

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8, Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Red 5 Limited

ABN

73 068 647 610

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	49,112	98,263
1.2 Payments for		
(a) exploration and evaluation	(1,083)	(2,572)
(b) development	-	-
(c) production	(38,101)	(66,379)
(d) staff costs	(767)	(1,539)
(e) administration and corporate costs	(1,838)	(3,155)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	36	49
1.5 Interest and other costs of finance paid	(286)	(393)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other: Siana project maintenance and holding costs : sundry income	(1,648) (215)	(2,971) (158)
1.9 Net cash from/(used in) operating activities	5,210	21,145

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6,670)	(9,722)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other: Darlot deferred purchase consideration	(5,000)	(5,000)
	: King of the Hills exploration and evaluation expenditure	(3,158)	(6,063)
	: Development costs capitalised	(4,130)	(7,243)
2.6	Net cash from/(used in) investing activities	(18,958)	(28,028)
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	20,000
3.6	Repayment of borrowings and interest	-	(11,370)
3.7	Transaction costs related to loans and borrowings	-	(481)
3.8	Dividends paid (see note 3)	-	-
3.9	Other	-	-
3.10	Net cash from/(used in) financing activities	-	8,149
4. Net increase/(decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	40,129	24,871
4.2	Net cash from/(used in) operating activities (item 1.9 above)	5,210	21,145
4.3	Net cash from/(used in) investing activities (item 2.6 above)	(18,958)	(28,028)
4.4	Net cash from/(used in) financing activities (item 3.10 above)	-	8,149
4.5	Effect of movement in exchange rates on cash held	180	424
4.6	Cash and cash equivalents at end of period	26,561	26,561

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	20,654	26,006
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other: refined gold and silver held in metal account	5,907	14,123
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	26,561	40,129

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
254
-

Payments to directors and director-related entities for executive salaries, directors' fees and the provision of consultancy services to the group.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Not applicable.

8. Financing facilities available

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	20,000	20,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Secured loan facility of \$20 million from Macquarie Bank repayable in instalments until 30 June 2021.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	7,000
9.2 Development (including sustaining capital)	4,000
9.3 Production/operating costs	34,000
9.4 Staff costs	700
9.5 Administration and corporate costs	800
9.6 Other: Siana project maintenance and holding costs	1,500
: Macquarie Bank loan repayment instalment	4,000
9.7 Total estimated cash outflows	52,000

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Darlot E36/0966 E36/0970 E36/0951	Direct	100%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Tenement applications: Darlot E37/1393 E37/1395	Direct	Nil	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: *Frank Campagna*
(Director/Company secretary)

Date: 17 January 2020

Print name: FRANK CAMPAGNA

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in and provisions of AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows, apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.