

8 August 2024

Strong returns generated from simplified capital structure

Red 5 Limited (ASX: RED) (“Red 5” or the “Company”) is pleased to announce the sale of the ~411.7 million Red 5 shares in which it acquired an interest following the implementation of the merger with Silver Lake Resources Limited (“Silver Lake”) in June 2024.

Silver Lake purchased the Red 5 shares in September and October 2023 for \$0.26 per share for total consideration of \$107.7 million. The recycling of the deployed capital at \$0.335 per share generates a strong return on the investment over a ~10 month period, with sale proceeds of ~\$136.8 million. The investment in Red 5 by Silver Lake was significant in enabling the combination of complementary businesses, creating a diversified mid-tier gold miner with scale, longevity and sector leading financial strength.

The share sale simplifies Red 5’s capital structure and continues to deliver on the commercial logic of the merger. It follows the repayment of the outstanding loans under the Company’s previous project finance facility and restructure of the hedging facility, resulting in new terms having limited covenants which are reflective of a standalone hedging facility.

Red 5 has cash and bullion of ~\$498 million¹ and no debt following the repayment of the project finance facility in July 2024. Red 5’s balance sheet provides it with the ability to maximise the value of its portfolio and pursue opportunities to deploy capital from a position of strength.

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.

For further information, please contact:

Luke Tonkin
Managing Director
+61 8 6313 3800
investors@red5ltd.com

Len Eldridge
Corporate Development Officer
+61 8 6313 3800
investors@red5ltd.com

¹ Based on cash and bullion on \$453.7 million at 30 June 2023 adjusted for the \$92.9 million payment to repay the legacy project finance facility and proceeds from the sale of the Red 5 shares of \$136.8 million