

## March 2022 Quarterly Report: Commissioning on track at King of the Hills

*First ore to the King of the Hills process plant is imminent, with first gold expected in the current quarter |  
Darlot March Quarter production of 13,185 ounces and gold sales of 14,644 ounces*

### King of the Hills (KOTH) Development

- **KOTH development is progressing within budget and on schedule**, with first gold production imminent.
- Open pit mining commenced on schedule in early February 2022, in-line with the operational readiness project execution schedule. Underground mining commenced at the end of March 2022.
- Commissioning of the crushing circuit and power station has been completed.
- Commissioning of the process plant is well advanced.
- Experienced site leadership team in place, with key appointments including Neal Valk as General Manager Operations, Craig Hatch as Operations Manager, Andrew McRae as Mining Manager Open Pit, Oliver Keene as Mining Manager Underground, and Malcolm Cowcill as Project Manager KOTH, Macmahon.

### West Australian Gold Operations

#### Processing and Production

- One Lost Time Injury (LTI) and four Restricted Work Injuries (RWI) recorded during the March Quarter.
- Management is working proactively to minimise the risk of COVID at its operations.
- **Quarterly gold production of 13,185 ounces** (December Quarter: 16,519 ounces) and gold sales of 14,644 ounces (December Quarter: 15,839 ounces). Operator and skills shortages in the Western Australian labour market and high turnover of operators and staff continued to impact mining operations.
- Quarterly all-in sustaining costs (AISC) of A\$2,552 per ounce of gold sold (December Quarter AISC: A\$2,556 per ounce).
- FY22 production guidance maintained at 62,000 – 72,000 ounces, AISC revised to A\$2,400 – A\$2,500 per ounce (previously A\$2,300 – A\$2,400 per ounce) driven primarily by unprecedented industry labour shortages and labour cost inflation.

#### Exploration and Resource Development

- Encouraging results from underground diamond drilling highlight the potential for further Resource growth at Darlot, including significant extensions to the known mineralisation at Middle Walters South, currently under development.

#### Corporate and Finance

- **Group cash on hand and bullion of \$47.7m** at the end of March 2022, of which \$28.5m is allocated to reserve accounts and bank guarantees for the KOTH Project.
- \$47.3m was invested in KOTH construction and operational readiness activities during the Quarter.
- A total of \$122.7m had been drawn down from the \$175.0m KOTH debt facility at the end of March 2022.

## Investor Call

An investor call for the Quarterly results will be held for the investment community on 28 April 2022, commencing at 8.30am (AWST) / 10.30am (AEST).

Investors, brokers, analysts and media can join the call by clicking:

[Redback Conference Events - Red 5 March 2022 Quarterly Call](#)

## Management Comment

Red 5 Managing Director, Mark Williams, said: *“The March 2022 Quarter marked another strong quarter of construction and operational readiness activities at King of the Hills, with open pit and underground mining progressing well and our first gold bar now just weeks away.*

*“I believe that our ability to successfully deliver this major project, against the backdrop of an unprecedented labour and supply market and the recent widespread impact of COVID-19 into Western Australia, is a great achievement. I would like to acknowledge our construction and operational readiness teams and our business partners, MACA Interquip and Macmahon, for their outstanding efforts.*

*“Red 5 has been able to successfully attract and embed a high-calibre site management and operational team, which I believe reflects the high-quality and long-term nature of the King of the Hills operations.*

*“On the operational front, gold sales from the Darlot and Great Western gold mines over the March 2022 Quarter totalled 14,644 ounces at an all-in sustaining cost of A\$2,552 per ounce.*

*“The successful commissioning of the new 4.7Mtpa processing plant at King of the Hills signals the start of a new operating regime for our Eastern Goldfields operations, with ore to be sourced from the King of the Hills open pit and underground mines, the Darlot underground mine and the Great Western open pit – a move that is expected to deliver a step-change decrease in our operating costs moving forward.*

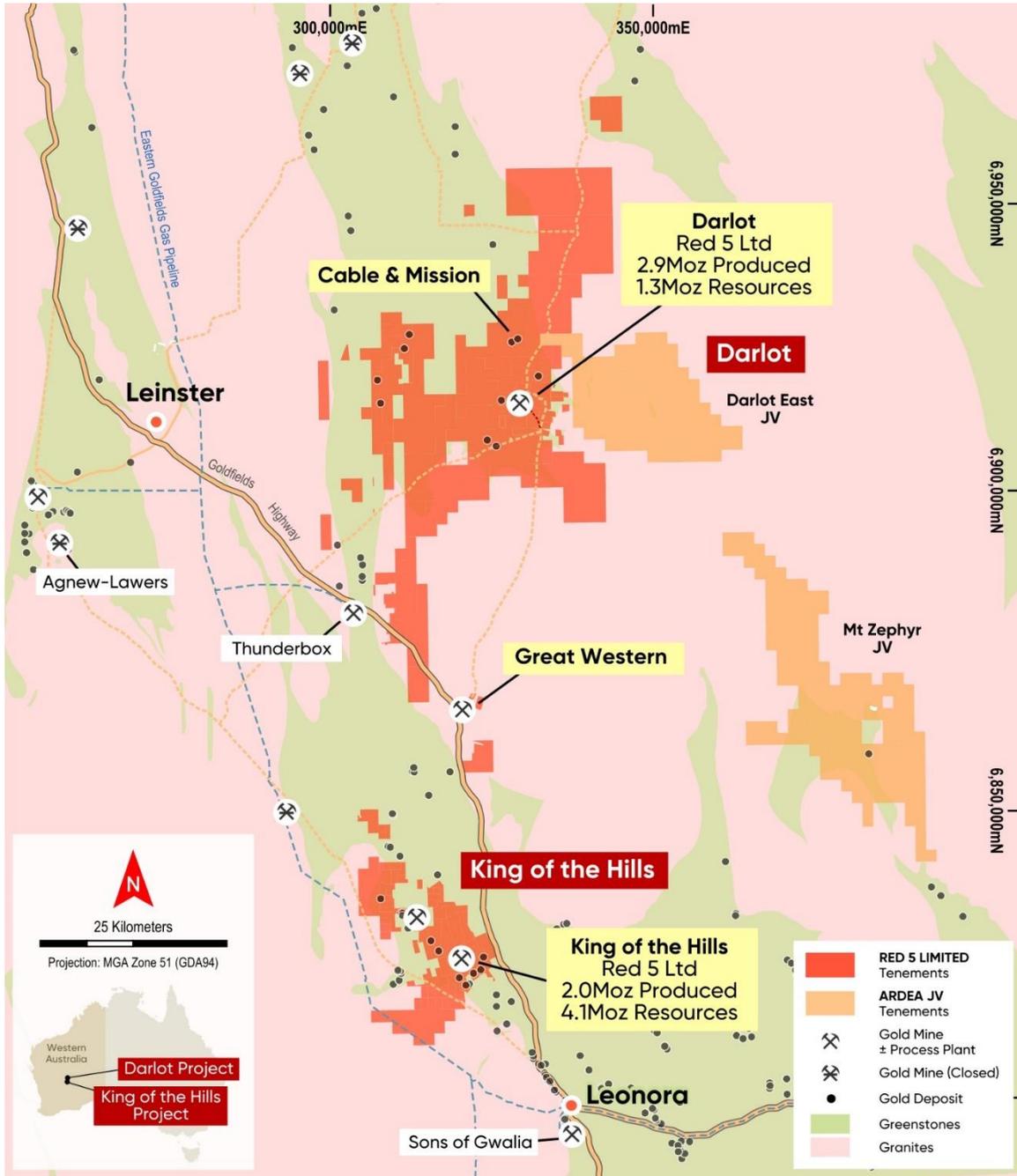
*“It was also pleasing to deliver a series of positive near-mine exploration results from Darlot during the Quarter, with the results demonstrating significant potential to extend Darlot’s underground resource base and define future mining areas.”*

## COVID-19 Management

Red 5 continues to proactively manage and mitigate the potential impact of the COVID-19 global pandemic on the Company’s operations. The Management Response Plan remains focused on ensuring the health and safety of Red 5 personnel and limiting the disruption risk to project commissioning, 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.

The Company continues to closely monitor the advice and requirements from State and Federal Governments and health authorities and maintain its focus on the health and well-being of staff and the communities in which we operate.



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

## 1. KING OF THE HILLS DEVELOPMENT

Development activities continued at King of the Hills throughout the March Quarter. The Project remains within budget and is on track to deliver first gold production from the KOTH processing plant in the June 2022 Quarter.

### 1.1. Process Plant Construction

Key construction progress for the Quarter included:

- Construction and commissioning of the crushing circuit has been completed; and
- Pre-commissioning activities for the SAG mill have commenced, with testing and commissioning of the variable speed drive being the focus in March 2022.

As at the time of this ASX quarterly release and the final mill alignment and tests are being completed. First ore to the mill is imminent.

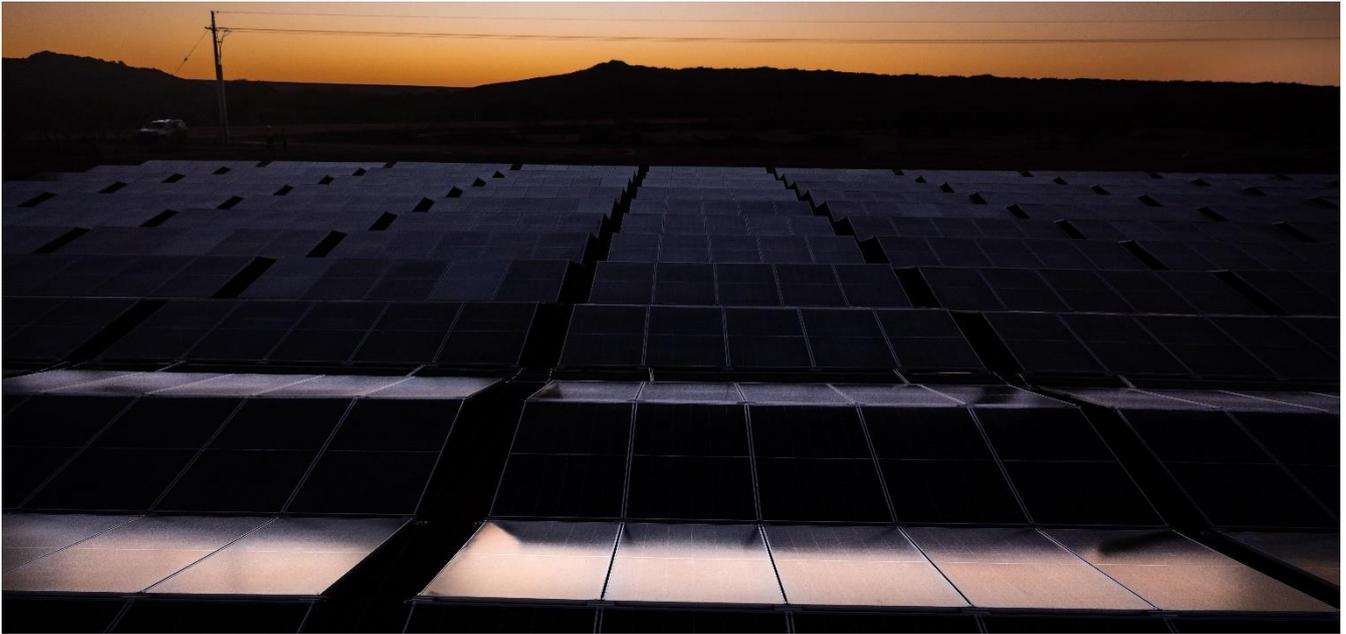


*Figure 2: Commissioning of the SAG mill has commenced.*

### 1.2. KOTH Power Station and Gas Supply

Key construction progress for the Quarter included:

- Construction and commissioning of the gas pipeline, connecting King of the Hills to APA's Goldfields Gas Pipeline, has been completed and gas is being supplied to KOTH;
- Construction and commissioning of the power station has been completed to the stage where it is ready to power the process plant; and
- The solar panels have been installed. Final wiring and installation of a transformer is ongoing.



*Figure 3: King of the Hills power station solar farm.*

### **1.3. Operational Readiness**

#### **1.3.1. Open Pit**

Open pit mining commenced at KOTH in line with the project execution schedule, with Red 5’s mining business partner, Macmahon, currently operating with two fleets and ancillary equipment on a double shift basis.

Total movement of over 1 million bank cubic metres (BCM) was completed during the Quarter. Initial mining activities have focused on the construction of the Run of Mine (ROM) pad, crusher commissioning activities along with stockpiling materials for use in the construction of Tailings Storage Facility 5 (TSF5). Ore production from mining activities has proceeded according to plan, with the ore stockpiled on the ROM for the anticipated ramp up in processing operations in May and June. All scheduled equipment has been mobilised to site as planned and recruitment to fill all required positions is ongoing.

Infrastructure construction associated with mining activities is advanced, including the main HV workshop, which now has all steel framework and cladding erected. Other infrastructure including office, changerooms, ablutions and training facilities are progressing on schedule. Evaluation of the TSF5 construction tender has been completed, with the award and works due to commence in the June Quarter.



*Figure 4: Open pit mining has two full fleets operating day and night shift.*

### 1.3.2. Underground

The initial underground fleet and crew has been mobilised to site, with the first underground development cut taken at the end of March. Ramp-up activities will continue in the June Quarter, including the commencement of stope production activities.



*Figure 5: Underground mining commenced on 31 March 2022.*

## 2. WEST AUSTRALIAN GOLD OPERATIONS

### 2.1. Sustainability

One Lost Time Injury (LTI) was reported in the March 2022 Quarter.

**LTIFR (Quarter):** 6.75 (Lost Time Injury Frequency Rate)

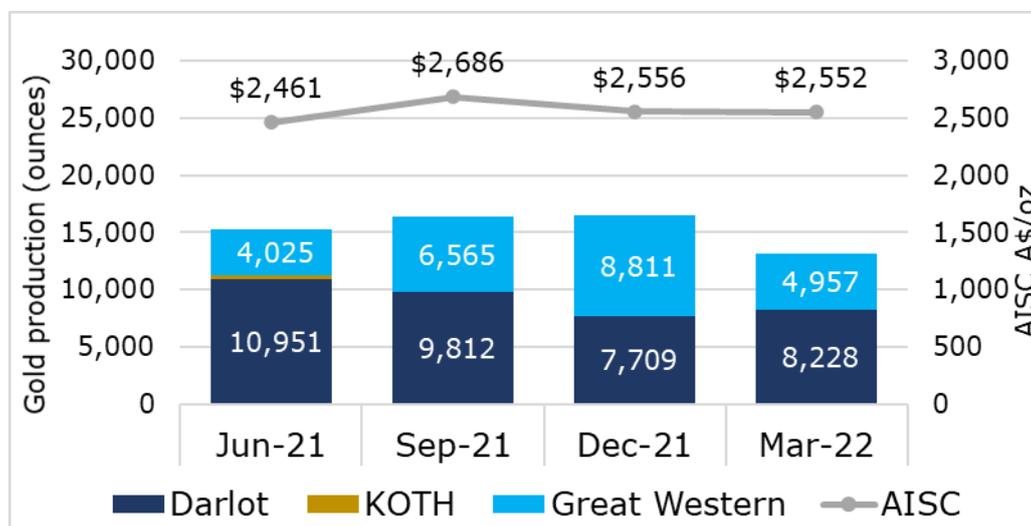
**LTIFR (12-month):** 3.35

**TRIFR (12-month):** 10.35 (Total Recordable Injury Frequency Rate)

### 2.2. Production Summary

A total of 13,185 ounces of gold was produced for the Quarter (December Quarter: 16,519 ounces), with ore sourced from the Darlot underground mine and the Great Western open pit.

AISC was A\$2,552 per ounce (December Quarter: \$2,556 per ounce).



**Figure 2:** Quarterly gold production and AISC (including KOTH underground ore in FY21).

#### 2.2.1. Processing

Crusher and mill availabilities were 82.9% and 91.6% respectively during the March Quarter. A total of 246,307 dry tonnes were milled at an average throughput of 131 dry tonnes per hour.

**Table 1:** Darlot Mill Processing Statistics

|                    | Units | Mar 2022<br>Quarter | Dec 2021<br>Quarter | Sep 2021<br>Quarter | Jun 2021<br>Quarter |
|--------------------|-------|---------------------|---------------------|---------------------|---------------------|
| Ore milled         | t     | 246,307             | 281,161             | 249,133             | 214,906             |
| Average head grade | g/t   | 1.83                | 1.98                | 2.20                | 2.38                |
| Recovery           | %     | 90.9                | 92.2                | 92.9                | 92.6                |
| Gold recovered     | oz    | 13,185              | 16,519              | 16,377              | 15,251              |
| Gold sales         | oz    | 14,644              | 15,839              | 15,908              | 14,552              |

The process plant continued to perform strongly in the March Quarter. No significant breakdown or availability issues occurred at the Darlot processing plant during the Quarter.

With the new 4.7Mtpa processing plant at KOTH to be commissioned shortly, from June 2022 ore from Darlot and Great Western will be trucked to the KOTH plant for processing under the KOTH Processing Hub Strategy announced on 2 August 2021.

During the Quarter, Red 5 awarded a two-year strategic haulage and road maintenance services contract to MLG Oz Limited.

### 2.2.2. Darlot Gold Mining Activities

**Table 2: Darlot Gold Mine – Mine Production Statistics**

|                       | Units | Mar 2022<br>Quarter | Dec 2021<br>Quarter | Sep 2021<br>Quarter | Jun 2021<br>Quarter |
|-----------------------|-------|---------------------|---------------------|---------------------|---------------------|
| Mined tonnes          | t     | 126,762             | 108,200             | 123,503             | 130,510             |
| Mined grade           | g/t   | 2.22                | 2.35                | 2.77                | 2.87                |
| Contained gold in ore | oz    | 9,059               | 8,173               | 10,981              | 12,026              |

Development for the March Quarter focused on the Pedersen Lower, Lords South 685 & 750, Burswood, Thomson 920 & 870 and Middle Walters South areas. Capital development continued in the Middle Walters South incline/decline, Burswood incline and Pedersen Lower sectors. Development totalled 1,408 metres for the Quarter. The development plan in place with Redpath Australia is proceeding according to plan and is on budget.

Production in the Quarter originated from the Grace, Border, Thomson and Federation stopes. Ore production was impacted by labour shortages.

A total of 7,248 metres was drilled during the Quarter. Drilling focused on grade control for the Middle Walters South, Thomson 1020, Burswood, Oval 1300, Border 990 and Federation Decline (Pederson structure) areas, following up on earlier Resource definition holes. Resource definition and extensional drilling continued for Oval 1300. Exploration targeted a high-grade intercept from previous drilling (CAX0049: 11.1m @ 4.4g/t) on the Pipeline structure, located in the footwall of the Lords fault.

### 2.2.3. Great Western Mining Activities

**Table 3: Great Western – Mine Production Statistics**

|   | Units | Mar 2022 Quarter | Dec 2021 Quarter | Sep 2021 Quarter |
|---|-------|------------------|------------------|------------------|
| Total mined ore tonnes                          | t     | 204,188          | 228,691          | 232,923          |
| Mined grade                                     | g/t   | 1.44             | 1.48             | 1.24             |
| Contained gold                                  | oz    | 9,449            | 10,896           | 9,281            |
| <b>Ore trucked for processing</b>               |       |                  |                  |                  |
| Total tonnes                                    | t     | 123,718          | 205,272          | 136,682          |
| Grade   | g/t   | 1.42             | 1.62             | 1.68             |
| Contained gold                                  | oz    | 5,667            | 10,666           | 7,398            |
| <b>Ore stockpile inventory at Great Western</b> |       |                  |                  |                  |
| Total tonnes                                    | t     | 291,764          | 130,637          | 107,218          |
| Grade   | g/t   | 0.56             | 0.81             | 0.92             |
| Contained gold                                  | oz    | 5,298            | 3,408            | 3,178            |

During the Quarter, the Great Western pit transitioned from oxide/transitional material into fresh rock and pre-split drilling commenced on the final open pit walls.

### 2.3. Operating Costs

**Table 4: Darlot and Great Western mining operations – AISC for the Quarter**

|   | Units         | Mar 2022<br>Quarter | Dec 2021<br>Quarter | Sep 2021<br>Quarter | Jun 2021<br>Quarter |
|---|---------------|---------------------|---------------------|---------------------|---------------------|
| Mining costs  | A'000         | 20,251              | 20,337              | 27,924              | 22,156              |
| Cartage costs   | A'000         | 3,243               | 3,405               | 2,149               | 1,617               |
| Processing costs  | A'000         | 6,438               | 6,679               | 7,515               | 7,178               |
| General and administration costs                                  | A'000         | 2,887               | 2,867               | 2,951               | 3,392               |
| Royalties and selling costs                                       | A'000         | 1,118               | 862                 | 913                 | 891                 |
| By-product credits  | A'000         | (117)               | (112)               | (19)                | (117)               |
| <b>Production and selling costs</b>                               | <b>A'000</b>  | <b>33,821</b>       | <b>34,038</b>       | <b>41,434</b>       | <b>35,117</b>       |
| Capital expenditure and underground mine development (sustaining) | A'000         | 1,513               | 6,181               | 2,869               | 4,055               |
| Corporate overheads   | A'000         | 2,981               | 2,014               | 2,398               | 2,223               |
| Inventory movements   | A'000         | (938)               | (1,743)             | (3,928)             | (5,607)             |
| <b>All-in Sustaining Costs</b>                                    | <b>A'000</b>  | <b>37,377</b>       | <b>40,490</b>       | <b>42,773</b>       | <b>35,788</b>       |
|   |               |                     |                     |                     |                     |
| <b>Gold sales for AISC purposes</b>                               | <b>oz</b>     | <b>14,644</b>       | <b>15,839</b>       | <b>15,922</b>       | <b>14,552</b>       |
|   |               |                     |                     |                     |                     |
| Mining costs  | A\$/oz        | 1,383               | 1,284               | 1,754               | 1,524               |
| Cartage costs   | A\$/oz        | 221                 | 215                 | 135                 | 111                 |
| Processing costs  | A\$/oz        | 440                 | 422                 | 472                 | 493                 |
| General and administration costs                                  | A\$/oz        | 197                 | 181                 | 185                 | 233                 |
| Royalties and selling costs                                       | A\$/oz        | 76                  | 54                  | 57                  | 61                  |
| By-product credits  | A\$/oz        | (8)                 | (7)                 | (1)                 | (8)                 |
| <b>Production and selling costs</b>                               | <b>A\$/oz</b> | <b>2,310</b>        | <b>2,149</b>        | <b>2,602</b>        | <b>2,414</b>        |
| Capital expenditure and underground mine development (sustaining) | A\$/oz        | 103                 | 390                 | 180                 | 279                 |
| Corporate overheads   | A\$/oz        | 204                 | 127                 | 151                 | 153                 |
| Inventory movements   | A\$/oz        | (64)                | (110)               | (247)               | (385)               |
| <b>All-in Sustaining Costs (AISC)</b>                             | <b>A\$/oz</b> | <b>2,552</b>        | <b>2,556</b>        | <b>2,686</b>        | <b>2,461</b>        |

The All-In-Sustaining-Cost for the March Quarter saw a minor reduction of \$4 per ounce, relative to the December Quarter. Capital expenditure was reduced while operating costs at both Darlot and Great Western were consistent with the prior quarter.

### 2.4. FY2022 Production and Cost Guidance

FY22 production guidance is maintained at 62,000 – 72,000 ounces. As a result of labour shortages and cost inflation in the current market, FY22 AISC guidance is A\$2,400 – A\$2,500 per ounce (previously A\$2,300 - A\$2,400 per ounce).

During the June Quarter 2022, the King of the Hills process plant is planned to begin production – processing ore from King of the Hills, Darlot and Great Western. As part of the Darlot Transition Strategy, processing at the Darlot process plant will be progressively scaled down and is expected to be suspended within the June Quarter.

### 3. EXPLORATION AND RESOURCE DEVELOPMENT

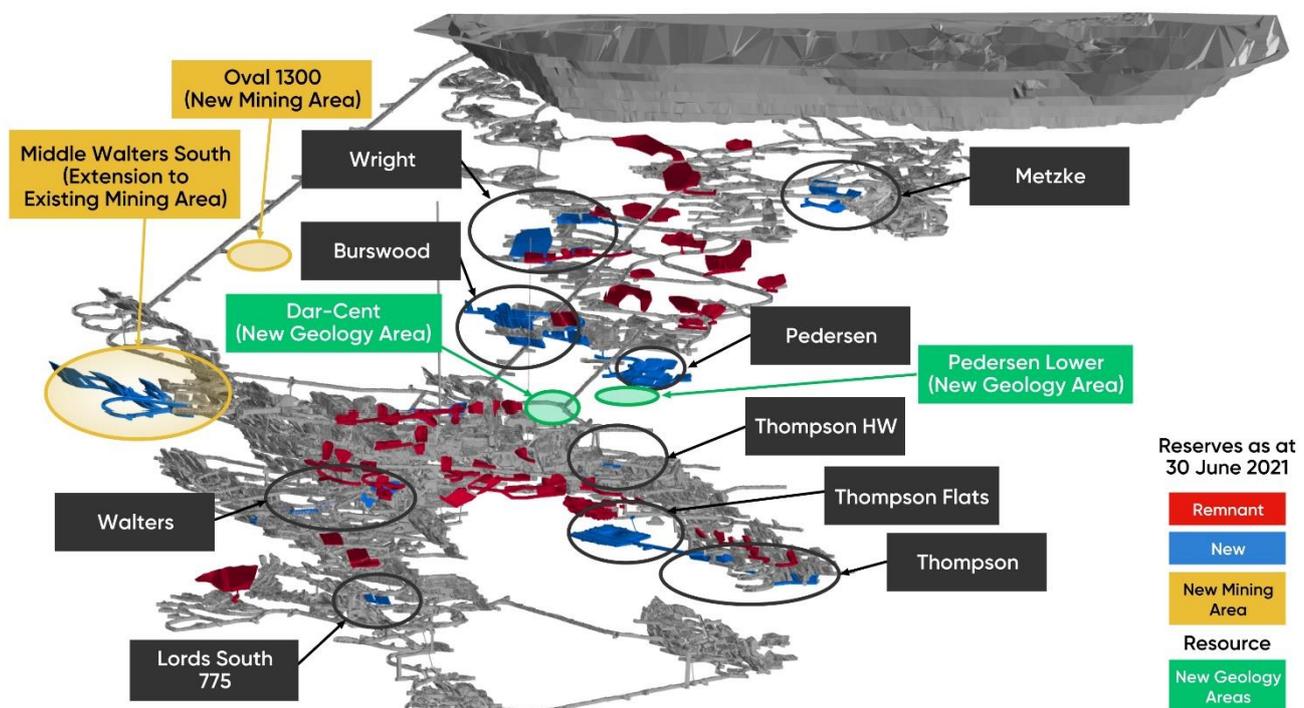
#### 3.1. Darlot Near-Mine Exploration

During the Quarter, results were reported for drilling completed predominantly in 2021 at the Darlot Underground Mine, delivering high-grade results from multiple locations.

The drilling forms part of an ongoing exploration and Resource development program at Darlot focused on extending new mining areas such as Middle Walters South and reducing the dependency on remnant mining.

Results reported included strong intercepts from Middle Waters South and positive results from Dar-Cent, Oval 1300 and Pedersen Lower, all of which offer the opportunity for Resource growth.

Full details of the drilling and assay results were provided in the Company’s ASX Announcement dated 22 February 2022.



**Figure 7:** Oblique view showing Ore Reserve locations as at 30 June 2021 (red and blue stopes) and the new geology areas identified by recent drilling (green).

#### Middle Walters South

Middle Walters South is a structurally controlled narrow, high-grade orebody that forms part of the larger Centenary orebody, one of the primary sources of ore at Darlot. Mineralisation is hosted by the Walters Fault and in cross-linking structures between the Walters and Lords Faults. It is hosted within magnetic and non-magnetic dolerite horizons of the Mount Pickering Dolerite Sill.

Phased grade control and extensional Resource drilling programs totalling 28,500 metres have been completed at Middle Waters South since July 2020. As expected, higher grades are seen within the magnetic dolerite, with more variable grades associated with the non-magnetic dolerite.

Extensional drilling of the Hookes Lode (a transfer structure between the Walters and Lords Fault, down-dip of currently planned stoping) has the potential to deliver additional Mineral Resources at Centenary, with further infill drilling planned.

Drilling in the earlier stages of the current program successfully extended and upgraded the Middle Walters South component of the Centenary Resource, delivering a 44% increase in contained ounces since Red 5 acquired ownership in October 2017 with the potential for further growth. Mineralisation remains open along strike to the west, and further infill drilling is planned.

Highlights from the results reported during the March Quarter included:

- **4.8m @ 13.3 g/t** from 250.7m (CAD0666)
- **6.4m @ 81.7 g/t** from 264.5m (CAD0667)
- **2.8m @ 21.4 g/t** from 189m (GC3812)
- 6.7m @ 8.0 g/t from 223.3m (GC3812)
- **4.4m @ 11.9 g/t** from 207.6m (GC3814A)
- **12.5m @ 8.9 g/t** from 202m (GC3824)
- 6.2m @ 5.1 g/t from 204m (GC3828)
- 11.0m @ 3.0 g/t from 182.5m (GC3914)
- 12.2m @ 3.6 g/t from 188.4m (GC3915)
- 6.5m @ 8.5 g/t from 0.5m (GC4260)
- **1.9m @ 150.5 g/t** from 1.9m (GC4264)
- 4.7m @ 7.7 g/t from 409.9m (GC4287)
- 10.9m @ 5.4 g/t from 204.2m (GC4296)

Access development to Middle Waters South is now underway, with first ore intersected in development in January 2022.

### **Pederson/Moses**

3,200 metres of drilling was completed within the Pedersen and Moses area to test remnant stopes on the 1120 and 1130 levels on the Pedersen Main Lode. Whilst drilling this program, holes intersected the Moses Splay Fault, a known mineralising structure that variably hosts economic grade. Strong intercepts returned from the Moses Splay and associated hanging wall lodes included 7.8m at 6.17g/t Au in GC4135.

As a result of the successful drilling on the Moses Splay, a further 2,800 metres of additional drilling was completed, testing the extents of the mineralisation up-dip and along strike.

Highlights from results reported from Pederson/Moses during the reporting period included:

- 6.5m @ 10.2 g/t from 54.4m (CAD0695)
- 2.4m @ 12.5 g/t from 78.6m (CAD0701)
- 5.5m @ 5.0 g/t from 57.3m (CAD0701)
- 5.0m @ 8.0 g/t from 82.8m (GC4134)
- 6.7m @ 6.1 g/t from 0m (GC4231)

### **Pedersen Lower Extension**

2,000 metres of extensional drilling has been completed on the Pedersen Lower area, which represents the down-dip extension of the main Pedersen Lode within the favourable magnetic dolerite host. The aim of the drilling was to infill the Pedersen Lower Resource to the east of the Moses Fault, below the current mining area.

The Lower Pedersen area represents the only section of the Darlot Thrust identified within magnetic dolerite and is adjacent, and to the south of, the regional lamprophyre and the El Dorado Shear. Historically, mineralisation adjacent to both the lamprophyre and the El Dorado Shear within magnetic dolerite has been well mineralised at Darlot (e.g. the Oval West, Border and Lords South Lower).

The drilling results supported the interpretation of lode continuity and largely confirmed the current Resource model. Drilling also intersected the Dar-Cent bulk mineralisation zone, with encouraging assay results including 47m at 1.1g/t Au in GC4252 and 14m at 2.6g/t Au in GC4253.

## Oval 1300

Drilling during FY22 has targeted the upper levels of the Oval Fault proximal to the lower contact of the western magnetic dolerite. Multiple splay structures can be seen in the core and intersecting the Millennium Decline.

An initial four diamond holes were drilled at Stockpile 7 on the Millennium Decline in August 2021, designed to follow up a strong intercept of 5m at 3.05g/t Au from historical hole MCD0629 on the Oval Fault at the 1320 level.

From the latest drilling, a moderate to strongly mineralised fault logged in the core was intersected in GC4207, GC4275, GC4279, GC4281 and GC4283. The best grades are associated with the lower contact of the magnetic dolerite horizon.

Highlights included:

- 14.1m @ 7.0 g/t from 48.9m (GC4207)
- 2.8m @ 17.0 g/t from 7.2m (GC4207)
- 8.0m @ 5.9 g/t from 82.2m (GC4277)
- 2.2m @ 23.0 g/t from 6.2m (GC4278)
- 7.2m @ 5.0 g/t from 85.9m (GC4279)
- 4.7m @ 4.6 g/t from 51.9m (GC4279)
- 4.4m @ 3.7 g/t from 60.4m (GC4279)
- 3.8m @ 8.8 g/t from 102.5m (GC4281)
- 6.8m @ 3.2 g/t from 119.4m (GC4283)

Mineralisation is well-positioned relative to current development, with only 100 metres of development directly off the Millennium Decline required to access the area.

The 1,500 metres of drilling undertaken to date shows mineralisation remains open along strike to the north-east, with planned extensional drilling from access development having the potential to deliver Resource growth in this area.

## Dar-Cent Bulk Area

Dar-Cent is a bulk area of mineralisation that has been progressively drilled out. The drill program for this area totalled 4,700 metres and was completed in FY21. The bulk-style mineralisation at Dar-Cent is situated between the Burswood and Moses Faults, in the hanging wall of the Pedersen Lode.

The Dar-Cent mineralisation comprises a series of shallow dipping, stacked quartz veins, hosted within the favourable magnetic dolerite horizon.

Upgrading intercepts include CAD0675 (26.8m at 4.08g/t) and CAD0676 (20.2m at 2.29g/t) (downhole lengths).

Results received to date indicate the potential for Resource extension to the south with additional drilling.

Highlights from the Dar-Cent bulk area included:

- 22.6m @ 1.8 g/t from 134.4m (CAD0633)
- **0.5m @ 92 g/t** from 258.3m (CAD0636)
- **1.2m @ 338 g/t** from 132.8m (CAD0637)
- 10.1m @ 2.4 g/t from 145.8m (CAD0652)
- 112.8m @ 1.6 g/t from 30m (CAD0671)
- **26.8m @ 4.1 g/t** from 58.4m (CAD0675)
- 16.4m @ 1.9 g/t from 87.9m (CAD0675)
- 20.2m @ 2.3 g/t from 131.5m (CAD0676)
- **4.2m @ 24.6 g/t** from 135.2m (CAD0677)
- 3.6m @ 6.4 g/t from 138.4m (CAD0678)

## Thomson Flats (T921)

A grade control drilling campaign totalling 3,000 metres was completed targeting an extensive, flat-lying footwall lode associated with the Oval Fault, at the T921 level.

The narrow, high-grade lode is hosted in the highly favourable magnetic dolerite horizon of the Mount Pickering Dolerite Sill. The mineralisation style is analogous to the Marsh 980 active mining level, which has performed well to date.

### **Thomson 870**

A drilling program was undertaken targeting potential remnant stopes on the Oval Fault and the sub-parallel Thomson Footwall Lode. Planned development has extended the existing T870 level to the south.

The initial program drilled in FY21 comprised 1,000 metres of drilling, with strong assays including 2.6m at 23.3g/t Au and 3.5m at 12.5g/t Au in GC4036 (downhole lengths). A subsequent follow-up program of 700 metres was drilled to confirm the orientation of Footwall Lode 9.

## **4. CORPORATE AND FINANCIAL**

### **4.1. Quarterly Cash Position Reconciliation**

**Table 5: Quarterly Cash Position Summary**

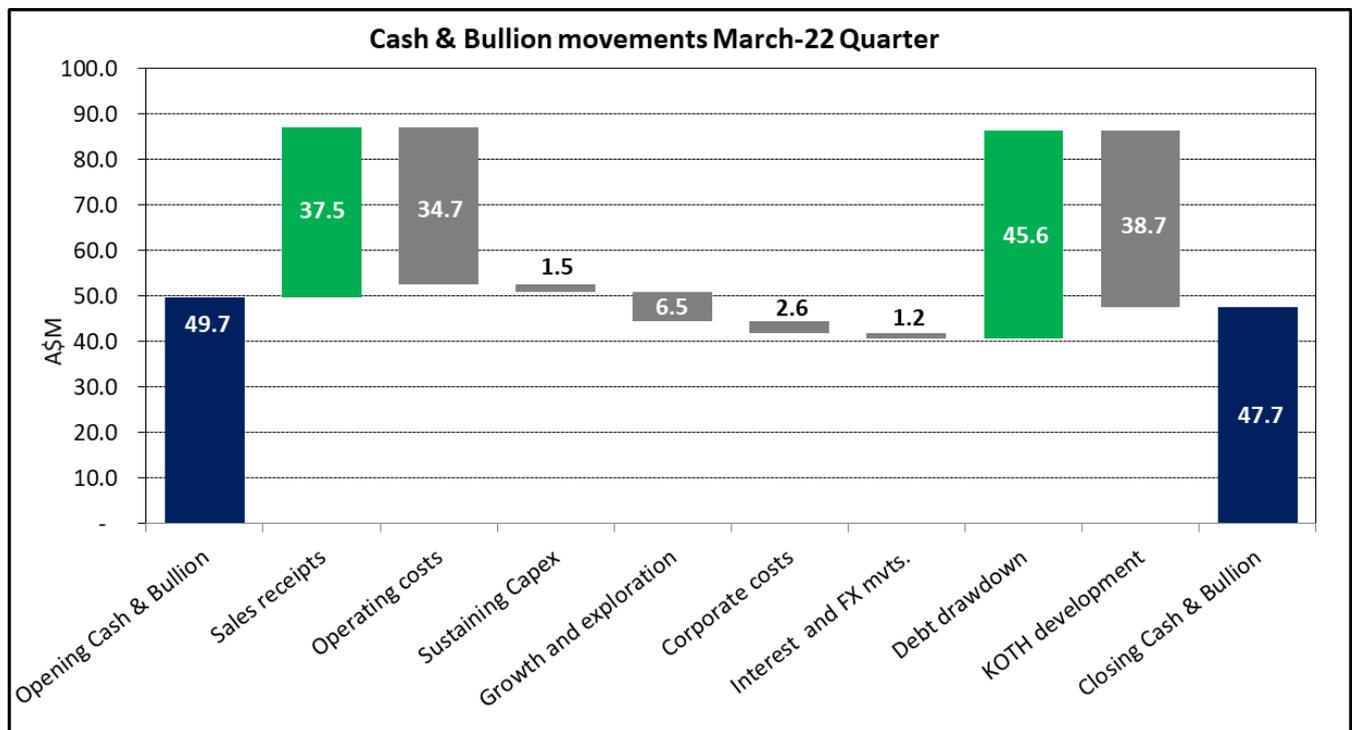
|   | <b>Operations-<br/>Corporate<br/>A\$M</b> | <b>KOTH<br/>Construction<br/>A\$M</b> | <b>Total<br/>A\$M</b> |
|---|---|---------------------------------------|-----------------------|
| <b>Cash and bullion – 31 December 2021</b>                  | <b>49.3</b>                               | <b>0.3</b>                            | <b>49.7</b>           |
| Sales receipts net of hedging                               | 37.5                                      | -                                     | 37.5                  |
| Operating costs including royalties                         | (34.7)                                    | -                                     | (34.7)                |
| <b>Free cash flow used in operations</b>                    | <b>2.9</b>                                | <b>-</b>                              | <b>2.9</b>            |
| Sustaining capital and mine development expenditure         | (1.5)                                     | -                                     | (1.5)                 |
| Growth and exploration activities                           | (6.5)                                     | -                                     | (6.5)                 |
| KOTH construction   | -   | (27.9)                                | (27.9)                |
| KOTH operational readiness activities                       | -   | (10.8)                                | (10.8)                |
| <b>Cash used in development activities</b>                  | <b>(8.0)</b>                              | <b>(38.7)</b>                         | <b>(46.7)</b>         |
| Debt financing from KOTH facility drawdown                  | -   | 45.6                                  | 45.6                  |
| Corporate overheads and business development activities     | (2.6)                                     | -                                     | (2.6)                 |
| Interest payments, bank fees and FX movements               | -   | (1.2)                                 | (1.2)                 |
| <b>Cash from financing activities and other expenditure</b> | <b>(2.6)</b>                              | <b>44.4</b>                           | <b>41.9</b>           |
| <b>Total cash and bullion increase/(decrease)</b>           | <b>(7.7)</b>                              | <b>5.7</b>                            | <b>(2.0)</b>          |
| <b>Cash and bullion – 31 March 2022</b>                     | <b>41.6</b>                               | <b>6.1</b>                            | <b>47.7</b>           |

| <b>Cash reserve accounts (Included above)</b>                  |             |
|--|-------------|
| Tailings Storage Facility Reserve Account (released in FY2023) | 13.0        |
| Debt Service Reserve Account                                   | 7.5         |
| Bank Guarantee (power contract)                                | 8.0         |
| <b>Total Cash reserve accounts – 31 March 2022</b>             | <b>28.5</b> |

Cash flow from operations for the March Quarter was \$3.5m. The average sales price achieved for the Quarter was A\$2,583 per ounce.

During the March Quarter, Red 5 invested \$38.7m in KOTH construction and pre-operational activities, primarily for the construction of the process plant. Red 5 has spent \$191m to date for KOTH construction activities and is forecast to finish the KOTH Project within budget.

At 31 March 2022, the Company had total cash and cash equivalents of \$47.7m (\$19.2m cash and bullion, \$28.6m in cash reserve accounts).



**Figure 8:** March 2022 Quarter cash-flow waterfall chart.

#### 4.2. Hedging

During the March 2022 Quarter, all sales from Darlot were conducted at spot gold prices. The Darlot Gold Mine has no outstanding hedges.

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.