RED 5 Limited

21 July 2016

June 2016 Quarterly Activities Report

Strong gold production performance with significant fall in C1 costs; positive FY 2017 outlook with rising production and cash balance, and lower costs; Siana Underground mine approved for development

Highlights

Operations – Siana Gold Project, Philippines

- 18,047oz recovered for the Quarter (March Quarter: 9,448oz) and gold sales of 19,946oz (March Quarter: 10,365oz).
- Full year production for FY 2016 of 59,663oz.
- All in Sustaining Costs reduced by 35% to A$1,168 per ounce (March Quarter: A$1,799/oz), largely reflecting increased production volumes.
- Reconciliation of ore tonnes and grade continues to exceed expectations.
- A total of 222,321 tonnes of ore at an average grade of 2.73g/t Au and 835,368 bank cubic metres (BCM) of waste was moved ex-pit during the Quarter.
- Ore stockpiles at Quarter-end of 193,000 tonnes at 1.34 g/t Au. Stage 3 mining was the primary ore source.

Siana Underground Development

- Updated Feasibility Study completed by independent consultants Mining One Pty Ltd, indicating a financially and technically viable underground project based on a JORC 2012 compliant Ore Reserve.
- Maiden JORC 2012 Underground Ore Reserve of 3.01 Mt at 4.1 g/t Au for 396,000oz of contained gold.
- The Feasibility Study also considered a long-term mine plan based on the whole underground resource (Measured, Indicated and Inferred material).
- Key Feasibility Study outcomes for the long-term mine plan include:
    - *Average annual forecast recovered gold production of ~60,000oz pa over an 8-year mine life;*
    - *Forecast life-of-mine all-in sustaining costs (AISC) of US$930-US$980 per ounce;*
    - *Forecast pre-tax IRR of 22%; and*
    - *Capital cost estimate to the point of positive cash flow of US$55M (plus a US$5M contingency), to be incurred progressively in stages over a period of over 27 months.*
- Based on the positive outcomes of the updated Feasibility Study, the Siana underground mine has been approved for development, which is scheduled to commence in the second half of calendar year 2016.

Finance

- A$18.2 M cash balance (unaudited) as at 30 June 2016 (31 March 2016: A$3.7M).
- Gold sales for the Quarter of A$34.4 M (March Quarter: A$16.9M).
- EBITDA (unaudited) from operations of A$20 M (December 2015 Quarter: A$7.1M).

Outlook

- Open pit production for FY 2017 forecast at 72,000-80,000oz at an AISC in the range of US$740-780/oz.
- Forecast production for the September 2016 Quarter is 17,000-20,000oz of gold, contained in ore mined from the open pit.
- Reducing operating cost profile reflects an expected significant reduction in the waste-to-ore ratio in the open pit from ~8:1 currently to ~3:1 from July 2016 onwards.

Exploration

- Two diamond drill rigs currently on-site at Siana undertaking near-mine exploration drilling.
- Exploration drilling focused on the region north of the existing Siana open pit, which is prospective for new zones of gold mineralisation.
- Sterilisation and geotechnical drilling relating to the new long term Tailings Storage Facility has been completed.
- Preparations underway for a new exploration drilling program planned for the second half of 2016 targeting the area of the south of the Siana open pit, where previous soil sampling identified large copper-gold anomalies (up to 1km in diameter) in the Alegria-Madja area.

Figure 1: Tailings dam construction activities, Siana Gold Project

OVERVIEW

Red 5 Limited (ASX: RED) is pleased to report on a strong production performance by the Siana Gold Project for the June 2016 Quarter with a total of 18,047 ounces recovered for the Quarter.

As a result of the increased production volumes and absence of extended maintenance periods for the processing plant, C1 cash operating costs for the quarter fell to A$663/oz, a 24 per cent reduction from A$870/oz in the March Quarter. The All-in Sustaining Cost (AISC) for the quarter was A$1,168 per ounce sold compared to A$1,799/oz in the previous quarter.

A total of 59,663 ounces was recovered and 60,354 ounces were sold for FY 2016. The AISC for the year was A$1,456 per ounce sold and the average gold price received was A$1,612 per ounce. The AISC is forecast to continue to reduce from the September 2016 Quarter as a result of a significant reduction in the waste-to-ore ratio in the open pit (see below).

Outlook

Following completion of the annual work plan and budget for the 2016-17 financial year, Red 5 has updated its production guidance for the year ending 30 June 2017 to 72,000 to 80,000oz at a forecast all-in sustaining cost (AISC) in the range of US$740 to US$780 per ounce.

The reducing cost profile for the open pit operation reflects a significant reduction in the forecast waste-to-ore ratio in the Siana open pit as the open pit progresses through Stages 3 and 4. The strip ratio is currently ~8:1 and is projected to fall to ~3:1 from July 2016 onwards. The reduction in all-in sustaining costs should result in strong cash-flow generation for the remainder of the open pit operation.

The Philippine Department of Environment and Natural Resources (DENR) has announced that it would be conducting audits of mining companies to determine the adequacy and efficiency of the environmental protection measures of each mining operation. The Group is seeking clarification from DENR in relation to this matter and is assessing any potential impact on operations. The Group is currently in compliance with the DENR regulations, having obtained accreditation for ISO 14001 on 29 December 2015 (see December 2015 Quarterly Report). In addition, the Group has also obtained accreditation for ISO 9001: Quality Management Systems and OHSAS 18001: Occupational Health and Safety Management Systems.

During the Quarter, an updated Feasibility Study was completed for the Siana underground which indicated a financially and technically viable mining operation. On the strength of the Feasibility Study results, approval has been given for the underground development, with construction scheduled to commence in the second half of calendar 2016.

Quarterly Gold Production – Key Statistics

Key Indicators	Unit	Sep. 15 Quarter	Dec. 15 Quarter	Mar. 16 Quarter	Jun. 16 Quarter
Mine Production					
Waste Mined (ex-pit)	BCM' 000s	482	1,088	852	835
Ore Mined	t	173,906	121,068	269,068	222,321
Mining Cost per tonne (ore and waste)	$/t	4.5	4	3.5	3.3
Mill Production					
Ore Processed	t	210,572	173,601	119,758	188,453
Head Grade – Gold	g/t	3.1	3.1	3.1	3.4
Head Grade – Silver	g/t	6.4	6.1	7.1	8.6
Processing Cost per Tonne	$/t	25	27	35	27
Recovery – Gold	%	85	85	82	87
Recovery – Silver	%	39	32	29	43
Gold Recovered	oz	17,737	14,431	9,448	18,047
Silver Recovered	oz	16,962	11,245	8,014	24,086
Gold Sold	oz	15,281	14,762	10,365	19,942
Silver Sold	oz	11,586	12,273	8,291	19,822
Average Gold Price Received	US$/oz	1,116	1,130	1,177	1,252
	A$/oz	1,561	1,575	1,630	1,724
Cash Operating Costs (i)	A$/oz	612	680	870	663
Total Operating Costs (ii)	A$/oz	1,083	1,144	1,289	1,019
All In Sustaining Costs (iii)	A$/oz	1,389	1,673	1,799	1,168

(i) *Includes all site expenditure, royalties, doré shipping and refining costs, silver credits and inventory movement adjustments. Does not include actual waste stripping costs which are deferred and amortised over the life of the open pit.*

(ii) *Includes Cash Operating Costs (i) plus plant and equipment depreciation and amortisation of capitalised waste stripping, pre-production mining and exploration costs.*

(iii) *Includes Cash Operating Costs (i) plus actual waste mining, sustaining capital and corporate costs.*

OPERATIONS

Mining Activities

Mining activities during the June 2016 Quarter were focused on mining ore at the lower levels of Stage 3 of the Siana open pit and on reducing waste material on the west wall. In addition, mining of material suitable for delivery for Tailings Storage Facility construction was ongoing during the Quarter.

Reconciliations of actual ore tonnes and grade mined against the block model have continued to exceed expectations in the base of the open pit. This is considered to be a positive indication for the grade profile of the open pit over the next 18 months.

A total of 222,321 tonnes at 2.73 g/t Au of ore and 835,368 bank cubic metres (BCM) of waste was moved ex-pit during the Quarter. The average cost of mining for the quarter (including rehandle) was A$3.30/tonne compared to A$3.47/tonne in the previous quarter.

Ore stockpiles including low grade material at Quarter-end were 193,000 tonnes at 1.34 g/t Au. Ore is currently being mined from Stage 3 and Stage 4 of the Siana open pit. The Company's production forecast is 17,000 to 20,000oz of gold expected to be recovered in the September 2016 Quarter.

Processing

The Siana processing plant has continued to perform well, with a total of 188,453 tonnes of ore processed for the Quarter (March 2016 Quarter: 119,758 tonnes). The average head grade and recovery was 3.4 g/t Au and 87% respectively (March 2016 Quarter: 3.1 g/t Au and 82%).

A total of 18,047oz of gold was recovered for the Quarter. The average unit ore processing cost for the Quarter was A$26.80/tonne, compared with A$34.80/tonne for the March 2016 Quarter.

Figure 2: Siana Gold Project processing plant

Tailings Storage Facilities (TSF)

A planned tailings storage solution is being implemented for the Siana Gold Project. During the Quarter, construction commenced on Stage 3 of the High Density Poly Ethylene (HDPE) lined Tailing Storage Facility (HDPE TSF 5), and is currently in progress and ~40% completed. Deposition of tailings into TSF 3 commenced in May 2016. TSF 4 Stage 4b construction is also in progress and is ~90% completed.

Activities also continued during the Quarter on the long-term TSF. Design drawings have been completed and issued by Knight Piesold. Sterilisation and geotechnical drilling programs were also completed. Samples taken during the geotechnical site investigation were sent to Singapore for geotechnical laboratory testing. The Environmental Performance Report and Management Plan (EPRMP) process is ongoing with Public and Technical Scoping meetings with the Environmental Management Bureau (EMB) being completed during the Quarter. The draft EPRMP has been submitted to the EMB for procedural review. The Group aims, subject to DENR approvals, to commence construction of the long-term TSF by the end of calendar year 2016, noting that the existing TSF facilities will accommodate the Group's operational needs until at least the end of the March 2017 Quarter, depending on settlement densities achieved. The Group is also evaluating additional short term tailings storage alternatives if required.

Figure 3: Tailings dam construction activities

Dewatering

The construction of additional dewatering bores has been postponed until 2017 while additional monitoring bores are drilled and fitted with Vibrating Wire Piezometers. The location of the new dewatering bores, which will be used to dewater the underground mine ahead of development operations, will be determined following analysis of the current and new monitoring bores. Engineering is being finalised in relation to the upgrade of the open pit surface water pumping system. This upgrade will be undertaken in stages over 2016 and 2017.

FUTURE DEVELOPMENT STRATEGY – UNDERGROUND

Siana Underground Feasibility Study

During the Quarter, an updated Feasibility Study was completed by independent consultants Mining One Pty Ltd (Mining One) for the underground mine development at Siana. The results confirmed a technically viable project with robust economic outcomes which has the potential to significantly extend the life of the operation well beyond the current open pit.

The Feasibility Study included a maiden Ore Reserve estimate for the Siana Underground of 3.01 Mt @ 4.1 g/t gold, underpinning the proposed development of an underground mine directly below the existing open pit to extract 0.5 million tonnes of ore per annum for processing through the existing Siana mill (refer to Underground Reserve table below).

Siana JORC 2012 Underground Reserve Estimate as at June 2016

Estimate	Classification	Cut Off Au (g/t)	Tonnes (Mt)	Au g/t	Ag g/t	Contained Au (koz)	Contained Ag (koz)
June 2016 JORC 2012	Probable	2.4	3.01	4.1	6.7	396	644
	Total	**2.4**	**3.01**	**4.1**	**6.7**	**396**	**644**

Notes on the Reserve

1. Discrepancy in summation may occur due to rounding.
2. Reserves have been reported below the Stage 4 Final Pit (-130m level).
3. A cut-off grade of 2.4 g/t Au has been applied.
4. For grade estimation, the updated Siana underground resource has been constrained based on the geological interpretation which coincides with a nominal 1.0 g/t Au threshold grade. Zones of internal waste within some zones graded less than 1.0 g/t Au over a nominal two metres length and were interpreted and estimated separately.

Based on the long term mine plan that considers the whole resource (Measured, Indicated and Inferred), the Siana Underground operation is forecast to produce on average **~60,000 ounces per annum** over an 8-year production mine life. The projected cash operating cost (C1) range is between US$700-US$750 per ounce, and all-in sustaining costs (AISC) are forecast to be between US$930-US$950 per ounce.

Figure 4: Proposed underground portal location within the Siana open pit

It should be noted that, under the current long term mine plan, 77% of the gold produced will be sourced from material classified as Indicated in the resource model, with the remaining 23% sourced from Inferred material. There is no material classified as Measured in the current underground resource model. 79% of the forecast gold production in the long term mine plan is based on Probable Reserves; there is no Proven portion to the reserve estimate. No portion of the total gold production under the long term mine plan is based on exploration targets.

The estimated Ore Reserves and/or Mineral Resources underpinning the production target of the total gold production have been prepared by competent persons in accordance with the requirements of the JORC Code, 2012 Edition. There is considerable potential to extend the mine life through resource extension and further exploration of near-mine targets.

The forecast project Net Present Value ($NPV_{@10\%}$, Pre-Tax) for the long term mine plan at an estimated gold price of US$1,200 per ounce over an 8-year production mine life is US$50 million with an IRR of 22%. The robust economics and the capital cost estimate for the underground mine development make this an attractive growth opportunity for the Red 5 Group. The positive results from the Feasibility Study pave the way for the commencement of underground mine development, with a projected 12-month timeline to access first underground ore.

The Group believes that it will be able to fund the underground mine development at Siana by utilising the cash-flow generated by the existing open pit operation over the next 18 months, as well as being able to accelerate initial underground development through a short-term loan facility provided by Philippines bank Metropolitan Bank & Trust Company (Metrobank).

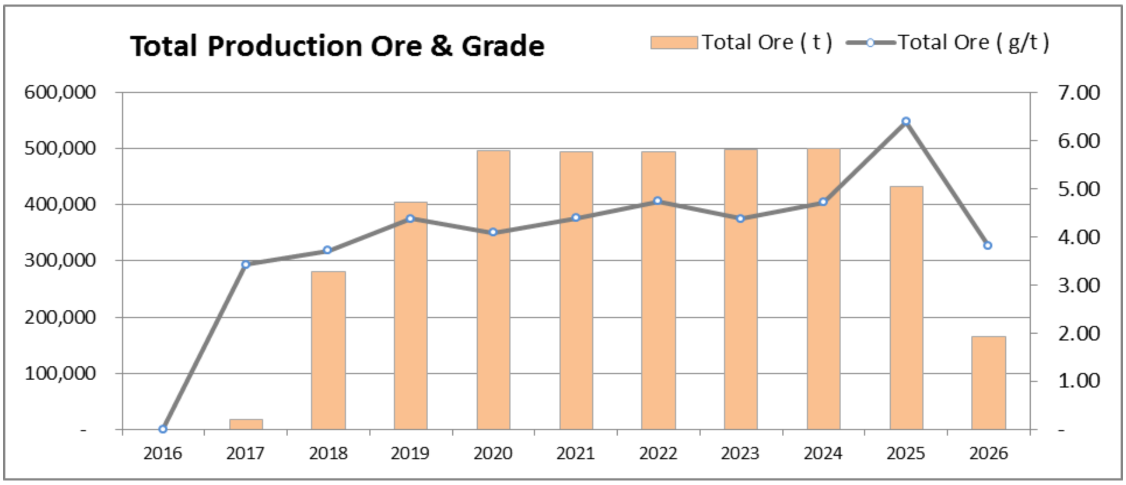
This will enable the operation to transition to underground mining following the completion of the open pit by the end of calendar year 2017.

Long-Term Mine Plan

The Feasibility Study considered the technical and economic viability of mining the whole resource beneath the final pit design as it is currently understood. This included the assessment of resource material classified as both Indicated and Inferred (there is no material classified as Measured).

The motivation for this approach is that the Inferred material only makes up a small proportion of the total ore inventory (10%) and is likely to be converted to Indicated material on the basis of the proposed grade control drilling program. A representative long section and cross-section is provided below to provide an indication of where the Inferred material is located. The majority of this material has been scheduled to be mined in the last half of the mine life.

The forecast project mine production plan is for 8 years mining some 3.8Mt at a head grade of 4.6 g/t gold equivalent for a total of 504,000 ounces of recovered gold.



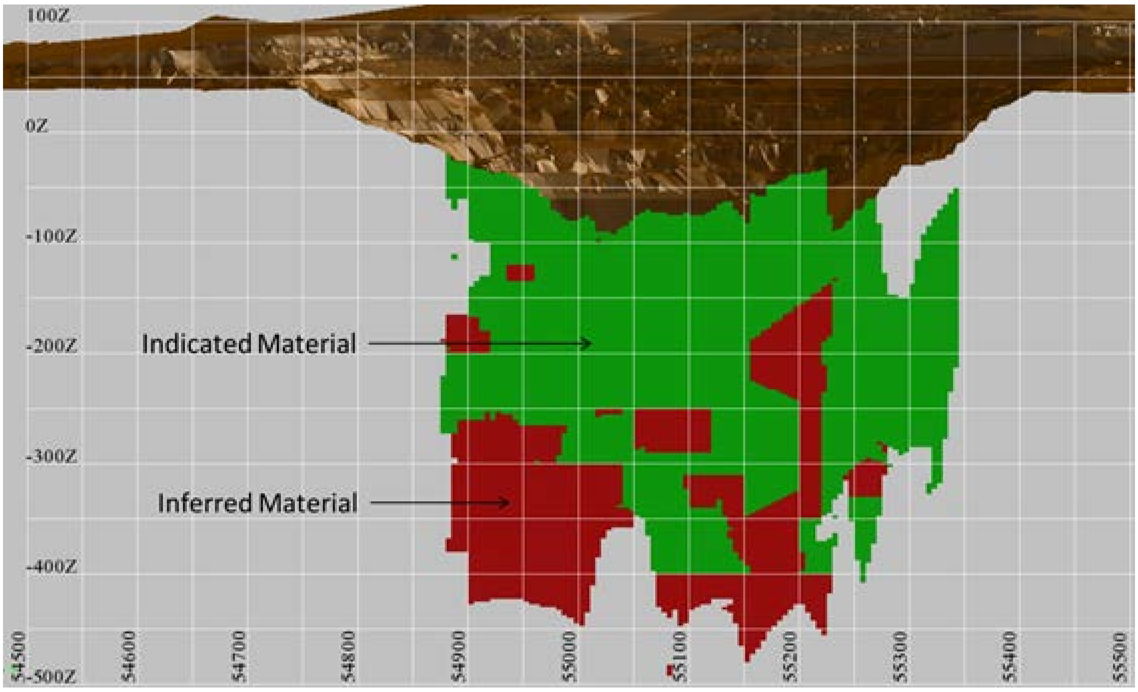


Figure 5: Long-section of the resource model above 1.0g/t Au equivalent

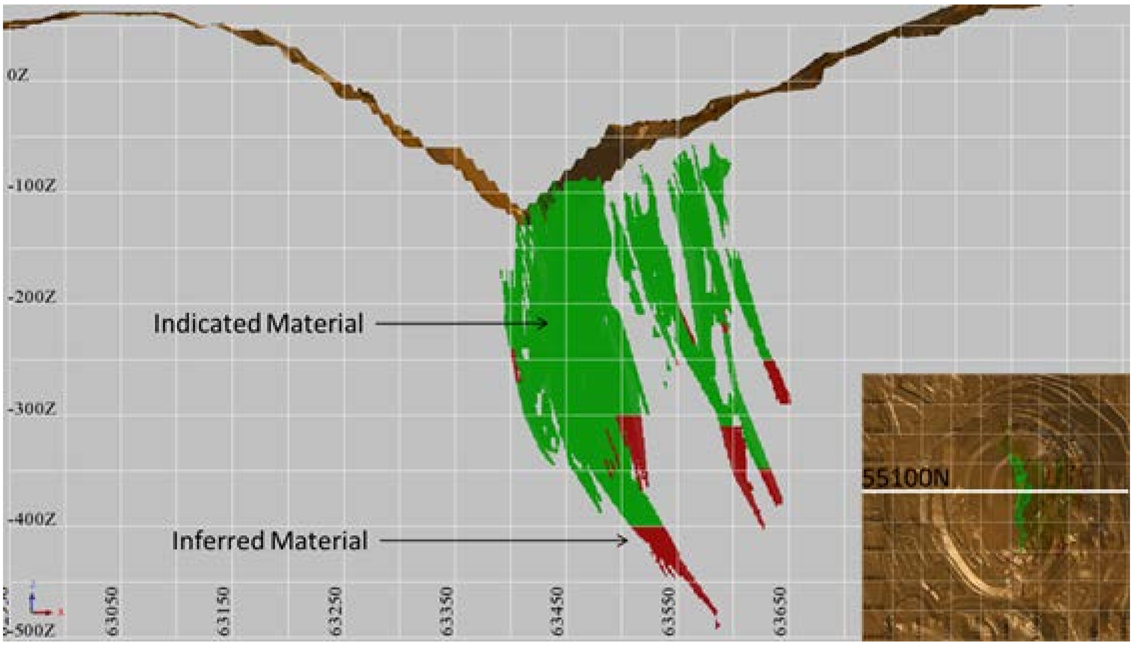


Figure 6: Cross-section at 55100N

Mining Methods

Mining One has undertaken a detailed review of the mining methods adopted in previous studies. The updated mine plan is based on the use of a conservative short up-hole retreat mining method with cemented paste-fill for the majority of the orebody.

A geotechnical assessment of the proposed mining method and tunnel development was also conducted as part of the Feasibility Study. In the context of the Siana ore body, Mining One believes that there are significant advantages in the up-hole retreat mining method using conventional jumbo drill and blast for tunnel development and stoping.

A key to the success of the project will be managing geotechnical and hydrogeological issues. As such, a detailed development design with multiple level access and short level spacing has been produced that will allow for control of the mining front while also providing scheduling flexibility. An isometric view of the mining front is provided below.

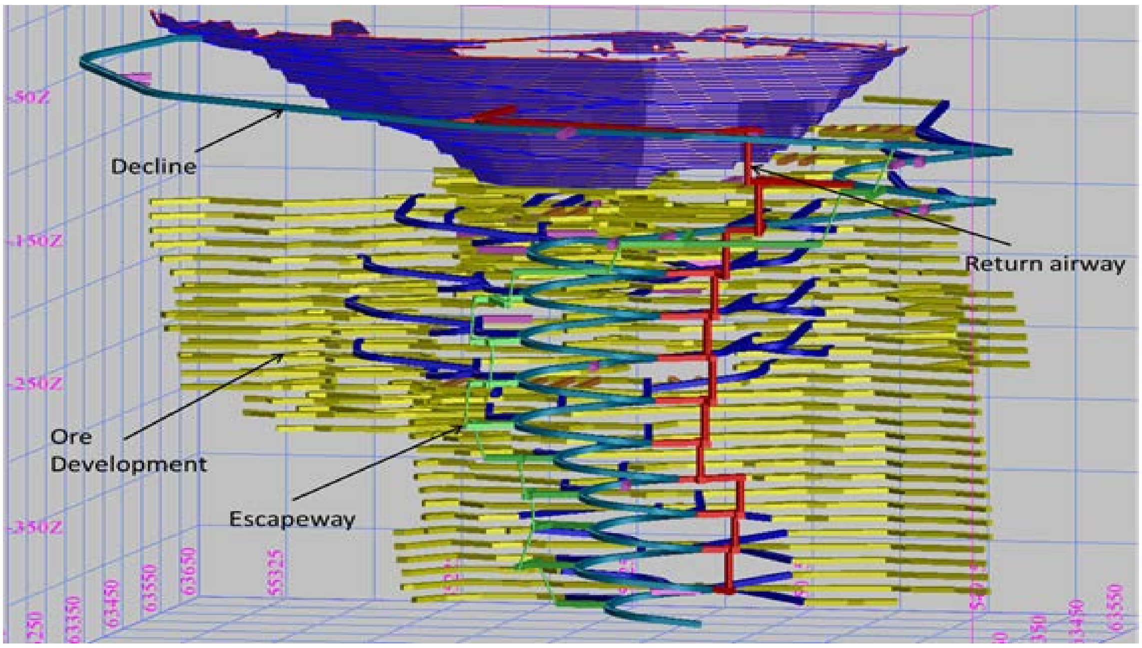


Figure 7: Isometric view of underground development

The principal mining method proposed for the underground operation is uphole stoping with cemented paste. This is a proven and productive mining method. Given the ground conditions a small level spacing (10m) has been used. This will allow for better control of the mining voids and drilling and blasting. The use of cemented fill means that mining can be conducted on several levels. A schematic illustration of the mining method is provided in Figure 8 below.

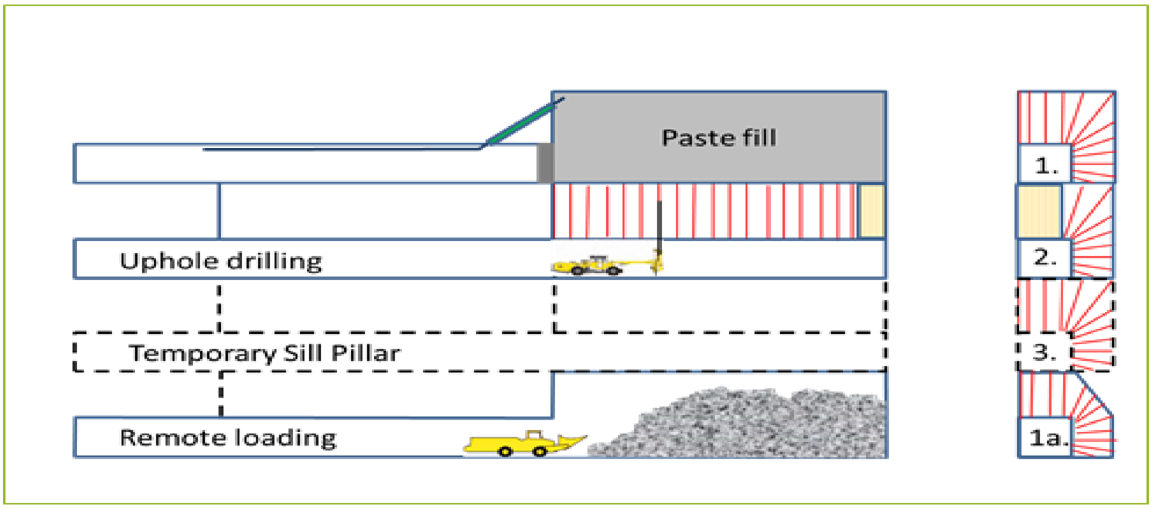


Figure 8: Schematic illustration of the proposed mining method

Processing

Ore from the Siana underground operation will be processed at the existing 1.1Mtpa gravity and carbon-in-leach (CIL) processing facility located at Siana.

Capital costs

The total capital costs for the underground project to the point where the project becomes cash flow positive is estimated at US$55 million (plus a contingency cost of US$5 million). The capital expenditure estimate for the Feasibility Study predominantly relates to construction of a paste plant, infrastructure and underground development.

The capital cost of the underground development will be incurred as staged payments over a period of 27 months and will be partly offset from the sale proceeds of gold produced from the underground mine during this period.

Operating cash costs

The estimated C1 operating cash costs plus royalties over the life-of-mine (LOM) are US$700-US$750 per ounce. The life-of-mine all-in sustaining cost (AISC) is forecast at US$930-US$980 per ounce. The costs have been based on quotes from various suppliers and costs already received on site. Mining cost estimates have been validated with estimates from several underground mining contract specialists. The Group is now assessing opportunities to further reduce the forecast AISC.

Pricing assumptions

For the purposes of the Feasibility Study, the Group has adopted a gold price of US$1,200 per ounce over the life of the project. The Group believes that this pricing profile is appropriate and Mining One considers that it is consistent with market trends and long term pricing projections from independent sources.

Financial evaluation

A summary of key parameters from the financial model used in the Feasibility Study is outlined in the following table:

Summary of Key Parameters from Underground Feasibility Study Financial Model		
Life of Mine (LOM) including development	Years	9
LOM Ore Mined	Mt	3.8
Maximum Plant Feed Rate	Mtpa	1.1
Average Gold Head Grade	g/t	4.6
Average Gold Recovery	%	90
Average Forecast Gold Price	US$/oz	1,200
Forecast FX Rate	AUD:USD	0.72
Initial Capital Cost	US$M	60
Average LOM Operating Cost	US$/oz	700-750
Ave AISC Costs	US$/oz	930-980
NPV (10% Discount Rate, Pre-Tax)	US$M	50
IRR	%	22

Future Development Strategy – Mapawa LSY deposit

Following the successful Scoping Study completed in the March 2016 Quarter to assess the Mapawa Project's potential to provide a source of satellite ore feed for the Siana processing plant, the Company has now commenced a Feasibility Study on this project.

Further exploration activities are also planned at Mapawa with the aim of increasing the current Mineral Resource base (8.8Mt grading 1.0g/t gold for 289,000 contained ounces) sufficiently to enable a possible stand-alone gold operation from near surface epithermal gold bearing mineralisation developed from fertile gold-copper porphyry systems at depth.

EXPLORATION

Near-mine Exploration and Sterilisation Drilling

Sterilisation drilling for the long-term TSF totalling six holes for 1,496m was completed during the June Quarter. Geological logging demonstrated that the area is composed of a thick sedimentary package of cyclic sequences of mudstones, siltstones and sandstones that grade downward to sedimentary breccias of the Bacuag Formation.

Basalt flows and thin limestone lenses occur as intercalations within the sediments. Based on the logged lithology, no significant alteration and no sulphide occurrences related to mineralisation were observed. All drill holes have been submitted for analysis with the results to date showing no significant assays.

Evaluation drill holes totalling 185m for the limestone area, located to the east of the Siana pit, were also completed. Due to the deeper-than-expected depth of the limestone – a result of the faulting from the East Wall Fault Zone – an additional hole has commenced to evaluate both the geology and potential mineralisation to the east of the pit on the up-thrown side of the structure. The cover in this area is the post-mineralisation Timamana limestone. The East Wall Fault Zone is a deep seat structure and is interpreted as the feeder structure for the Siana resource.

Alegria

An exploration drilling campaign is planned to commence in the second half of 2016 over the area to the south of the Siana open pit in the southern Siana tenement, known as Alegria.

Previous exploration programs identified three significant prospects within the Alegria area – the Alipao, Madja and Budlingin prospects (refer to Figure 9 below for location). All three prospects show coincident geochemical and Induced Polarisation (IP) geophysical anomalies. In 2005, seven diamond holes were drilled targeting the IP geophysical highs at the Alipao and Madja prospects. These initial holes were very encouraging and proved that the area has been intruded by fertile gold and copper-bearing intrusives. Artisanal miners are also active within this area, exploiting the near-surface epithermal veining of the fertile gold-copper porphyry intrusives.

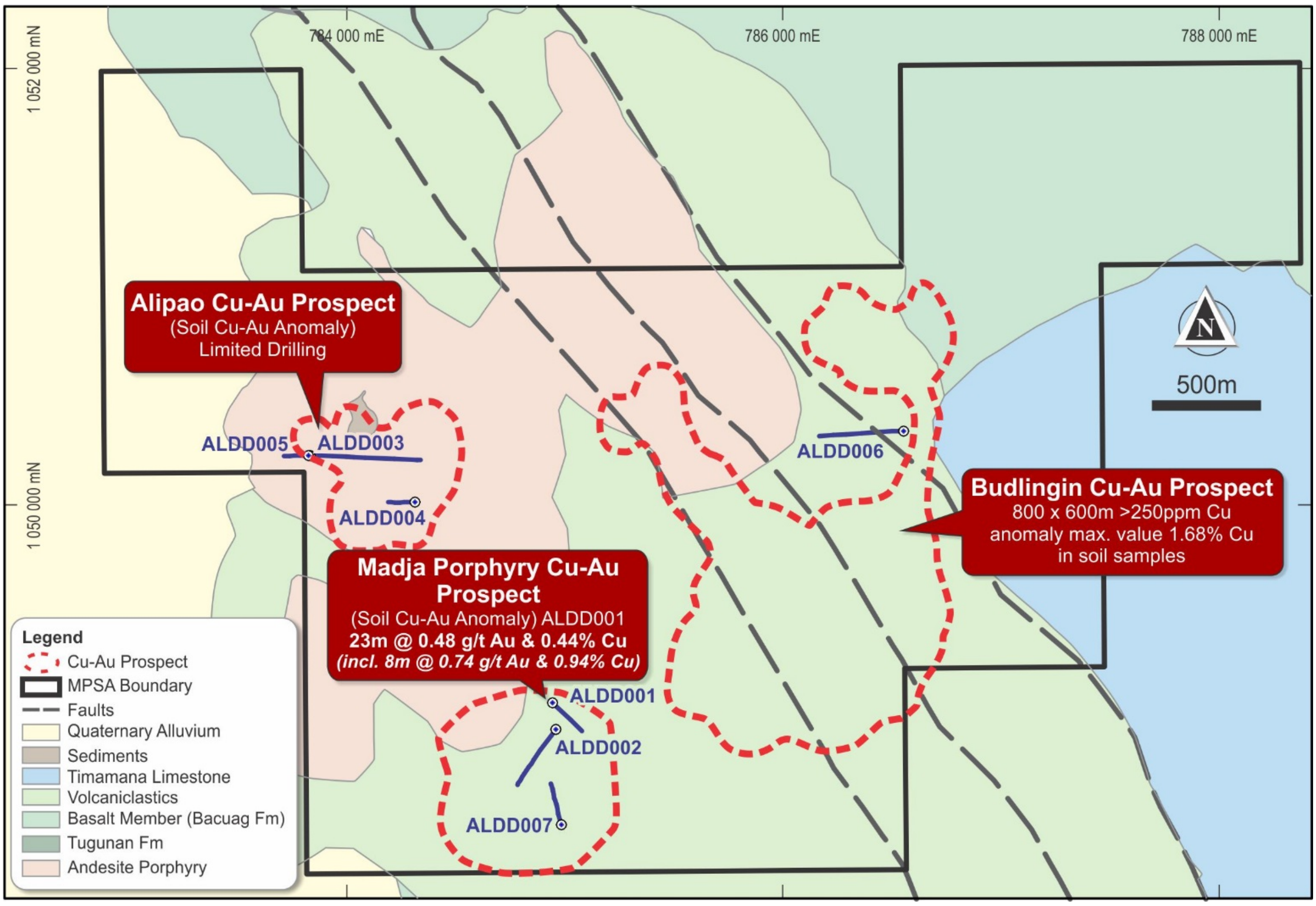


Figure 9: Siana MPSA Block I tenement showing the Alegria Prospects Alipao, Madja and Budlingin

Exploration will commence in the second half of the year with field mapping over the three identified prospects, followed by selected trenching with the aim of developing initial drill targets. The primary mineralisation in the area has been identified as near-surface epithermal gold-bearing veins and copper-gold porphyries at depth.

Priority will be given to near-surface mineralisation along with follow-up drilling at the Madja prospect, where previous drilling intersected significant copper-gold mineralisation. Drill-hole ALDD001 intersected 8.0m @ 0.74g/t Au and 0.94% Cu and 23m @ 0.48g/t Au and 0.44 % Cu, with promising alteration and lithology also returned from holes ALDD002 and ALDD007. Refer to below table for assay results from ALDD001.

Madja Prospect					
Madja Significant Assays For Au > 0.2 g/t and/or Cu > 0.2%					
HOLE ID	FROM	TO	LENGTH	Au g/t	Cu %
ALDD001	51.0	72.0	21.0	0.34	0.33
ALDD001*	80.0	103.0	23.0	0.41	0.55
ALDD001	147.0	170.0	23.0	0.48	0.44
ALDD001	175.0	184.0	9.0	0.33	0.31
ALDD001	205.0	213.0	8.0	0.33	0.52
*** Includes 8m @ 0.74 g/t Au & 0.94% Cu**					

Significant assays for drill hole ALDD001 – Madja Copper-Gold Prospect
Note: Drilling and assays conducted in 2005 – previously reported under JORC 2004.

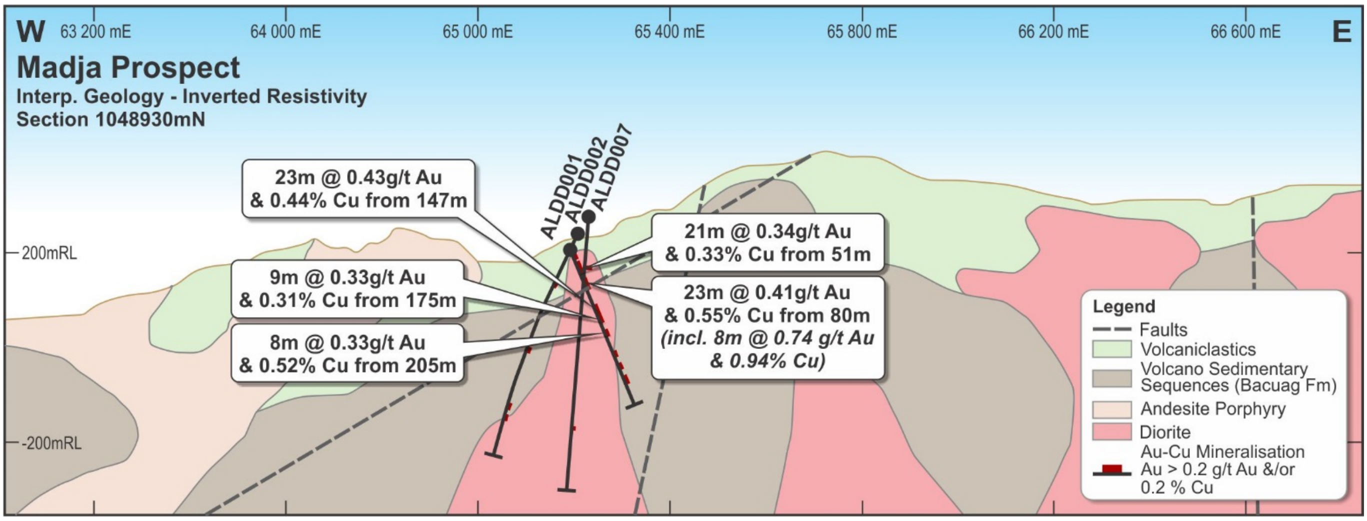


Figure 10: Interpreted cross section of the geology through the Madja Prospect based on Inverted Resistivity and current drilling

FINANCIAL

Gold sales for the Quarter totalled A$34.4 million (March 2016 Quarter: A$16.9 million) from the sale of 19,946 ounces (March 2016 Quarter: 10,365 ounces) at an average price of A$1,724 per ounce (March 2016 Quarter: A$1,630 per ounce).

The total operating cost for the Quarter (including depreciation and amortisation charges) was A$1,019 per ounce. This was significantly lower than the March 2016 Quarter (A$1,289 per ounce) due to the marked increase in sold ounces compared to the previous quarter.

The AISC for the Quarter of A$1,168 per ounce reflects the high availability of the processing plant and improving waste-to-ore strip ratio. The AISC is forecast to reduce further over FY 2017 in line with a further reduction to the strip ratio in future months.

The Siana operation generated EBITDA of A$20 million for the Quarter with net earnings from operations of A$12.9 million. The consolidated cash position as at the end of June 2016 was A$18.2 million (March 2016 Quarter: A$3.7 million).

Financial Summary	Sep 2015 A$M	Dec 2015 A$M	Mar 2016 A$M	Jun 2016 A$M
Sale proceeds	23.8	23.3	16.9	34.4
Operating costs	(9.6)	(10.5)	(8.9)	(13.1)
Philippine and Australian corporate costs	(1.1)	(1.2)	(0.9)	(1.3)
EBITDA	13.1	11.6	7.1	20
Depreciation and amortisation	(7.2)	(6.8)	(4.3)	(7.1)
Net earnings/(loss) from operations	5.9	4.7	2.8	12.9
Capital expenditure				
Plant/equipment/development	11.4	14.1	10.0	10.4

ENDS

For more information:

Investors/Shareholders:
Mark Williams, Managing Director
Joe Mobilia, Chief Financial Officer
Red 5 Limited
Telephone: +61 8 9322 4455

Media:
Nicholas Read
Read Corporate
Tel: +61-8 9388 1474

About Red 5 Limited

Red 5 Limited (ASX: RED) through its associated Philippine company Greenstone Resources Corporation is a gold producer which operates the Siana Gold Project, located in the established gold mining region of Surigao del Norte in the Philippines. This richly endowed region hosts epithermal gold systems and porphyry copper-gold deposits.

The Siana Gold Project re-commenced operations in January 2015 following the redevelopment of tailings storage capacity and is now focused on steady-state gold production and laying the foundations for the Company's future growth. The Company is focusing on the following key areas to create value for shareholders:

- **Reliable production** – to deliver steady and reliable production at Siana based on achievable targets;
- **Technical strength** – to implement high standards across all aspects of the business, including mining, processing, the management of the Tailings Storage Facility (TSF) and the pit wall cut-backs; and
- **Growth** – to begin laying the foundations for the Company's future growth by finalising its long-term mining plans for the open pit and future underground mines, and by recommencing exploration activities to grow its resource and reserve inventory and unlock the potential of its highly prospective exploration portfolio.

Tenement Schedule

Project	Tenement number	Registered holder	Equity interest	
			Red 5 group	Other
Philippines				
Siana gold project	MPSA 184-2002-XIII	Greenstone	40%	SHIC 60%
	APSA 46-XIII	Greenstone	40%	SHIC 60%
Mapawa gold project	MPSA 280-2009-XIII	Greenstone	40%	SHIC 60%
Western Australia				
Montague	ML57/429, ML57/485, EL57/793		25% free carried	

No interests in mining tenements or farm-in or farm-out agreements were acquired or disposed of during the quarter.

Abbreviations
Greenstone: Greenstone Resources Corporation
SHIC: Surigao Holdings and Investments Corporation
MPSA: Mineral Production Sharing Agreement
APSA: Application for MPSA
ML: Mining Lease
EL: Exploration Licence

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 Siana Underground deposit is extracted from the report titled *704,000oz Mineral Resource for Siana Underground*, dated 23 February 2016 and is available on the ASX web-site. The information in this report that relates to the Ore Reserves for the Siana Underground deposit is extracted from the report titled Siana Gold Project: Underground Mine Approved for Development Following Completion of Positive Updated Feasibility Study, dated 14 June 2016 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.

Competent Person Statements for JORC 2004 Exploration Results

The information relating to Exploration Results are based on information compiled by Mr Byron Dumpleton, Member of the Australian Institute of Geoscientist (Member No 1598). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Dumpleton is a full-time employee of Red 5 Limited. Mr Dumpleton has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Dumpleton consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Production forecast

Red 5 confirms that all material assumptions underpinning the Siana Underground production target and financial information derived from that production target referred to in this report continue to apply and have not materially changed from when first reported on 14 June 2016, within the report titled Siana Gold Project: Underground Mine Approved for Development Following Completion of Positive Updated Feasibility Study, which is available on the ASX web-site. In addition, the ore reserves underpinning the production forecast for the Siana Open Pit in this report are probable ore reserves and have been prepared by a competent person in accordance with the requirements of JORC 2012.

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.