

2018 Annual General Meeting – Chairman’s Address

I am pleased to report on what has been an exceptionally busy year for Red 5, during which the Group has been able to cement its position as an Australian gold producer while at the same time taking some important steps towards unlocking the broader potential of its newly-acquired West Australian gold assets.

At the time of last year’s AGM, we had only just completed the dual-acquisition of the Darlot and King of the Hills gold mines in Western Australia. In the ensuing weeks and months, we moved quickly to integrate the Darlot operation and workforce into the Red 5 Group, followed by the commencement of underground mining and ramping up production at King of the Hills as a source of satellite ore and embarking on a multi-pronged exploration program at both mines.

Our primary focus during the year has been to deliver on our operational strategy – which is to maintain the Darlot processing plant at full production capacity with ore from these two sources, while pursuing opportunities to grow mine life and production through resource conversion, new discoveries and potential bolt-on acquisitions.

One year on and Red 5 is well-established as an Australian gold miner, having produced 68,500oz in our first four operational quarters, implemented a successful new flexible mining strategy at Darlot, ramped up production at King of the Hills, and delivered an updated JORC Mineral resource and Ore reserve across both mines.

Gold production for the 2019 financial year is forecast at 110,000 – 115,000oz at a forecast all-in sustaining cost (AISC) in the range of A\$1,350-1,550 per ounce.

With bulk stoping now underway in the new high-grade Oval West sector of the Darlot mine, I am pleased to say that we are making excellent progress towards achieving our operational objectives with production of ~14,500 ounces at 19 November 2018 for the quarter-to-date, putting us on track to achieve our guidance of 26-30,000oz for the quarter. This is underscored by the Darlot Processing Plant recently recovering 818 ounces in a single day, breaking all previous records.

The strong performance of the Darlot mill – which achieved steady-state throughput of ~1Mtpa during the year – is the cornerstone of this strategy. The continued efficient operation of this centrally located treatment facility, combined with a rising grade profile at Darlot from the new high-grade Oval mining sector, will help us to maximise production, improve recoveries and reduce unit operating costs over the year ahead.

The Darlot operation this month celebrates 30 continuous years of mining operations – a remarkable milestone. This prolific gold mine has now produced a total of 2.8 million ounces from two major ore systems, Darlot and Centenary, since 1988.

We are hopeful that our ongoing exploration effort, which has already yielded positive results from near-mine drilling in the Oval and Lords sectors, will continue to grow our resource and reserve base while at the same time aiming to unearth a third major gold system.

I said in the Annual Report that we were keen to emulate the strong track record of some of our mid-tier gold peers in rejuvenating some of WA’s older gold mines through discovery success. Like many highly-endowed WA gold projects, both Darlot and KOTH are extensive, multi-million-ounce gold systems which offer exceptional opportunities for resource and reserve growth from sustained and focused exploration.

In recent weeks, I am pleased to say we have made an important breakthrough in this regard at King of the Hills with the identification of a new bulk mining opportunity at the Eastern Margin Contact Zone which, subject to the success of ongoing exploration programs, could well end up reshaping the future of the Red 5 Group.

A 30,000m underground diamond drilling program has recently been announced to target a zone of stockwork development around the granodiorite/ultramafic contact, referred to by our technical team as the “damage zone”. This zone sits beneath the historical Tarmoola open pit and is in an area close to existing underground workings.

The opportunity has been identified thanks to a geological reinterpretation of the significance of a complex network of high-grade vein and veinlets and stockwork zones that sit within this damage zone, which we now believe has the potential to be converted into a significant new bulk mining opportunity.

The area is being targeted by re-oriented drilling sub-parallel to the contact – a strategy that was never pursued to any significant extent by the mine’s previous owners. A trial stoping program is also currently in progress in parallel with the underground drilling program.

The scale of the opportunity is impressive. Recent geological modelling shows that this granodiorite contact extends over an area measuring 4km long, 1.8km wide and extending to a depth of approximately 500m. This new geological interpretation shows that the western edge of the contact is approximately 2km away from the current eastern contact, with almost no exploration undertaken on the western side.

This is a significant opportunity for Red 5 and we are leaving no stone unturned to unlock what could turn out to be a substantial area of gold mineralisation in close proximity to existing mining areas, which can be exploited using well-established mining techniques.

On the financial and corporate front, I would like to acknowledge the Group’s achievements during the year in maintaining a positive cash position despite the significant capital investment requirements of starting up a new underground mine at King of the Hills, maintaining an aggressive exploration program and meeting the final \$4.5 million deferred consideration for the King of the Hills acquisition.

In the meantime, our strategy of maintaining exposure to the potential future upside of the Siana Gold Project in the Philippines has proved to be a prudent one. Earlier in the year, our Philippine-affiliated company, Greenstone resources Corporation, received the long-awaited clearance to proceed with construction and operation of a new tailings storage facility for Siana. The Red 5 Group is now in the process of evaluating its preferred plan and options for the Siana Gold Project.

In conclusion, I would like to acknowledge the enormous effort and hard work during the year of all of our staff and contractors, both in the Philippines and Australia, led by our Managing Director, Mark Williams. The speed, efficiency and professionalism of the Darlot and King of the Hills acquisition and integration process – which necessitated a rapid scale-up of our administrative systems – is a real credit to our management and operations teams.

The more recent success of our exploration team in identifying new growth opportunities at both Darlot and King of the Hills is a reflection of the work ethic and innovative thinking within the Red 5 Group.

As a result, I am confident that we can look to the year ahead and beyond with great confidence and excitement.

Kevin Dundo

Chairman

21 November 2018

For more information:

Investors/Shareholders:

Kevin Dundo, Chairman

Mark Williams, Managing Director

John Tasovac, Chief Financial Officer

Red 5 Limited

Telephone: +61 8 9322 4455

Media:

Nicholas Read

Read Corporate

Tel: +61-8 9388 1474