RED5 Limited

29 August 2024

FY24 Financial Results and FY25 Outlook

Red 5 Limited (ASX: RED) ("**Red 5**" or the "**Company**") is pleased to provide financial results for the year ended 30 June 2024. The results for the year ended 30 June 2024 incorporate Silver Lake Resources ("Silver Lake") for the 12 days from the implementation date of 19 June 2024.

- Completed transformational merger with Silver Lake on 19 June 2024, creating a diversified mid-tier gold miner with scale, longevity and sector leading financial strength
- Balance sheet transformed post merger, with cash and deposits of $442.5 million[1] and bullion of $11.2 million at 30 June 2024, which was further strengthened post period end with the repayment of the outstanding $92.9 million project finance facility and sale of the Red 5 treasury shares acquired through the merger with Silver Lake for proceeds of $136.8 million
- Group gold sales of 223,498 ounces underpinned by the 29% y-o-y increase in sales from King of the Hills to 211,939 ounces in its second full year of operations
- Underlying group operational EBITDA[2] of $192.7 million at a margin of 31%, underpinned by 104% and 48% increase in King of the Hills EBITDA and EBITDA margin respectively
- Underlying profit after tax of $48.5 million[3], after adjusting a statutory net loss after tax of $5.5 million for one off costs including acquisition and anticipated stamp duty costs totalling $43.4 million
- Carried forward Australian tax losses of $380.9 million and Canadian tax losses of C$255.0 million
- Demonstrated momentum on post merger integration with the repayment of Red 5's project finance facility, restructure of hedging facility, simplification of the capital structure with the sale of the Red 5 treasury shares, and announcement of proposed name change to Vault Minerals
- FY25 sales guidance of 390,000 to 430,000 ounces at an AISC of A$2,250 to A$2,450 per ounce

Financial highlights summary

	Unit	FY24	FY23	%
Gold sales	Ounces	223,498	164,974	+35%
Statutory financials metrics				
Revenue	A$m	620.0	422.7	+47%
Gross profit	A$m	90.4	28.1	+221%
Profit/(loss) after tax	A$m	(5.4)	(8.7)	+38%
Non-Statutory financial metrics				
Underlying operational EBITDA	A$m	225.5	110.9	+103%
Underlying operational EBTIDA margin	%	36	26	+39%
Underlying group EBITDA	A$m	192.7	96.1	+100%
Underlying profit/(loss) after tax	A$m	48.5	(1.5)	nmf

[1] Cash and deposits of $442.5 million includes cash and cash equivalents of $428.8 million, restricted cash associated with project finance facility of $7.5 million and security deposits of $6.2 million
[2] Refer to glossary on page 12
[3] Refer to reconciliation of underlying profit after tax on page 2

The Profit and Loss Statement and Statement of Cash Flows include the consolidation of the Silver Lake operations and business for the 12 days post implementation date of 19 June 2024 to period end. The Balance Sheet reflects the strengthened financial position and larger go forward operational scale of Red 5 at period end. Statutory financial measures, including loss after tax of $5.4 million, include a number of one-off costs associated with the transformational merger between Red 5 and Silver Lake. To derive underlying financial performance measures, Red 5 has excluded costs associated with the merger from the statutory measures.

Profit and loss

Revenue of $620 million increased 47% y-o-y and predominantly reflects the 29% increase in gold sales from King of the Hills (FY24: 211,939 ounces v FY23: 164,974 ounces) and the 6% higher average realised gold price for sales from King of the Hills (FY24 A$2,719/oz v FY23: A$2,542/oz). Sales from the Silver Lake assets for the period were 11,559 ounces of gold for revenue of $38.4 million.

Underlying operational EBITDA of $225.5 million and group underlying EBITDA of $192.7 million is adjusted for $43.4 million of costs (including the stamp duty estimate), $1.8 million employee termination costs associated with the merger with Silver Lake and $8.7 million in exploration expense. The $114.6 million or 103% y-o-y increase in underlying operational EBITDA to $225.5 million and associated 39% increase in margin to 36%, predominantly reflects the ramp up of the King of the Hills operation, with FY24 the second year under the current operating configuration. EBITDA for King of the Hills was $204 million for the year ended 30 June 2024 (+104% vs pcp) at a 35% EBITDA margin (+48% vs pcp).

Depreciation and amortisation increased 63% y-o-y to $135 million, reflecting the increased production from King of the Hills and the inclusion of the Silver Lake assets. The attributed depreciation and amortisation to the Silver Lake assets of $12.8 million includes the purchase price accounting uplift to mine properties and property, plant and equipment of $175.7 million and $90.4 million respectively.

Underlying profit increased to $48.5 million for the financial year ended 30 June 2024 due to a 221% increase in gross profit following increased gold sales and a higher realised gold price relative to the prior financial year. The statutory net loss includes several one-off costs associated with the merger with Silver Lake, resulting in a net loss of $5.4 million.

A reconciliation of statutory net profit/(loss) after tax to normalised profit before tax is set out in Table 1 below:

Reconciliation	FY24 (A$m)	FY23 (A$m)
Underlying Profit Before Tax	**48.5**	(1.5)
Adjusted for:		
Acquisition & stamp duty costs on business combination	**43.4**	-
Exploration expense	**8.7**	7.2
Employee termination costs	**1.8**	-
Statutory Profit/(loss) After Tax	**(5.4)**	(8.7)

Cashflow

Cashflow from operations of $206.6 million is a 342% increase y-o-y and is reflective of the increase in sales from the King of the Hills operation and increased realised gold price.

Cash outflows from investing activities, excluding the $378.3 million cash acquired through the merger with Silver Lake, were 14% lower at $108.3 million, reflecting lower y-o-y capital investment in infrastructure and waste stripping at King of the Hills.

Cash outflows from finance activities predominantly reflect the $44.7 million principal and interest payments associated with the project finance facility. The project finance facility was repaid in full on 8 July 2024, post period end.

Balance sheet

The balance sheet reflects the financial position at 30 June 2024, with a number of material changes occurring post period end. Red 5 had cash and bullion of $453.7 million and net cash of $360.8 million at period end, including $92.9 million outstanding on the project finance facility. Post period end, Red 5 repaid the outstanding balance on the project finance facility and now has no corporate debt.

The balance sheet reflects the larger portfolio of operations and includes all trade payables and accruals for the combined group at 30 June 2024 (relative to the profit and loss and cashflow statements which only include the results from the implementation date of 19 June 2024). The $33.5 million estimate for stamp duty which is expensed and not yet paid is included within the current provisions on the balance sheet.

The Red 5 shares acquired through the merger are reported as treasury shares on the balance sheet (equity) at the implied market price at period end for a value of $185.2 million under the purchase price accounting treatment. The shares were acquired for consideration of $107.7 million by Silver Lake in September and October 2023 and were sold on 8 August 2024 for consideration of $136.8 million. The sale of the treasury shares simplified the capital structure, generated a strong return on investment over a 10 month period and was significant in enabling the combination of complementary businesses, creating a diversified mid-tier gold miner with scale, longevity and sector leading financial strength. As the shares are classified as treasury shares, the differential between the sale proceeds and the carrying value will be allocated to share capital, with no Profit and Loss impact in FY25. Further, capital gains tax is not anticipated to be payable on the sale of the treasury shares.

At 30 June 2024, Red 5's forward gold hedging program totalled 291,188 ounces, to be delivered over the next 27 months at an average forward price of A$2,769/oz.

	Total	Dec-24 HY	Jun-25 HY	Dec-25 HY	Jun-26 HY	Dec-26 HY
Ounces	291,188	81,984	76,700	74,962	47,319	10,223
Hedged gold price (A$/oz)	2,769	2,586	2,781	2,936	2,797	2,797

FY25 Guidance and Outlook

Red 5 consolidated gold sales in FY25 is forecast to be 390,000 to 430,000 ounces at an AISC of A$2,250 to A$2,450 per ounce.

The 84% y-o-y increase in gold sales guidance reflects the incorporation of the Silver Lake operations for the full year and demonstrates the immediate creation of an intermediate gold producer of relevant scale today.

FY25 guidance				
	Consolidated	*King of the Hills*	*Deflector*	*Mount Monger*
Gold sales (koz)	390 - 430	210 - 230	95 - 105	85 - 95
All in sustaining costs (A$/oz)	A$2,250 – A$2,450	A$2,100 – A$2,300	A$2,250 – A$2,450	A$2,600 – A$2,800
Capital underground development excluded from AISC (A$m)	-	-	-	-
Open pit waste stripping above LOM average excluded from AISC (A$m)	105	49	-	56
Growth capital (A$m)	25	18	3	4
Exploration (A$m)	17 - 20			
Sugar Zone (A$m)	33 – 35			
Corporate G&A (A$m)	18 - 22			

King of the Hills

FY25 sales guidance for King of the Hills is 210,000 to 230,000 ounces at AISC of A$2,100 to A$2,300 per ounce.

Mine production will continue to comprise base load tonnage from the King of the Hills open pit, supplemented by higher grade underground production from King of the Hills and the satellite Darlot operation.

Material movements in the open pit will be focused on the southern pit stages. Open pit ore production will be focused on Stage 1 which is expected to account for ~70% of ore tonnes mined through FY25 and is scheduled to be completed in late Q3 FY25. Most material movements in the open pit will be related to waste stripping of Stage 2, with a strip ratio of 10.2:1 relative to the Stage 2 average of 3.9:1 (0.3g/t cut off). Stage 2 will become the main source of open pit ore for a 4 year period from Q3 FY25.

Underground ore production at King of the Hills is expected to be consistent y-o-y, with production predominantly sourced from the Western and Regal mining areas. Both the Western and Regal areas will receive increased exploration drill metres to target life of mine extensions immediately beyond known mineralisation and current development.

Darlot mine production is expected to be consistent y-o-y. The second jumbo introduced in January 2024 will be retained through FY25 with development metres expected to be 38% higher y-o-y which will extend decline and ore drive development in the Dar/Cent area to support production beyond FY25.

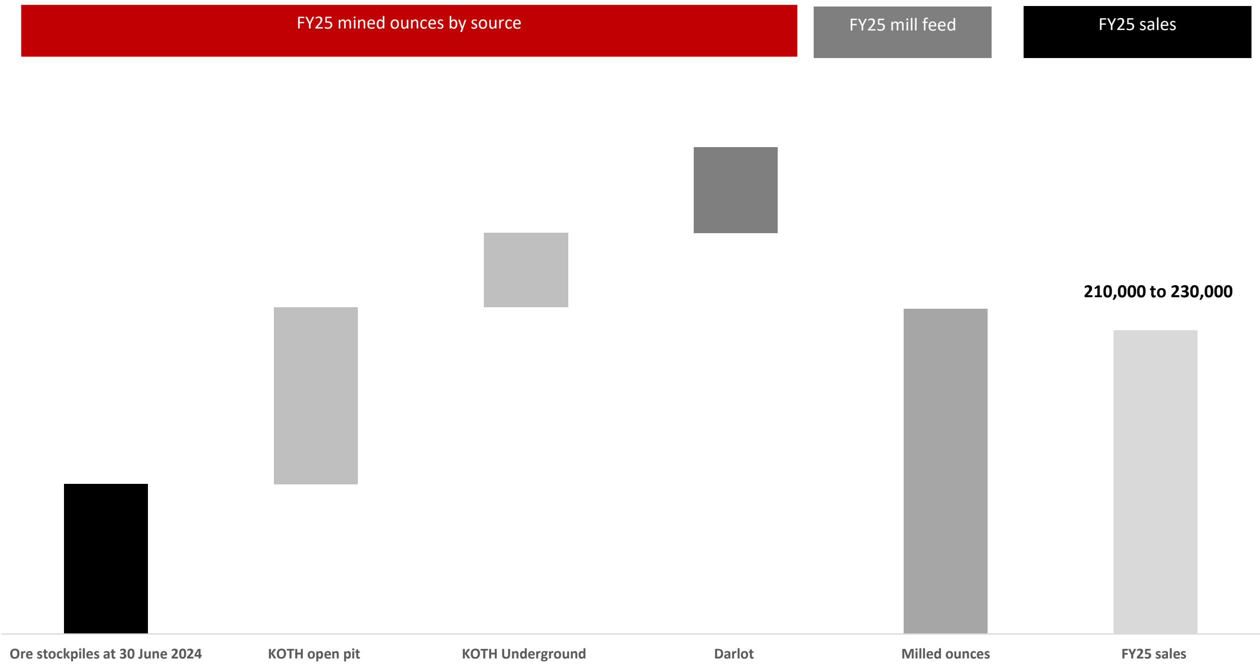

Chart 1: King of the Hills region mill feed by ore source

Mill throughput is expected to be broadly consistent y-o-y. The mill has demonstrated the ability to exceed nameplate capacity of 4.7mtpa (FY24: 5.0mt), with hourly throughput rates routinely exceeding nameplate design rates by >15%. The potential for y-o-y improvements is driven by the improved maintenance practices and planning to increase crusher availability and utilisation more akin to industry standards.

Studies have commenced to engineer the appropriate plant modifications to match the longevity and scale of the operation. Modifications will predominantly focus on the crushing circuit, wet plant tankage and classification circuit, to facilitate consistent performance at the permitted throughput capacity of 6mtpa. The additional capacity will be utilised to process current ore stockpiles and projected stockpiles generated from the King of the Hills open pit.

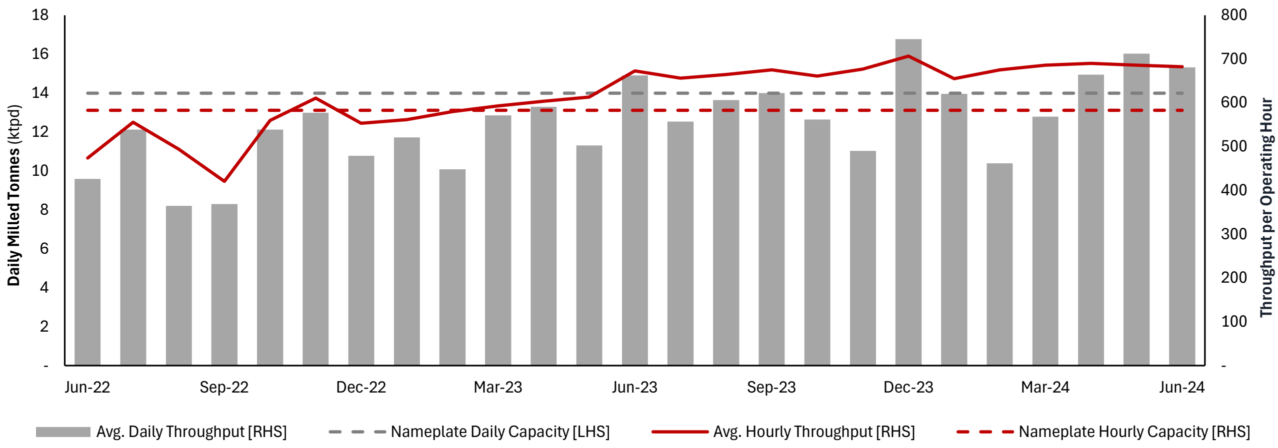

Chart 2: King of the Hills throughput rates demonstrate potential through consistency and optimisation

AISC is forecast to be marginally higher y-o-y at A$2,100 to A$2,300 per ounce (FY24: A$2,043 per ounce). Excluded capital predominantly relates to the elevated strip ratio at Stage 2 of the open pit through FY25 ($49 million), tailings storage facility lifts ($10 million) and additional accommodation at the King of the Hills village (~$3 million). All underground development at the King of the Hills and Darlot operations is included in the AISC.

Growth exploration will be focused on the King of the Hills and Darlot underground mines, where recent drilling has focused on grade control with limited exploration beyond known mineralisation. A material increase in drill metres is budgeted for King of the Hills with the proposed 53,000 metres a 51% y-o-y increase and the 10,500m of in-mine exploration, more than the aggregate exploration metres drilled over the past 3 years.

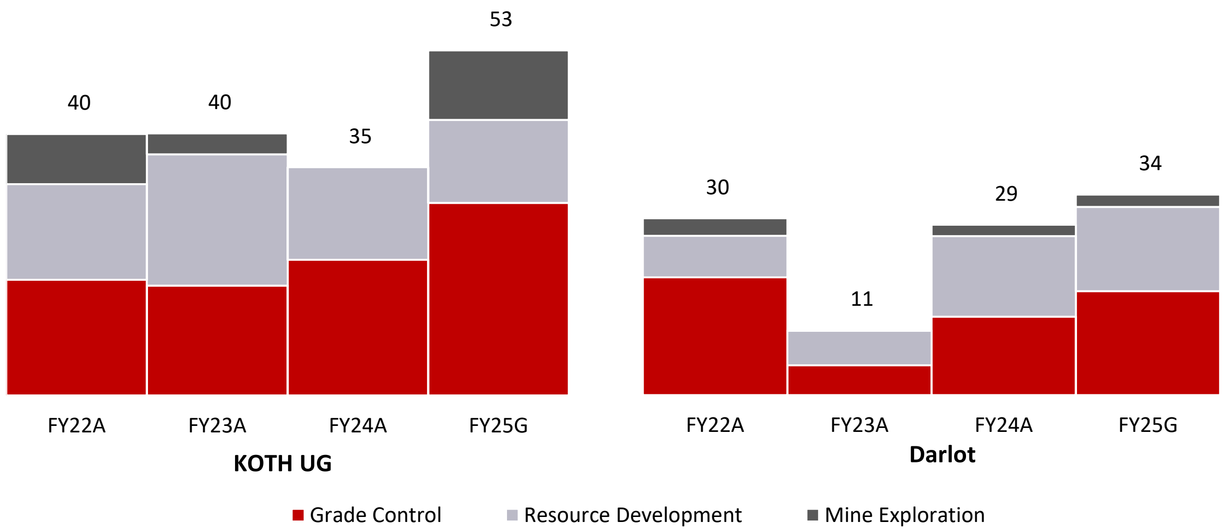

Chart 3: King of the Hills and Darlot underground drill metres ('000m) FY25 budgeted v FY22 - FY24 actuals

The focus areas at King of the Hills underground mine will be the West and Regal areas, which host priority targets immediately beyond current life of mine plans. At the West area a 100m dedicated exploration drive is underway, which will remove the drill constraints to target down plunge and dip extensions to mineralisation along the highly fertile destruction zone proximal to the granodiorite contact.

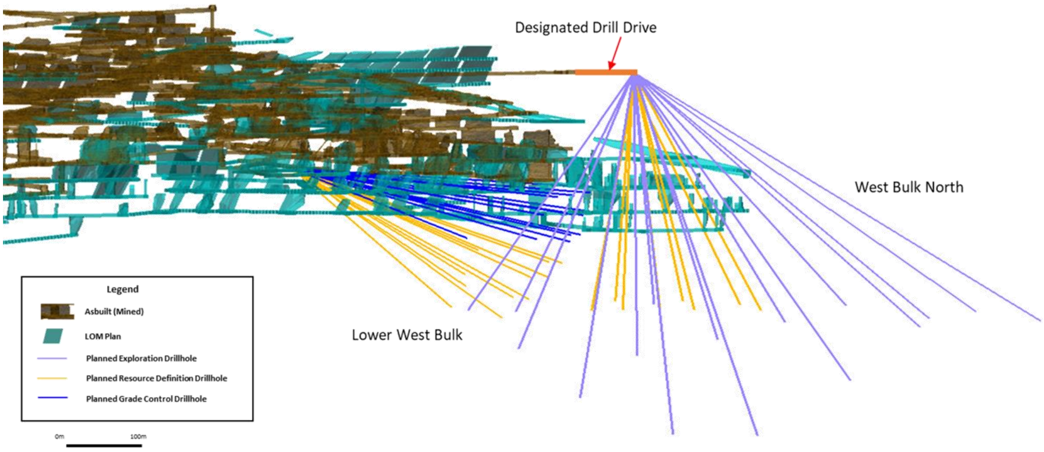

Figure 1: FY25 underground drill program targeting areas immediately beyond known mineralisation and current development

Deflector

FY25 Deflector gold sales guidance is 95,000 to 105,000 ounces of gold and 500 to 800 tonnes copper at an average AISC of A$2,250 – A$2,450 per ounce.

Deflector region mine production will continue to comprise production from the Deflector and Rothsay underground mines.

The y-o-y change in sales reflects the transition of the operational centre of gravity at the Deflector mine to the Deflector South West area with the completion of LOM development within the Deflector Main area in H1 FY25. Aggregate ROM production from Deflector is expected to be 40% lower y-o-y, with mine production from the Deflector Main area progressively reduced through the year and completed in Q4 FY25.

The reduced development requirements at the Deflector Main zone provide an opportunity to deploy resources in H2 FY25 to establish access to the Spanish Galleon area to provide an additional mining front to supplement Deflector South West production in FY26 and FY27.

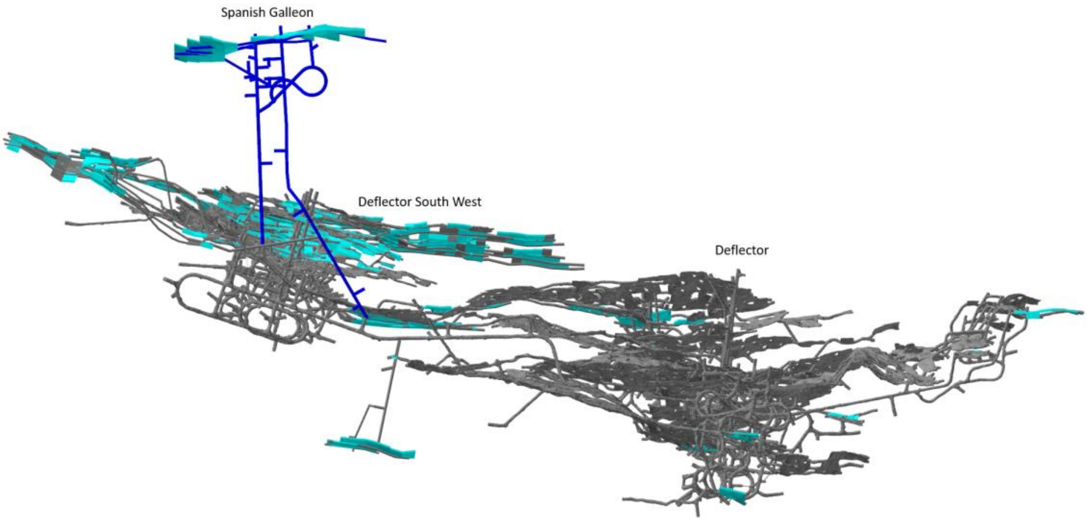

Figure 2: Deflector mining area, highlighting proximity of Spanish Galleon and preliminary access and mine design

In FY24 ore stockpiles at the Deflector region increased by ~8,000 ounces to 716,000 tonnes at 1.9 g/t containing 44,000 ounces at 30 June 2024. The stockpiles will provide flexibility and supplementary mill feed material over the next three years.

Mill throughout is expected to be consistent y-o-y with milled grades to progressively reflect mined grades through the year, as the ability to preferentially treat higher grade material is reduced.

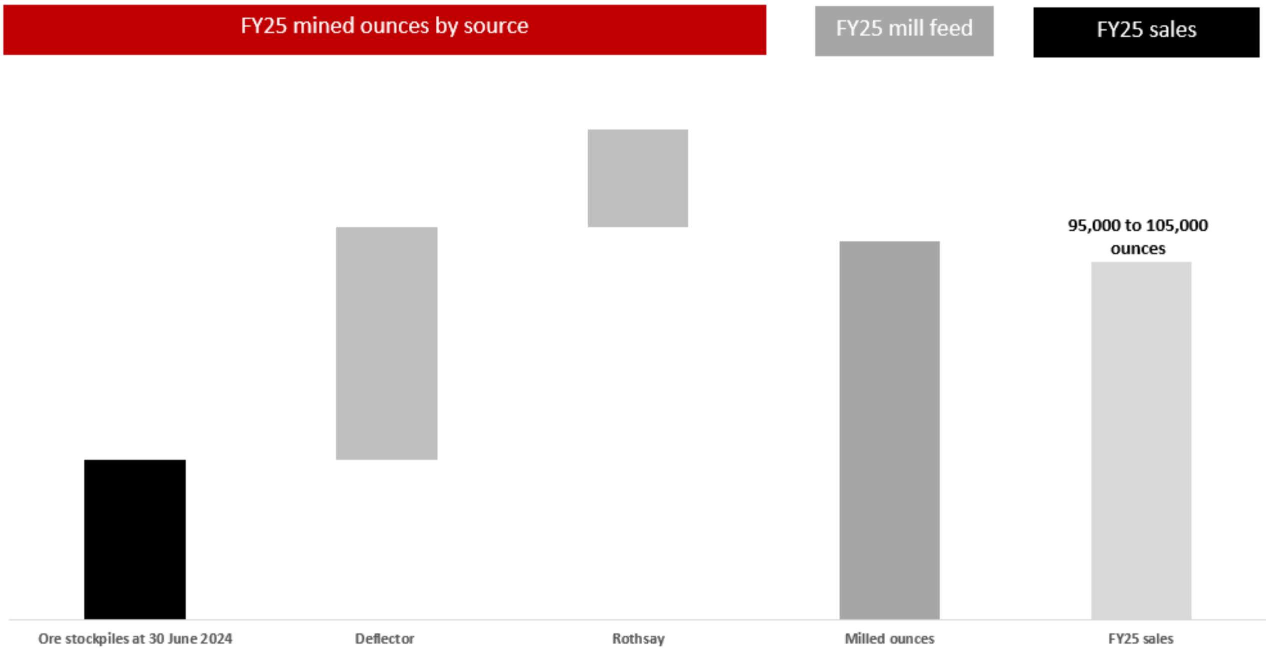

Chart 4: Deflector region mill feed by ore source

The higher y-o-y AISC guidance of A$2,250 to $2,450 per ounce reflects lower absolute costs offset by the lower y-o-y gold production and sales, and lower by-product credits.

All underground development costs are included in the AISC for FY25 as the Deflector South West and Rothsay Northern decline are established and are now the core mining areas at the respective mines (FY24 excluded capex: $30.7 million). No development metres and costs are included in the AISC in relation to the potential development of the Spanish Galleon mining front, with guidance to be provided should development be approved.

In FY25 growth capital costs excluded from the AISC total ~$3.0 million and relate to the lift of the tailings storage facility at the Deflector mill.

Growth exploration activities at Deflector will target extensions to known mineralisation and discovery within Deflector corridor and regionally. Priority target areas within the immediate Deflector corridor include the broader southern Spanish Galleon Corridor which hosts the Spanish Galleon mineralisation and the Goldilocks and Deflector South prospects, targeting Deflector repetitions. Deeper drilling targeting a zone ~200m beneath the current wireframe limits of the core Deflector South West lodes to follow up multiple >10 gram metre intersections at the lower margin of current wireframes will also be completed.

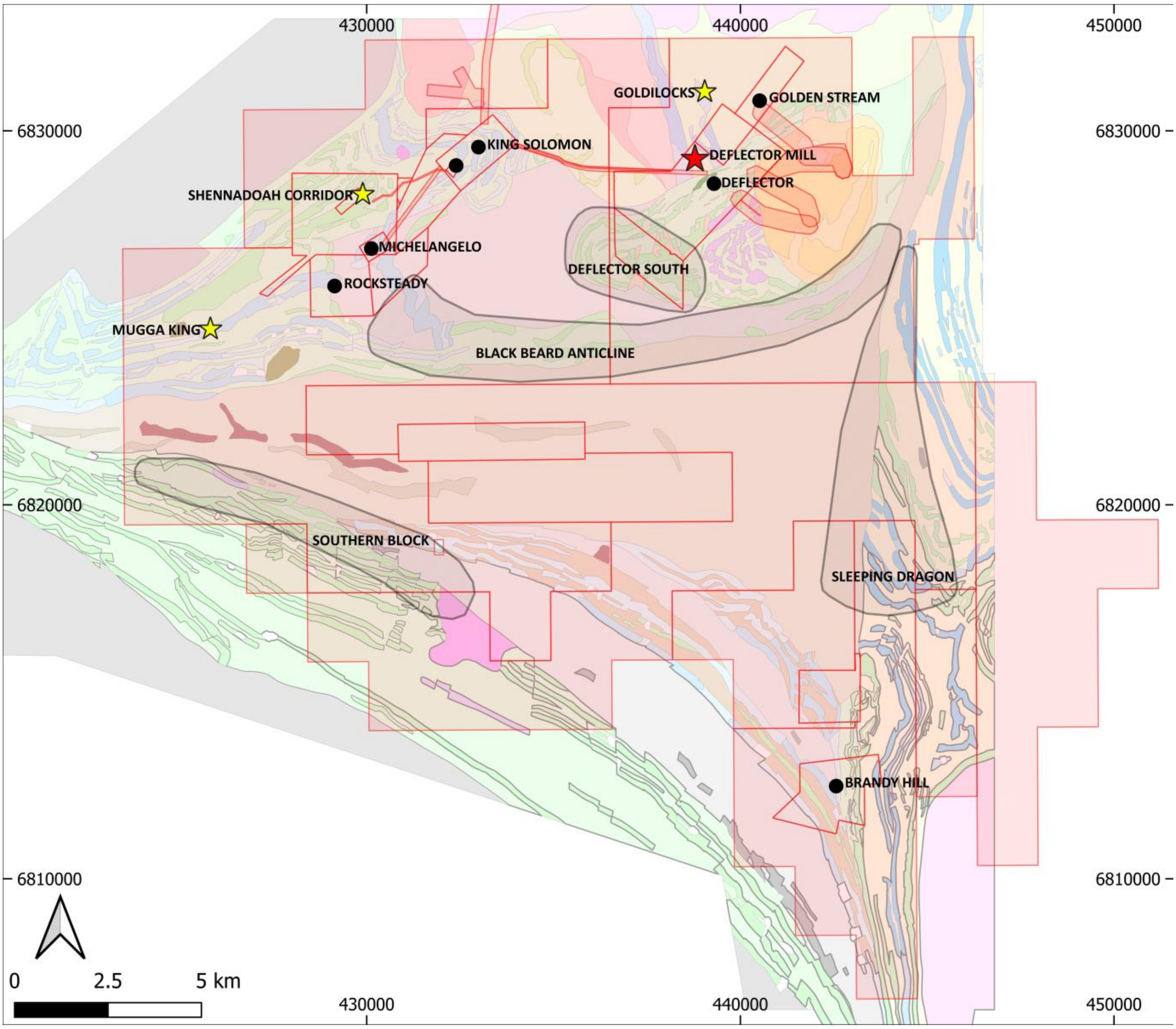

Figure 3: Deflector regional exploration prospects

Mount Monger

FY25 sales guidance for Mount Monger is 85,000 – 95,000 ounces of gold with an average AISC of A$2,600 to A$2,800 per ounce.

Run of mine production will be primarily sourced from open pit mining at the Santa Mining Centre, supplemented by the French Kiss cut back and high grade underground ore from the Daisy Complex. Production at the Santa Mining Centre will be focused on waste stripping through FY25 with ore tonnes and grade to progressively increase as the mines progress through the invest and yield cycle.

The FY25 strip ratio of ~36.1:1 is higher than the life of mine average of 13.3:1 (refer Chart 3) and accordingly in FY25 costs associated with waste movements above the life of mine average strip ratio for the Santa Mining Centre open pits are forecast to be ~$56.2 million and are excluded from the FY25 AISC.

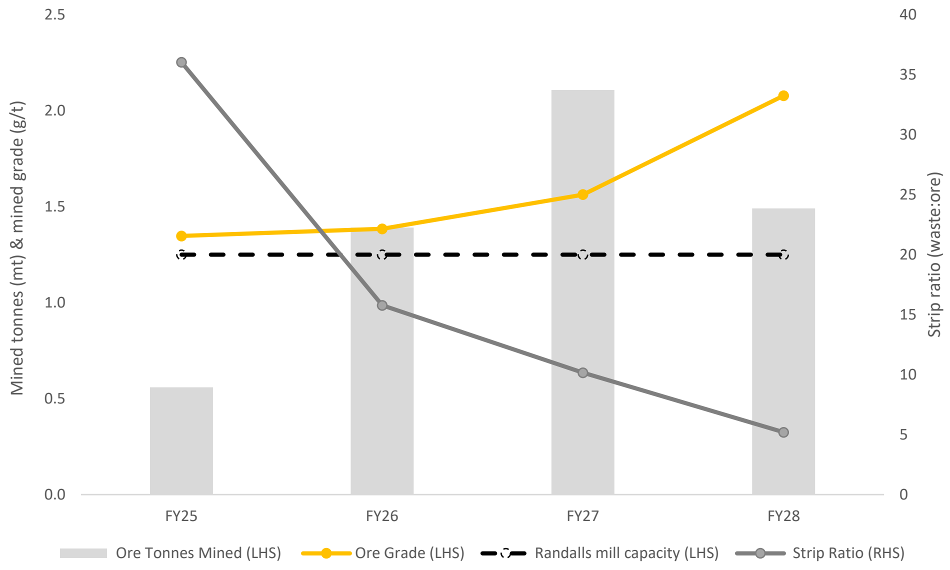

Chart 5: Santa mining area ore tonnes, grade and strip ratio profile

The French Kiss open pit is a cut back of the existing open pit at the Aldiss Mining Centre. It will be mined by conventional open pit drill and blast, load and haul methods utilising common mining and drill and blast contractors deployed at Santa. The French Kiss open pit has a Probable Ore Reserve of 489,000 tonnes at 1.9 g/t for 30,000 ounces and is expected to be mined over a 12 month period. The average strip ratio is expected to be ~11:1, decreasing progressively through FY25 and averaging 14:1 and 8:1 in H1 and H2 FY25 respectively. All French Kiss mining costs are included in the AISC.

Mine production and underground development metres at the Daisy Complex is expected to be consistent y-o-y.

Mill throughput and recoveries are expected to be consistent with FY24 levels with sales marginally weighted to the second half reflecting a major maintenance shutdown scheduled for Q2 FY25.

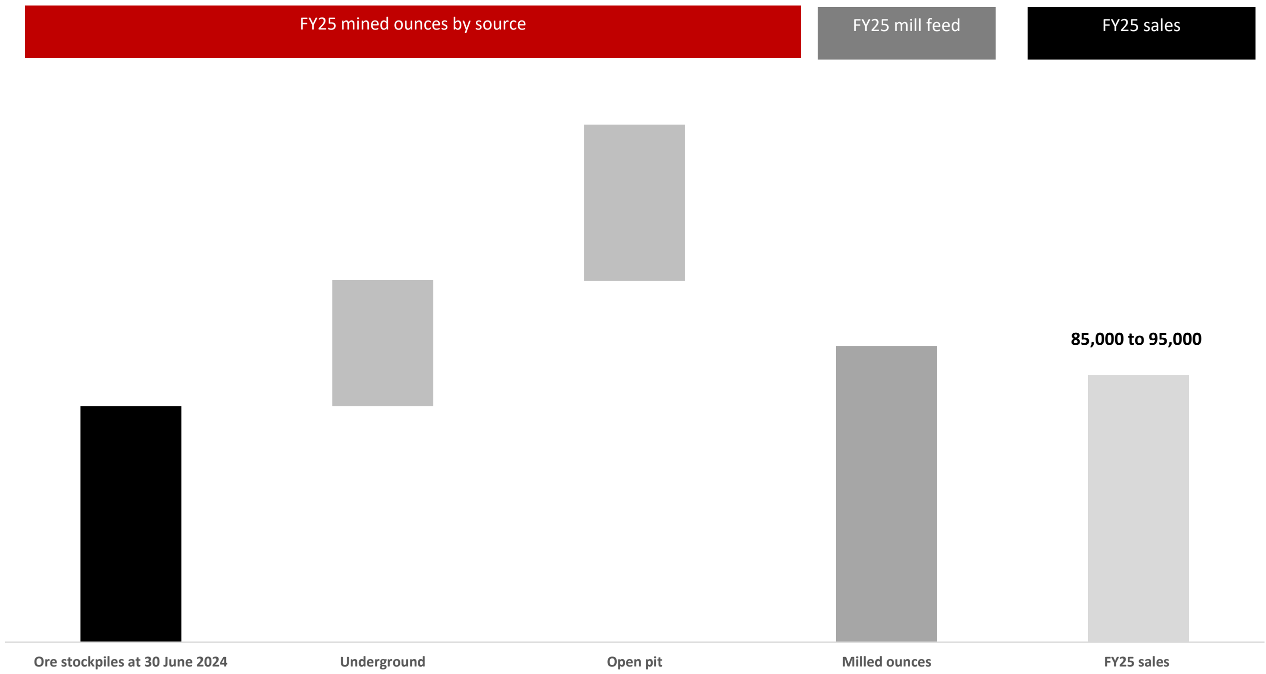

Chart 6: Mount Monger mill feed by ore source

The FY25 AISC guidance range is A$2,600 to A$2,800 per ounce. The y-o-y increase is driven by the change in ore sources with FY24 including the relatively lower cost Tank South operation which was in the yield phase through FY24 and completed in April 2024.

Capital costs excluded from the AISC comprise $56.2 million associated with the elevated strip ratio at the Santa open pits (refer chart 5) and $3.5 million related to a tailings storage facility lift at Randalls mill.

Growth exploration at Mount Monger through FY25 will be focused on extensions to the Flora Dora open pit, extensional and infill drilling of the Rumbles open pit project at Mount Belches, which has the potential to dovetail into the current open pit mining operations. Drilling will also target a repeat of Daisy Milano style of mineralisation to the south located within a defined gravity low known as the Ultramafic South prospect which is proximal to the Daisy Mining Complex.

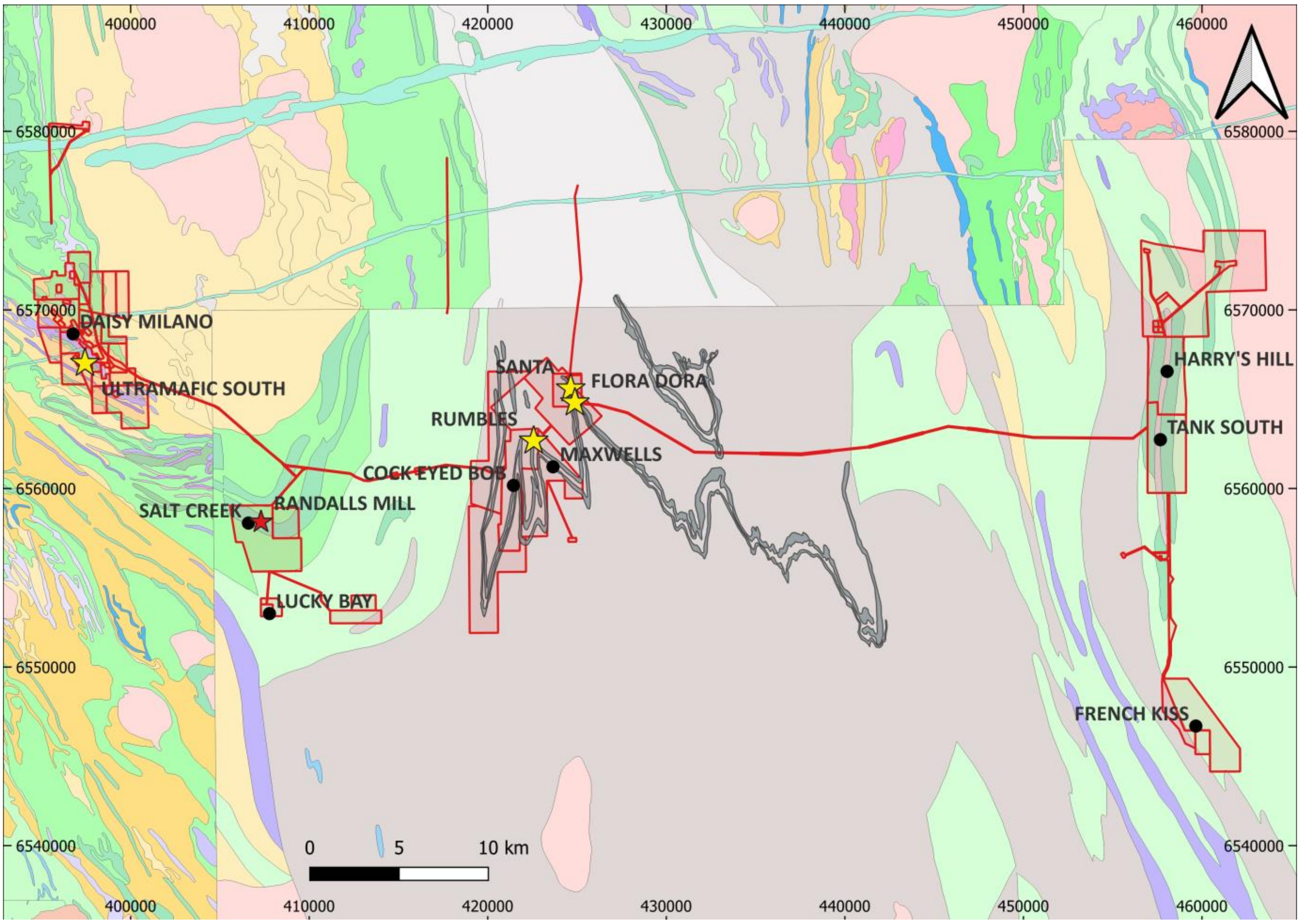

Figure 4: Mount Monger mining centres, operations and exploration targets

Sugar Zone

Sugar Zone will remain in a state of operational readiness as the results of the FY24 drill program are incorporated into an updated Mineral Resource model. The drill program identified several areas for follow up drilling, in particular Sugar South zone, with the results demonstrating the potential to increase mineralisation along strike and at depth in an area immediately adjacent to Sugar Main zone.

To maintain Sugar Zone in a state of operational readiness, Red 5 has budgeted $33 - $35 million for FY25. The expenditure is predominantly associated with staffing to support activities to ensure the operation is in the position for a low capital intensity restart minor capital works. A key workstream for FY25 and FY26 is the approval of the Southern tailings storage facility, to provide additional flexibility and a lower capital intensity and operating cost option for LOM tailings deposition, relative to an upgraded paste plant and underground paste-fill reticulation system.

Regional Exploration activities will increase in FY25 with $3.5 million budgeted, including an initial phase of mapping and prospecting in key areas along the prospective Dayohessarah greenstone belt. New detailed geophysical data, generated during FY24, will be interpreted and integrated with the step-change in ore-body knowledge from FY24 drilling, and the improved belt-scale 3D geological model, to refine and prioritise the pipeline of exploration targets. The regional target litho-structural models have been updated, identifying multiple deposit-type domains.

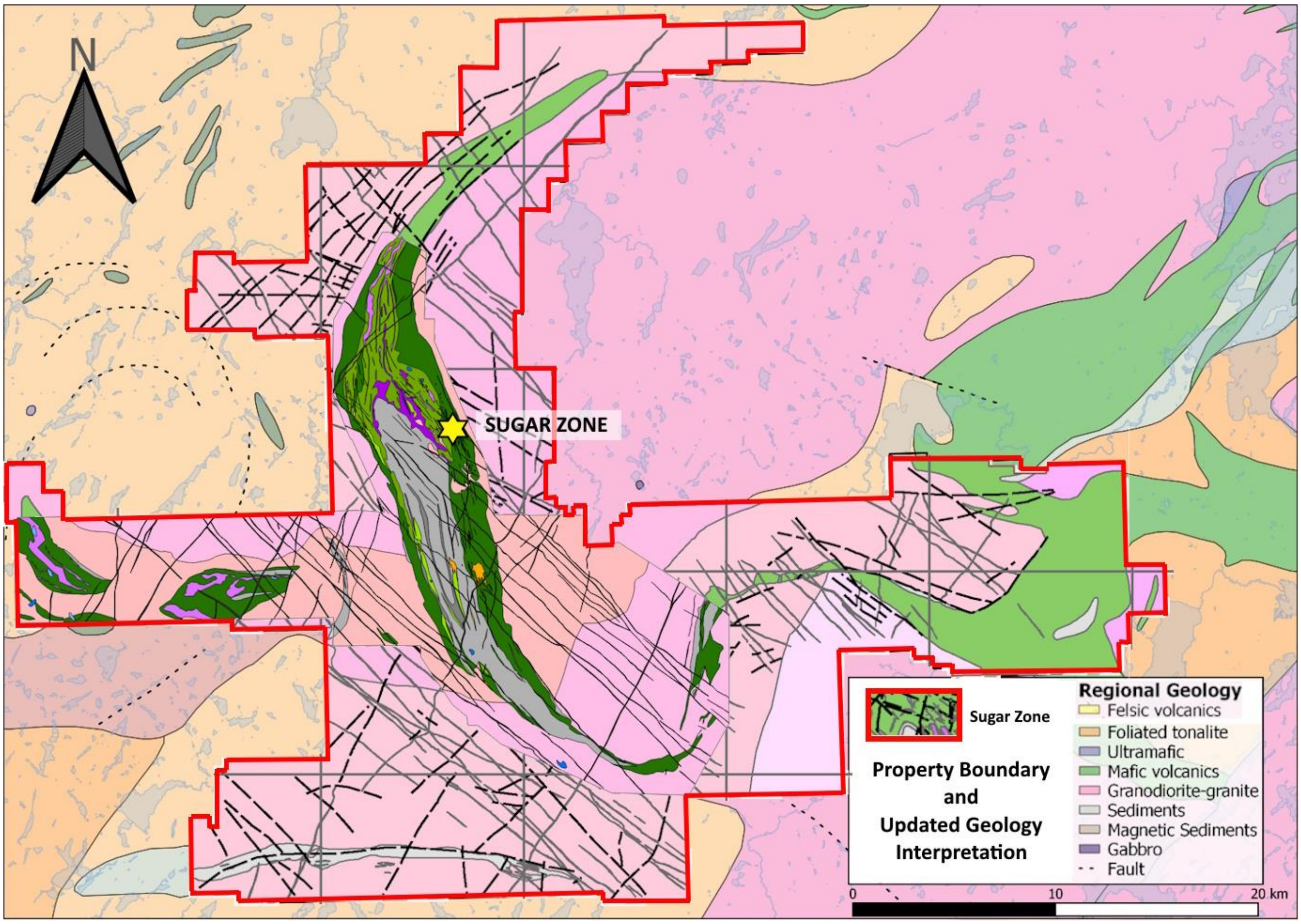

Figure 5: Sugar Zone regional land package and regional geology interpretation

This announcement was authorised for release to ASX by Luke Tonkin, Managing Director. For more information about Red 5 Limited and its projects please visit our web site at www.red5limited.com.

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Glossary

EBITDA (before significant items) is a non-IFRS measure and comprises net profit after tax, adjusted to exclude significant items such as non-cash tax items, net finance costs, business combination expenses, depreciation and amortisation. An unaudited reconciliation between the net profit after tax and EBITDA (excluding significant items) is set out on page 7 of the Company's Annual Financial Report released to the ASX contemporaneously with this announcement. The Directors consider it useful as it enables readers to obtain an understanding of results from operations.

Competent Persons Statement

The information in this presentation that relates to the Ore Reserves and Mineral Resources of Frenck Kiss has been extracted from the ASX announcement titled "Mineral Resource and Ore Reserve Statement" released on 27 September 2023 by Silver Lake Resources Limited, a wholly owned subsidiary of Red 5, and available at www.asx.com.

Red 5 confirms that it is not aware of any new information or data that materially affects the information included in either announcement, and that all material assumptions and technical parameters underpinning the estimates in both announcements continue to apply and have not materially changed. Red 5 confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from either announcements.