

18 June 2018

Mt Cattlin Royalty

Red 5 Limited (ASX: RED) (Red 5 or the Company) advises that it has entered into an agreement for the sale of the Company's royalty entitlement from the Mt Cattlin mine in Western Australia to Canadian royalty company, Lithium Royalty Corporation (LRC).

Red 5 owns the right to receive a royalty of \$1.50 per tonne of ore processed from the Mt Cattlin mine which is owned and operated by ASX-listed Galaxy Resources Limited (Galaxy Resources) (ASX: GXY).

Under the terms of the Sale and Purchase Agreement between Red 5 and LRC, the total consideration for the transaction is \$11 million, with \$7 million payable at completion upon approval from the Foreign Investment Review Board (FIRB) and execution of a Deed of Assignment and Assumption with Galaxy Resources. The balance of \$4 million will be held in escrow and released to the Company upon receipt of the June 2018 or September 2018 quarter royalty entitlement in accordance with the Sale and Purchase Agreement. The June 2018 quarter royalty entitlement will be allocated 35% to the Company and 65% to LRC. The September 2018 quarter royalty entitlement onwards will be allocated 100% to LRC.

ENDS

For more information:

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