

15 April 2019

Additional high-priority near-mine regional targets identified at King of the Hills as regional exploration gains momentum

Near-mine regional RC drill program underway, with magnetic and gravity data also delivering further high-priority exploration targets along the Ursus and Tarmoola Fault Zones

- **13,300m RC drilling program commenced to test five high-priority near-mine regional open pit gold targets at King of the Hills (KOTH).**
- **Interim Mineral Resource for KOTH scheduled for release in the June 2019 quarter with a maiden open pit JORC 2012 Ore Reserve scheduled for release in the September 2019 quarter, with current near-mine regional drilling program to feed into these Resource and Reserve estimates where possible.**
- **Re-processing of recently acquired and existing geophysical datasets, including magnetic, gravity and radiometric data, has identified numerous additional high-priority targets along the structural corridors encompassing the Ursus and Tarmoola Fault Zones.**
- **Multiple gravity lows identified along the mineralised Ursus and Tarmoola Fault Zones, indicating significant potential for KOTH ‘look alike’ deposits outside of the current 1.88Moz Resource area.**
- **Prioritisation of new targets now underway to plan and schedule drilling. Near-mine regional exploration program focused on identifying near-term open pit production opportunities to provide early mill feed for a potential standalone processing facility at KOTH.**

Red 5 Limited (“Red 5” or “the Company”) (ASX: RED) is pleased to advise that near-mine regional exploration to support the emerging bulk mining opportunity at the King of the Hills (KOTH) gold mine in Western Australia is ramping up, with a regional Reverse Circulation (RC) drilling program underway and a review of existing exploration datasets delivering a series of new high-priority targets.

The 13,300m RC program (announced on 19 February 2019) is designed to test five Tier-1 near-mine regional targets – Cerebus, Eclipse, Centauri, Cavalier and Puzzles.

The five targets are typified by shallow, regolith-hosted coherent gold anomalism, with all targets open along strike and completely untested down-dip in the unweathered basement rock. The host setting of each target shows characteristics analogous to Tarmoola-KOTH and Gwalia-style gold mineralisation, and all present potential discovery opportunities.

The drilling program is targeting opportunities for near-term gold production, with the aim of generating early mill feed for a potential stand-alone gold processing facility at KOTH. A stand-alone processing plant represents a key element of the bulk mining strategic review that commenced in December 2018 following the delivery of an initial 1.88Moz bulk mining Mineral Resource at KOTH (see ASX announcement on 4 December 2018).

Red 5 Limited

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Figure 1: Reverse Circulation (RC) drill rig at the Centauri prospect, where drilling commenced in March 2019.

KOTH Airborne Magnetic and Gravity Survey Review

A recently-completed geophysics review by Southern Geoscience Consultants (SGC) has identified multiple new high-priority targets along the Ursus and Tarmoola Fault Zones’ structural corridors.

Recent work comprising litho-structural interpretation using historical and newly acquired datasets has resulted in an improved understanding of the geological and structural framework, and associated features and relationships attributed to gold mineralisation in the area.

Using a combination of integrated datasets comprising geophysical information, drill hole logging and surface geologic maps, the recent analysis and interpretation work has identified a number of prospective targets situated along the structural corridors of the Ursus and Tarmoola Fault Zones.

In addition, this work has also enhanced the Company’s understanding of existing targets, providing insight into the deeper structural and geological settings associated with shallow oxide-hosted mineralised zones present to the south and to the north-west of the current KOTH mining operation.

In many cases, the results leading to target definition indicate that these prospective areas show similar characteristics relating to gold mineralisation as observed at the KOTH gold deposit, particularly the consistent association with low-density (gravity) anomalism attributed to felsic-intermediate intrusives.

These shared attributes suggest a similar genesis or formation to the Tarmoola-KOTH deposit and presents opportunities within the Ursus and Tarmoola Fault Zones that may host other Tarmoola-KOTH style gold deposits.

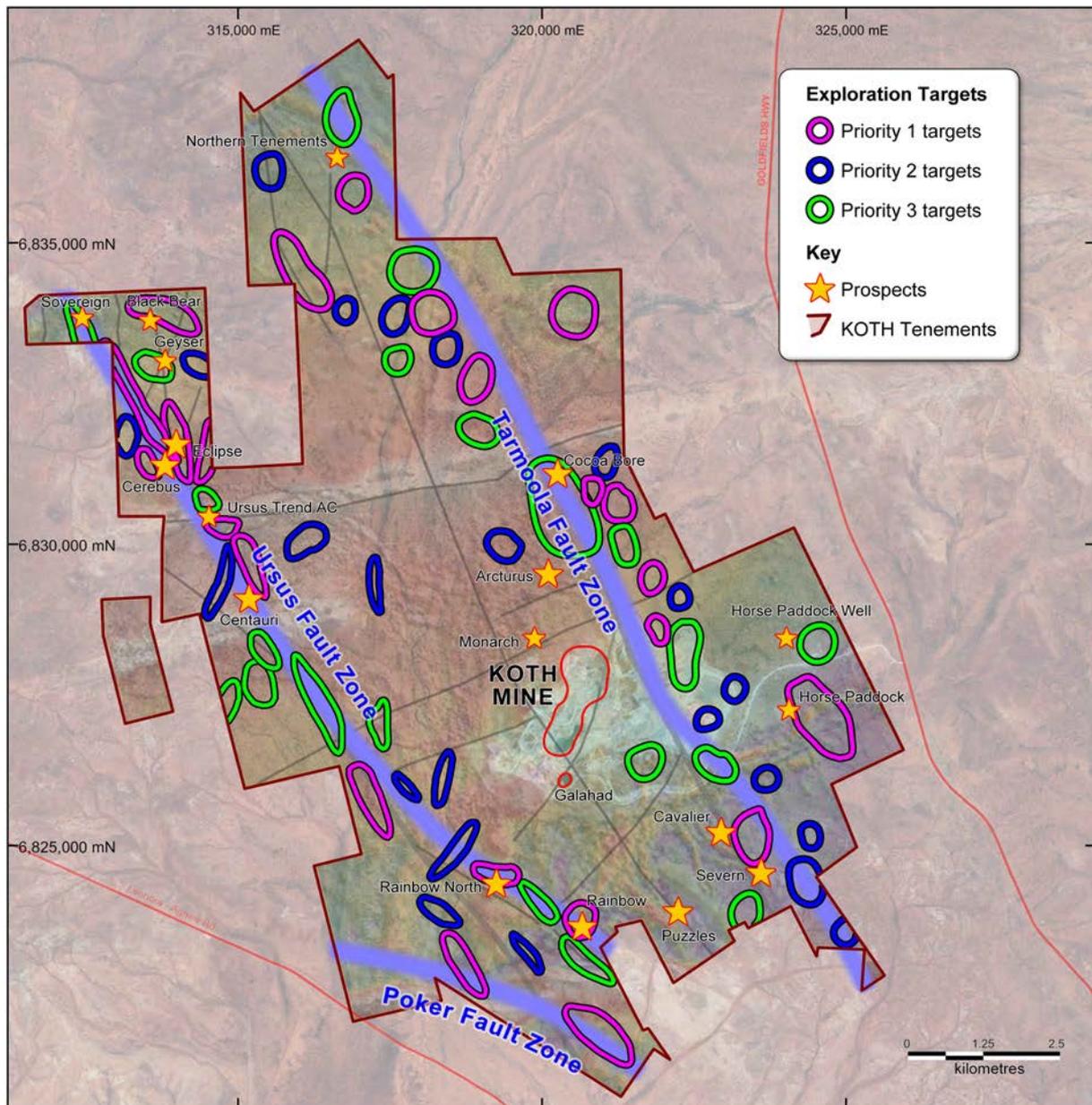


Figure 2: Key targets generated from the geophysical review along the Tarmoola and Ursus Fault Zones.

The review comprised analysis of integrated exploration datasets, encompassing:

- New and historically-collected magnetic and gravity data, including a trial Sub Audio Magnetics (SAM) survey south of KOTH and between the Rainbow and Puzzles project areas;
- Radiometric data;
- Historical drill log information; and
- Outcrop mapping.

These datasets were composited to form a detailed litho-structural interpretation across the KOTH tenure, resulting in multiple new exploration targets, of which 22 have been ranked as high-priority.

Further assessment of each target is now underway to prioritise for drill planning.

The integrated data analysis indicates the coincident presence of low-gravity responses proximal to known mineralisation at the Homeward Bound, Cocoa Bore and Severn-Cavalier prospects along the Tarmoola Fault Zone, and at the Black Bear, Eclipse, Cerebus, Centauri and Rainbow North prospects along the Ursus Fault Zone.

These areas have previously been identified as prospective targets, however exploration testing has been limited to shallow depths.

The cause of these low-density gravity responses is uncertain, but is considered likely to represent intrusive felsic bodies associated with the nearby Raeside Batholith or KOTH granodiorite. This is significant, as the intrusive granodiorite at KOTH is the main host of KOTH orebody, where Red 5 has delineated an initial 1.88Moz Mineral Resource.

The multitude of low-density gravity anomalies along mineralised/fertile trends indicates significant potential for repeats of a Tarmoola-KOTH style mineral deposit, outside of the current mining area.

Ursus Fault – Structural Corridor

A total of 36 geophysical targets were identified within the Ursus Fault Structural Corridor, with 12 ranked as high-priority due to a combination of:

- Low-density gravity anomalism; and
- Location within a complex structural setting, indicated by structural offsets, bends and splays along the Ursus Structural Corridor.

Tarmoola Fault – Structural Corridor

Similar to the Ursus area, a total of 36 geophysical targets have been identified within the structural corridor encompassing the Tarmoola Fault Zone, with 10 classified as high priority due to their:

- Subtle to prominent low-density gravity anomalism across the structure, with higher priority targets characterised by a prominent gravity low surrounded by a higher density halo; and
- Complex structural settings indicated by structural offsets, bends and splays.

MANAGEMENT COMMENT

Red 5 Managing Director, Mark Williams, said the broader KOTH Project area has significant untapped exploration potential.

“The results from the processing of both the geophysical data by Southern Geoscience and the review of the historical exploration data confirms that just about the entire length of both the Tarmoola and Ursus Fault Zones is alive with discovery opportunities.

“We now have drilling underway to test five initial targets, and we are building a strong pipeline of new opportunities that we will progressively and systematically test over the coming months.

“Mineralisation delineated to date within the KOTH area varies from shallow to steep dipping, with our data review indicating that a significant proportion of historical drilling may not have been deep enough to effectively test the ground for mineralisation. There are also large gaps between drill holes along the Ursus Fault Zone. The untapped potential within this region is very exciting.

“This near-mine regional exploration program at KOTH represents an important element of our bulk mining strategic review, with the real potential for these targets to deliver early mill feed for a potential future stand-alone processing plant on site, which we expect could enhance the economics of a future bulk mining operation.”

ENDS

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Competent Person's Statement

Exploration Results

Mr Byron Dumpleton confirms that he is the Competent Person for the historic Exploration Results summarised in this report and Mr Dumpleton has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Dumpleton is a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in this report and to the activity for which he is accepting responsibility. Mr Dumpleton is a Member of the Australian Institute of Geoscientists, No. 1598. Mr Dumpleton is a full time employee of Red 5 Limited. Mr Dumpleton has reviewed this report and consents to the inclusion of the matters based on his supporting information in the form and context in which it appears.

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.

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.