listed explorer, Ardea Resources Ltd (ASX: ARL), to earn up to an 80% interest in two prospective gold exploration projects located in close proximity to the Darlot Gold Mine.

The Farm-in Joint Venture Agreement supports Red 5's multi-strand strategy to expand the Darlot Mineral Resource base, which includes regional 'bolt-on' acquisitions in addition to comprehensive exploration being undertaken as part of the Darlot Mining Hub strategy.

The Mt Zephyr Project covers an area of 900km² and represents an excellent gold discovery opportunity, located within 100km trucking distance from the Darlot mill. Mt Zephyr hosts several areas of known mineralisation, including the Dunn's Find Prospect (gold associated with Banded Iron Formation) and the Gale Prospect (gold associated with granodiorite intrusion), which shows early-stage similarities to Red 5's 4.1Moz KOTH gold deposit.

Mineralisation within the Mt Zephyr area is associated with the major gold-fertile Celia Lineament structure, extending over a strike length of approximately 50km of the Mt Zephyr greenstone belt and the northern end of the Mt Morgan greenstone belt.

The Darlot East Project comprises two Exploration Licences in an under-explored area located 8km to the east of the Darlot mill. Although predominantly underlain by granite batholiths, there is evidence of greenstone in areas previously mapped as granite. The structurally-significant Celia Lineament passes through the tenements, providing an opportunity for mineralising fluids to pass through to form deposits.

Further information on the exploration potential of the Ardea tenements was provided in the Company's ASX announcement dated 19 November 2020.

Under the terms of the farm-in agreement, Red 5 is required to spend \$1.5 million within a 2-year period to earn an initial 60% interest in the tenements, after which Red 5 may elect to spend an additional \$800,000 to earn an additional 20% interest, for a total 80% earned interest in the tenements. Ardea is free-carried by Red 5 up to a 'Decision to Mine', after which it may elect to contribute pro-rata or dilute. If Ardea's diluted interest falls below 10%, it will convert to a 1.5% Net Smelter Royalty (NSR).

The list of tenements included within the Agreement is detailed in Table 6.

Table 6: Mt Zephyr and Darlot East Project Tenements

Project Name	Tenement	Grant Date	Area (blocks)
Mt Zephyr	E 37/1271	06/02/2017	24
	E 37/1274	13/09/2017	64
	E 39/1706	24/09/2013	12
	E 39/1854	11/07/2017	48
	E 39/1985	13/09/2017	32
Darlot East	E 37/1272	06/02/2017	62
	E 37/1273	13/09/2017	60

The descriptions of historical exploration results described in this report were published in the following announcements to the ASX:

1. ASX:ARL Ardea Resources Ltd's Prospectus lodged 9 November 2016.
2. ASX:ARL announcement dated 29 November 2018 "WA Gold Exploration – Update".
3. ASX:ARL announcement dated 11 April 2019 "First pass drilling at Gale identifies large scale gold system".

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.

5. CORPORATE AND FINANCIAL

5.1. Change in ASX classification to Mining Producing Entity

During the Quarter, Red 5 received confirmation from the Australian Securities Exchange that the Company's ASX classification has been changed from a "Mining Exploration Entity" to a "Mining Producing Entity" as defined in ASX Listing Rule 19.12.

As a result of the change in classification:

- Red 5 will continue to lodge Quarterly Activities Reports but will no longer lodge Appendix 5B Quarterly Cash Flow Reports; and
- Red 5 will now lodge an Appendix 4D (Half Year Report) and an Appendix 4E (Preliminary Final Report), in each case, within two months of the end of the relevant reporting period.

5.2. Quarterly Cash Position Reconciliation

Mining operations continue to generate operating cash flow to fund the Company's exploration and growth activities, in particular the development of the planned stand-alone King of the Hills Project.

Table 7: Quarterly Cash Position Summary

	A\$M
Cash and Bullion – 30 September 2020	106.8
Sales receipts net of hedging	50.6
Operating costs including royalties	(39.8)
Free cash flow from operations	10.8
Sustaining capital and mine development expenditure	(3.0)
Growth and exploration activities	(5.6)
KOTH construction and early works	(3.7)
Cash used in development activities	(12.4)
Repayment instalment of Macquarie Working Capital Facility	(3.0)
Corporate overheads and business development activities	(2.3)
Siana Gold Project – maintenance and holding costs	(1.3)
Interest payments and FX movements	(0.2)
Cash from financing activities and other expenditure	(6.8)
Total cash and bullion decrease	(8.3)
Cash and bullion – 31 December 2020	98.5

Free cash-flow from Darlot operations for the December quarter was \$10.8 million, which was utilised to fund the Company's development of the KOTH Project and exploration activities. The average sales price achieved for the quarter was A\$2,264 ounce.

At 31 December 2020, the Company had total cash and cash equivalents of \$98.5m (\$93.2m cash and \$5.3m bullion). After the payment of \$3.0m for the fourth instalment of the Working Capital Facility with Macquarie Bank, total outstanding debt as at 31 December 2020 was \$5.0m.

During the quarter, Red 5 paid \$3.7m in KOTH construction activities, mainly on the village construction facilities. Red 5 has paid \$13.6 million to date for KOTH construction activities, which are part of the \$226 million capital budget.

Red 5 also invested \$5.6 million in growth exploration programs at Darlot, Great Western and KOTH during the December Quarter 2020.

During the quarter, the Company made payments of \$0.28 million (September Quarter: \$0.26 million) 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.

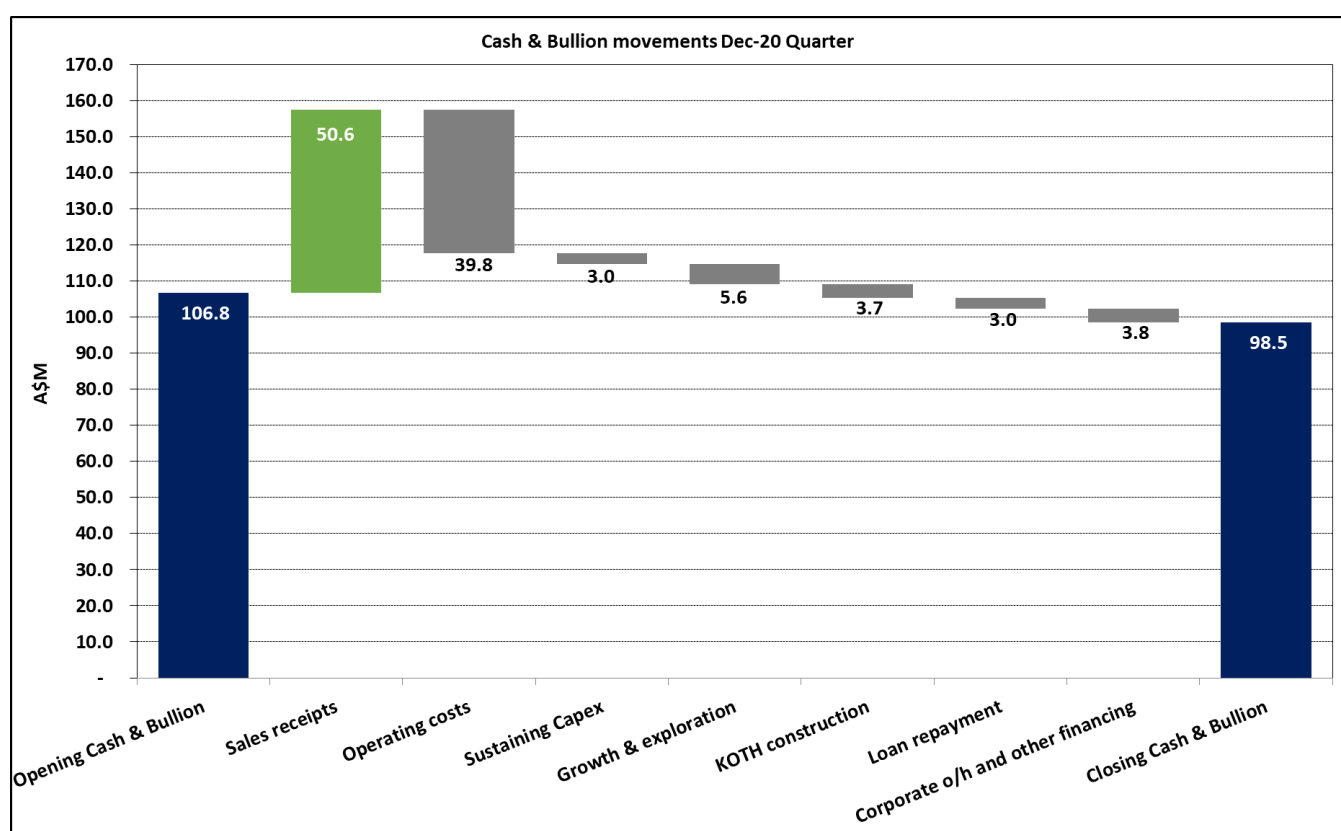


Figure 5: December 2020 Quarter Cashflow Waterfall Chart.

5.3. Hedging

During the December 2020 Quarter, the Company delivered 14,000 ounces into its hedging contracts at a weighted average price of A\$2,095 per ounce.

At 31 December 2020, the Company's hedge position was 39,000 ounces, to be delivered from January 2021 to September 2021 at a weighted average gold price of A\$2,084 per ounce.

Table 8: Current Hedge Position

Financial Year	Quarter	Quarterly Ounces	Weighted Av. Price A\$/oz
2021	March-21	14,500	2,095
	June-21	16,500	2,095
	Sub-Total	31,000	2,095
2022	September-21	8,000	2,042
	Sub-Total	8,000	2,042
TOTAL		39,000	2,084

Authorised for release by the Board.

ENDS

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

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 DECEMBER 2020

WESTERN AUSTRALIA		
Project	Tenement number	Red 5 interest
<i>Darlot Gold Mine</i>	E36/0865, E36/0940, E36/0941, E36/0944, E36/0945, E36/0964, E36/0968, E36/0969, E36/0980, 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, 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	100%
	E36/0997, E36/0999, E36/1002, E37/1393, E37/1400, E37/1413, E37/1415, E37/1428, L37/0238, P37/9345	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	83.5%
	M37/0421, M37/0632	100% with a portion of tenements at 49% via agreement
<i>King of the Hills Gold Project</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, P37/9157, P37/9160, P37/9161, P37/9269, P37/9270, P37/9271, P37/9272, P37/9273, P37/9274, P37/9275, P37/9276, P37/9277, P37/9278, P37/9279, P37/9280, P37/9281, P37/9282, P37/9283, P37/9284, P37/9286, P37/9287, P37/9289, P37/9291	100%

WESTERN AUSTRALIA		
Project	Tenement number	Red 5 interest
	E37/1385, E37/1409, E37/1410, L37/0248, L37/0250, P37/9285, P37/9288, P37/9290, P37/9292, P37/9293, P37/9294, P37/9295, P37/9392, P37/9393, P37/9394, P37/9395, P37/9396, P37/9397, 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	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	E37/1428	100%
	E36/0940, E37/1194, E37/1195, E37/1210, M37/0503, P37/8309, P37/8431, P37/8432, P37/8587	100%
	E37/1271, E37/1272, E37/1273, E37/1274, E39/1706, E39/1854, E39/1985	Farm-in agreement to earn up to 80%

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