

24 October 2018

September 2018 Quarterly Activities Report

*Continued progress with ramp-up of operations towards >100kozpa production rate;
Resource and Reserve update delivers mine life visibility of three years;
Outstanding exploration results from King of the Hills highlight near-term growth opportunities*

West Australian Gold Operations

Processing and Production

- Continued progress with the ramp-up of production, with increased gold production of 21,609 ounces and gold sales of 20,241 ounces (June Quarter: 18,719 ounces). All-in sustaining costs (AISC) of A\$1,829 per ounce for the quarter (June Quarter: A\$1,496 per ounce), as a result of the inclusion of development costs at King of the Hills (KOTH) which reached steady state production during the quarter.
- A new monthly processing record was achieved in July 2018 with 85,464 tonnes milled, which is in excess of 1Mtpa in annualised throughput.
- Gold recovered for the December 2018 Quarter expected to be in the range of 26,000-30,000 ounces at an ASIC of A\$1,450 – A\$1,650 per ounce.
- Gold production for FY2019 is expected to be in the range of 100,000-115,000oz at an AISC of A\$1,350 – A\$1,550 per ounce.

Mining

- Ramp-up of underground mining at KOTH completed in September 2018, with the mine now operating at steady-state capacity. KOTH delivered 88,510 tonnes grading 3.4g/t Au for 9,469 ounces for the quarter.
- Development access to the high-grade Oval West deposit at the Darlot underground mine well advanced with bulk stoping expected to commence in late October.

Exploration and Resource Development

- Resource and Reserve upgrade for Darlot and KOTH, with group mineral resources increased to 1.6Moz and Ore Reserves increased to 307koz.
- Ore Reserves currently underpin ~ three-year mine life, with visibility to increase this through the conversion of additional Resources to Ore Reserves, new near-mine discoveries and potential bolt-on acquisitions in the region.
- Diamond drilling at KOTH indicates significant high-grade bulk stope potential in tension veins and stockworks along the eastern margin contact within the northern part of the KOTH mine. Significant high-grade intercepts include:
 - 6.0m @ 38.9g/t Au from 54.0m, includes 0.3m @ 254g/t Au (KHRD0098)
 - 14.9m @ 7.6g/t Au from 70.5m (KHRD0095)
 - 15.6m @ 5.6g/t Au from 95.5m, incl. 0.3m @ 160.0g/t Au and 0.2m @ 103.0g/t Au (KHRD0101)

Red 5 Limited

ABN 73 068 647 610

ASX: **RED**Shares on issue: **1,242M**

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Siana Gold Project, Philippines

- Environmental Compliance Certificate amendment received from the Philippines Environmental Management Bureau (EMB) enabling the construction and operation of Tailings Storage Facility 6 at Siana. Preferred plan and options for Siana now being considered.

Finance and Corporate

- Key board and management changes, with General Manager Operations Steve Tombs retiring from executive duties and joining the Red 5 Board as a Non-Executive Director. Brendon Shadlow has been appointed General Manager Operations to replace Mr Tombs.
- \$11 million proceeds received from the sale of the Company's royalty entitlement from the Mt Cattlin mine.
- Gold loan facility of 5,015oz secured with Malaysian-based investment fund, Asian Investment Management Services Ltd (AIMSL).
- Group cash and bullion on hand at the end of September 2018 was A\$18.3 million.
- \$4.5M deferred consideration payment to Saracen Mineral Holdings completed subsequent to the end of the Quarter, pursuant to the October 2017 KOTH acquisition agreement.

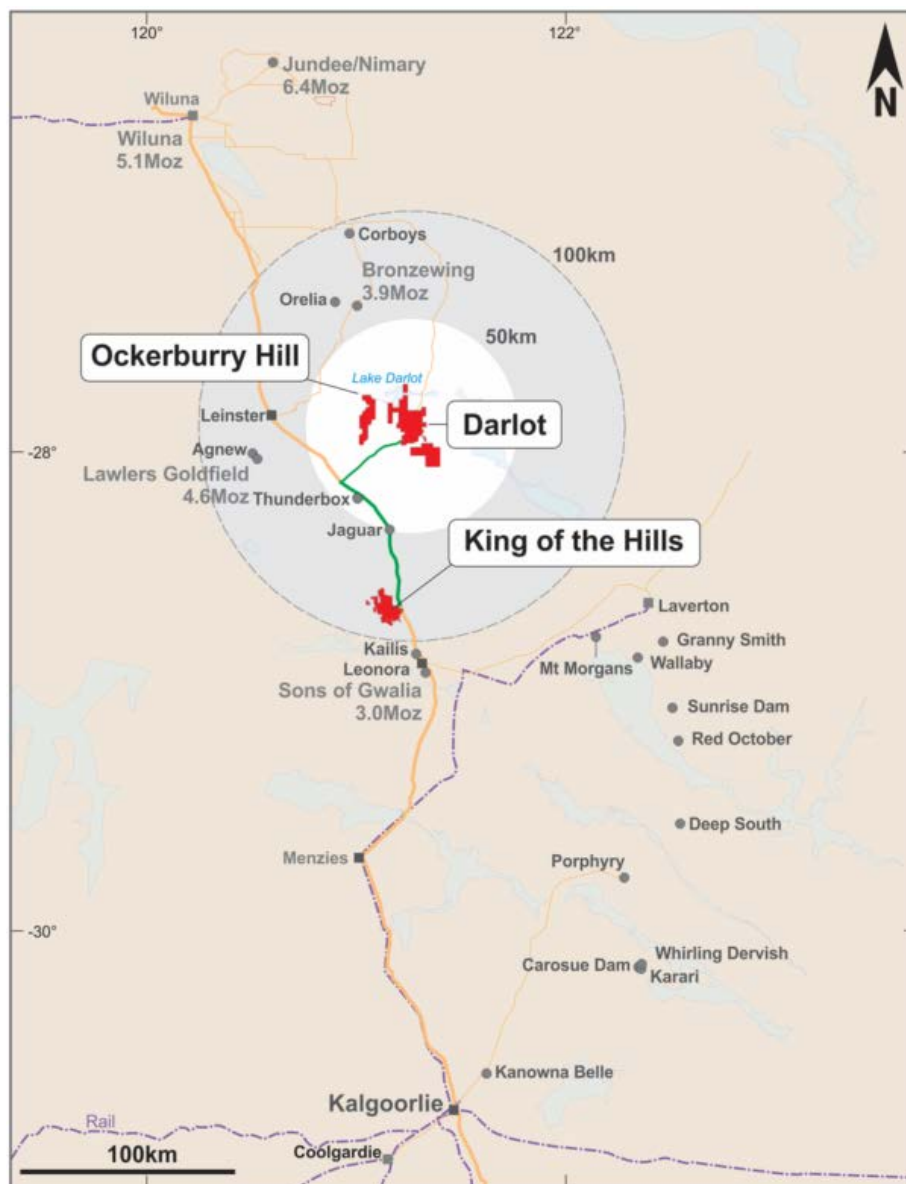


Figure 1: Darlot and King of the Hills locations, showing historical production from key gold deposits in the region.

Red 5 Managing Director, Mark Williams, said:

“The September Quarter has been an important transitional period for Red 5, with the ramp-up of underground mining completed at King of the Hills and solid operational performance at Darlot. As a result, we were able to maintain our steady upward trajectory of gold production, with 21,609 ounces of gold recovered for the quarter, up from 18,719 ounces last quarter and 12,928 ounces in the March quarter – allowing us to step up to our targeted >100,000 ounce per annum production run-rates.

“With the successful ramp-up of both mining centres to steady-state operations, we expect to be able to maintain production at these levels from our Eastern Goldfields assets moving forward, with a corresponding reduction in unit operating costs.

“The December quarter is off to a strong start, with bulk stoping of the high-grade Oval West deposit expected to commence in late October 2018. This important high-grade ore source is already having a positive impact on our average head grade and will help underpin our forecast production range of 26-30,000 ounces for the quarter.

“Our drilling programs also continued to deliver exciting results during the quarter, resulting in a significant increase in our Resource and Reserve base which has provided mine life visibility of three years, with significant potential for further growth. The updated Reserves announced during the quarter underpin our production guidance for FY2019 of 100,000 - 115,000oz at an all-in sustaining cost of A\$1,350-1,550 per ounce, giving investors a clearer picture of what the operations are capable of delivering once fully ramped-up.

“An exciting new growth area for the Company has been the recently announced exploration breakthrough at King of the Hills.

“Drilling along the eastern margin contact at King of the Hills identified a significant zone of gold-bearing tension veins close to an existing mining area, with broad mineralised stockwork zones indicating the potential for bulk mining. The orientation of the newly discovered veins, across rather than along, the contact, means they were not successfully defined by historical drilling.

“Confirmation of the presence of these tension veins provides a major new exploration target for the Company, with the eastern margin contact at King of the Hills extending over 4km strike and 500m depth. Further testing this area will be a key priority for the Company over the coming months.”

WEST AUSTRALIAN GOLD OPERATIONS

Production Summary

A total of 21,609 ounces of gold was recovered for the September 2018 Quarter (June 2018 Quarter: 18,719oz) with ore sourced from the Darlot Gold mine and the King of the Hills (KOTH) satellite underground mine. All-in sustaining costs (AISC) were \$1,829 per ounce (inclusive of KOTH mine development costs).

	September 2018 Quarter
Mined tonnes	238,169t
Mined grade	3.05g/t
Tonnes milled	243,950t
Average head grade	3.01g/t
Recovery	91.6%
Gold recovered	21,609ozs
Gold sales	20,241ozs
All-in sustaining cost ¹	A\$1,829/oz

Table A – Darlot Gold Mine, Key Production Metrics.

Note 1: Lower AISC for the June 2018 quarter of \$1,496/oz was due to development costs for the King of the Hills project being capitalised due to the King of the Hills mine continuing to remain in an initial development phase. With KOTH operating at steady state production since July 2018, development costs previously capitalised are now included in AISC.

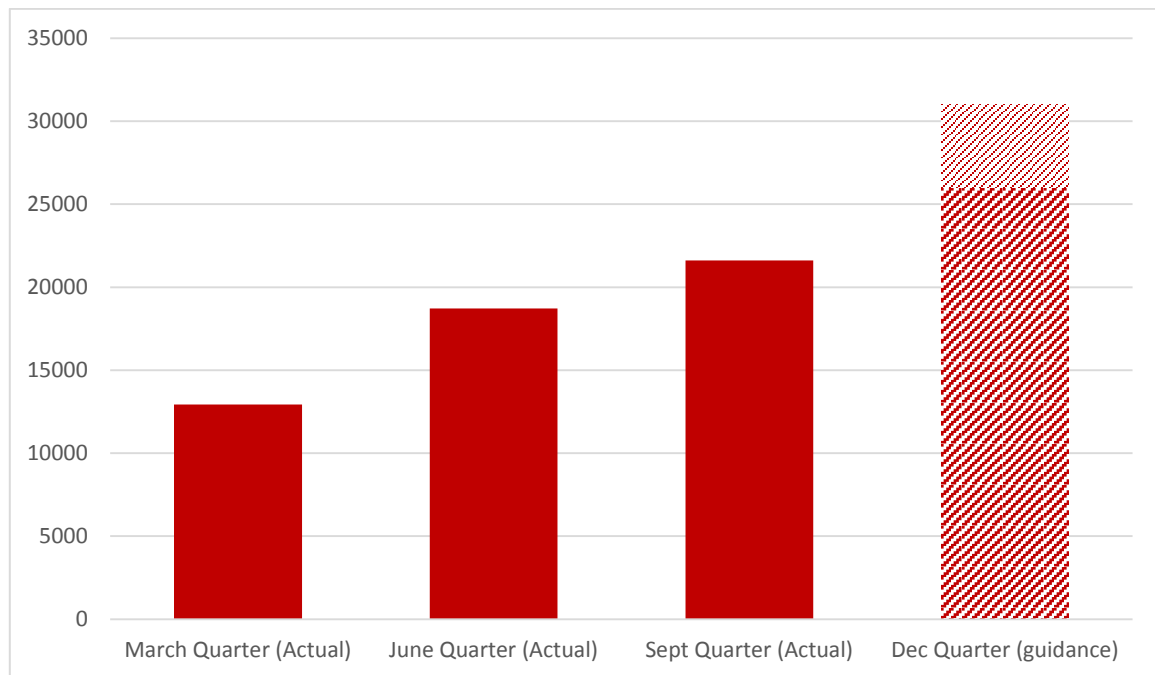


Figure 2: 2018 Quarterly Gold Production

Processing

The Darlot mill processed a total of 243,950t of ore for the September 2018 quarter. A feed grade of 3.01g/t and recovery of 91.6% produced a total of 21,609oz for the quarter.

Process improvements and debottlenecking initiatives have continued to deliver improved results, with the mill achieving an average throughput of 119tph (up from 115tph in the June 2018 Quarter), resulting in a monthly record of 85,464t being milled for the month of July 2018.

Daily mill throughputs in excess of 130tph have also been achieved on a sustained basis, resulting in a new Darlot record for 24 hour milled tonnes of 3,249t achieved in June 2018. This equates to an annual throughput rate in excess of 1.1Mtpa. Steady state throughput of ~1.0Mtpa has been reached, compared to nameplate of 0.83Mtpa.

Major works during the quarter included the completion of the final raise on Tailing Storage Facility (TSF) #2 and an intermediate lift on TSF #3 which will provide tails capacity through to 2019. Work continued on plant maintenance and availability, particularly around the crushing circuit which resulted in a significant improvement in mechanical availability over the quarter. Mill availability remained high at 95.8% for the quarter.

An air-core drill program comprising 22 holes designed to sterilise an area west of the mine site for the construction of two new tailing storage facilities was completed during the Quarter. Drill assays confirm no significant mineralisation occurs in the proposed area and it is expected that the proposed area will be suitable for TSF construction.

DARLOT GOLD MINE

Mining Activities

Stoping for the quarter included ore from the Grace, Marsh, Lillee and Bradman orebodies located close to the main haulage decline, allowing a high level of productivity. Iterative geological model updates based on successful mining of the Trinidad and Pederson areas lead to additional stopes being added to the mine plan. Re – entry to the Border and Federation orebodies also yielded ore outside the initial scope of the mine plan.

Development priorities centred around establishing access to the high-grade Oval orebody with increased rates achieved from the mobilisation of a second jumbo. With more than 270m of access drives mined in this primary stoping area, geological understanding was increased and additional stopes are currently being assessed pending model updates. Capital access mining was also progressed towards the Burswood orebody which is expected to intersect ore towards the conclusion of this financial year.

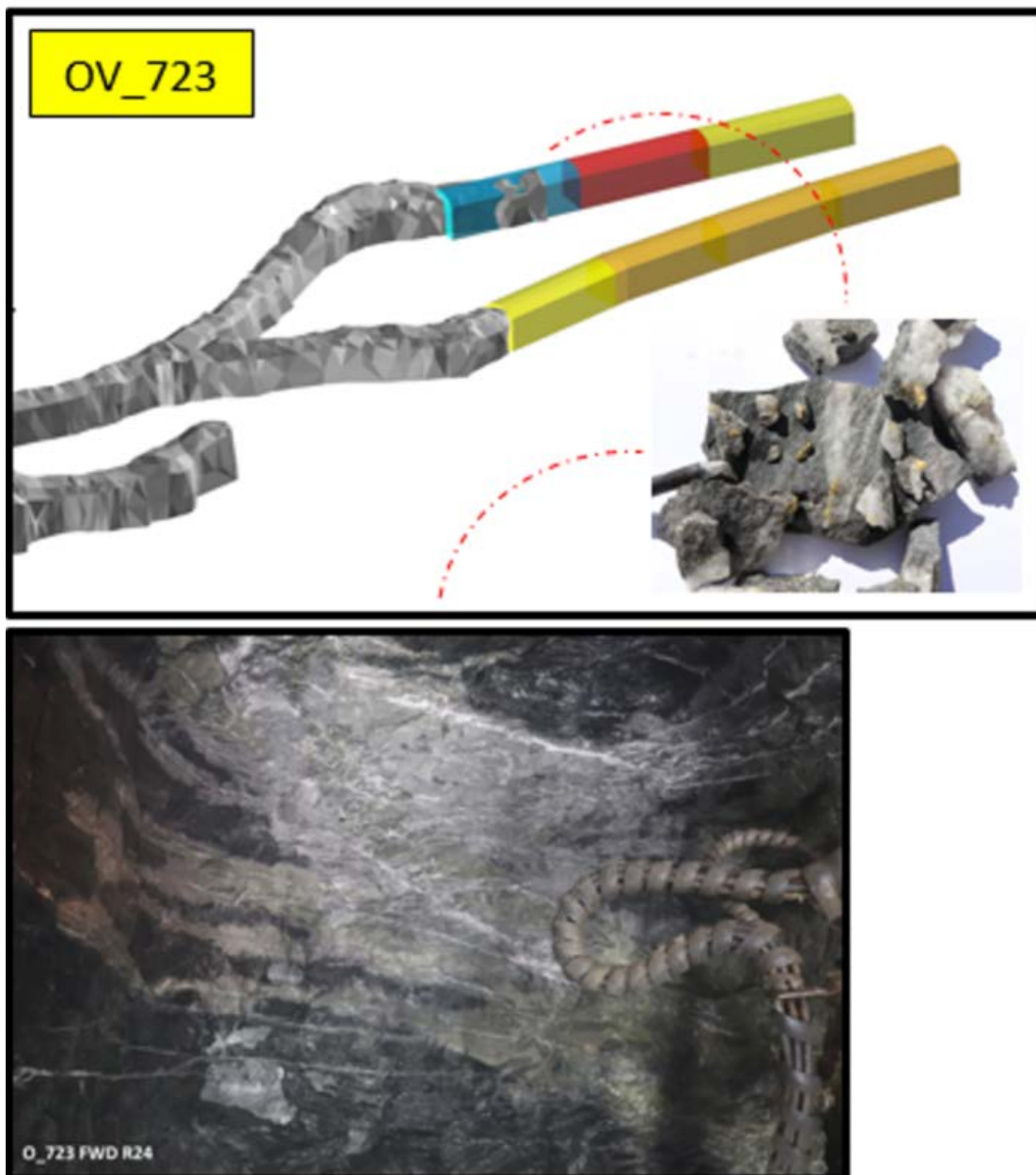


Figure 3: Promising development results in the upper Oval orebody including visible gold intercepts. Grade for face photograph was 4.7g/t and is in line with the modelled grades.



Figure 4: Photo showing the successful development of the Oval West on the 738-level showing the excellent high grades. The face grade for Oval 738 FWD R23 is 34.8 g/t.

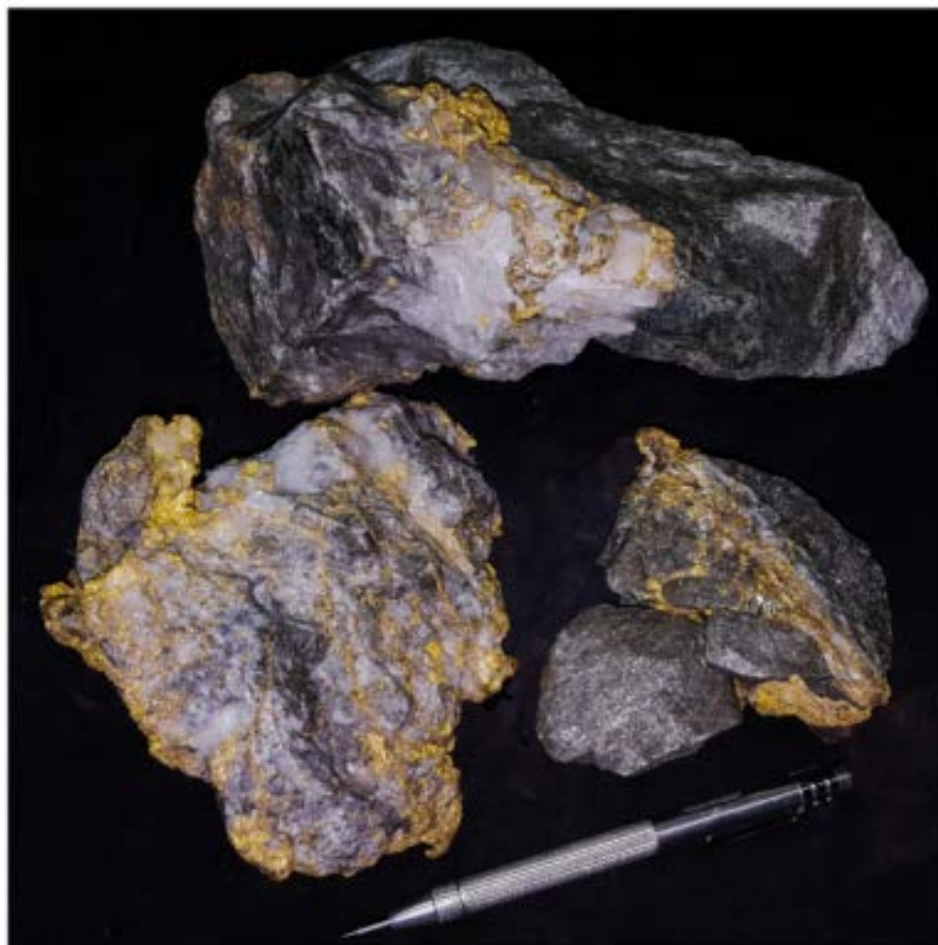


Figure 5: Visible gold returned from the Trinidad mining area at Darlot

KING OF THE HILLS PROJECT

Mining Activities

Airleg mining has been undertaken on high-grade narrow mineralised veins at KOTH, together with development of 3m by 3m drives to access additional bays for stoping. Production from these veins totalled 9,598 tonnes grading 3.94g/t Au for 1,216 ounces for the reporting period.

Capital development activities have continued in extending the central decline and central RAW to complete the primary ventilation network in the Central area as well providing the second means of egress to allow production activities to occur in the Theon lode. Development of the Baelor access was approved to bring in an additional ore source for production in the December quarter.

Production development continued in the Central decline Theon & Westeros lodes to access the high grade narrow vein stopes. An additional ore drive was developed in the W4957 lemonwood to access a bulk stope that had been identified.

Stoping was undertaken in the Riverrun, Theon and Regal lodes.

Ore Sorter Trial

Red 5 is currently trialling the use of an ore sorter at the KOTH operations. The use of advanced ore sorting technology has the potential to increase gold production from low-grade ore stockpiles at KOTH, while also reducing the amount of material being trucked to Darlot and reporting to the mill. Ore sorting technology has been used at other gold mining operations in Western Australia with positive results.

A 1 tonne sample of representative KOTH mid-grade ore was delivered to the Perth laboratory for bulk scale ore sorting test work. The initial testing indicated that up to 90% of the gold could be recovered into approximately 53% of the mass. Additional crush size optimisation test work is ongoing and is expected to further substantiate the results.

Heap Leach Project

Initial results from heap leach amenability test work undertaken during the previous quarters on samples of ore from the KOTH project are positive and indicate the potential for heap leaching of lower grade ores from both the underground and ore which can be accessed via a cut-back on the historical open pit.

Preliminary Intermittent Bottle Roll (IBR) test work indicates >70% gold recovery is achievable at typical heap leach operating conditions. Second stage column leach test work continued throughout the Quarter on bulk samples from both KOTH underground and in situ open pit material, with results expected in November 2018. If these results are positive, a larger pilot program is expected to be conducted on site.

EXPLORATION AND RESOURCE DEVELOPMENT



Figure 6: RC drilling by Strike Drilling at the North Darlot prospect

Resource and Reserve Update

Exploration and Resource development activities at the Darlot and KOTH gold mines have delivered a 24% increase in the Company's total JORC 2012 Mineral Resource base in the Eastern Goldfields region to **10.1 million tonnes grading 4.9g/t Au for 1.6 million ounces of contained gold**.

Total Ore Reserves have increased by 133% contained ounces to **2.64 million tonnes grading 3.6g/t Au for 307,000 ounces of contained gold** (including ROM stockpiles and underground broken stocks), net mining depletion of 42,000 ounces over the December 2017, March 2018 and June 2018 Quarters.

The increased Mineral Resource base is primarily due to near-mine exploration and development activities from the extensional drilling on the lower portion of the Oval structure west and down-dip of the current Oval Mining area, and on-going re-evaluation of existing mining areas. Since the December 2017 update, the Pederson South area, located to the south of the Millennium decline, has been included in the re-evaluation and consequently added to the Mineral Resources base.

Further details of the updated Mineral Resource and Ore Reserve estimate is provided in the Company's ASX announcement dated 2 August 2018.

Darlot Exploration

UG Exploration Drilling

During the quarter the Lords High amplitude program was completed along with the first two holes of the Lords Extensions drilling. A drill program for the Lords High Amplitude was initiated comprised three diamond holes targeting a structure interpreted from the seismic survey located at the confluence of the Lords and interpreted Pipeline Faults ~500m to the east of the current workings. An update will be provided when final assays are received and reviewed.

Surface Exploration

Exploration drilling continued at Darlot for the Quarter with one surface diamond and one surface RC rig operating.

Regional exploration drilling work was undertaken along the Waikato magnetic high trend, located approximated 3km southwest of the Darlot operations. Drilling at this location was focused at investigating continuity of mineralisation along strike, northwest of the Waikato deposit. Returned drill assay results have been encouraging and confirm the extension of surface mineralisation further to the northwest of the Waikato deposit. A further combined 2 km strike length of prospective linear magnetic high targets along this trend remain untested and with further assessed in future exploration programs.

Near mine exploration drilling undertaken at Darlot focused mainly at the Burswood Fault target which is situated in between the Millennium and Centenary Declines and forms a hangingwall splay-structure off the Oval Fault. Previous exploration activities from both surface and underground have delineated a roughly 30koz underground resource proximal to the Millennium Decline, which has been incorporated into the 2019 mine plan. Exploration drilling completed in the report period consisted of a 21 hole program designed as a 40m x 40m extensional program targeting both the Burswood Fault and footwall Oval Fault. Drill results produced patchy moderate grade gold mineralisation associated more with the Oval contact rather than the targeted Burswood's fault surface. Frequent intercepts of lamprophyre along this portion of the Burswood Fault may represent substantial stoping resulting in lower than expected mineralisation.

Drilling was completed at the Darlot North IP/Darlot Thrust target area located immediately north of the Darlot open pit. The target is defined by two elongate chargeability features positioned near the Darlot Thrust contact. The recent drilling undertaken at Darlot North was designed to test the source of IP chargeability and the fault contacts for the Darlot Thrust/thrust repeats and El Dorado group faults, the latter of which was modeled from the 3D seismic data. Most of the drill holes successfully intersected the Darlot Thrust contact with assay results confirming patchy mineralisation along the Darlot Thrust contact and fault hangingwall.

Exploration activity for the Quarter also included work on the eastern side of the Darlot leases at Janine and Gipps Hill prospects. Work undertaken includes geological mapping and surface sampling across the lease for the purpose of defining drill targets in the prospective and underexplored eastern side of the Darlot project, within areas where historical mining activity has occurred.

Ongoing targeting and project generation work aimed at building a high potential target pipeline for next stage exploration drill programs at Ockerburry Hill, KOTH and Darlot is progressing well.

Red 5 continues to work with HiSeis to identify and refine drill hole targets from the Darlot 3D seismic cube in near mine search space. The first round of drilling targeting 3D seismic reflectors was successful in intercepting targeted structure. Work has now focussed on enhancing the targets through the integration of other key geological and geochemical datasets.

King of the Hills Exploration

Exploration drilling at the KOTH mine during the Quarter delivered an important breakthrough in the Company's understanding of the structure and controls of gold mineralisation in the region.

The drilling confirmed the presence of a significant gold-bearing zone of tension veins and stockworks located close to an existing mining area. It also demonstrated that drilling in a northerly/southerly direction in the region of the granitoid/ultramafic contact is optimal for picking up these vein stockworks, which would be missed by drilling perpendicular to the contact. This contact has 4km of strike and at least 500m vertical extent on the eastern side of the granitoid, with a similar extent on the western side, and represents a new drill target.

The drilling program was undertaken at the northern end of the KOTH deposit, and comprised seven flat-lying northerly oriented diamond drill holes (KHRD0095 to KHRD0101) to provide “proof of concept” testing of a significant gold-bearing ENE-WSW (mine grid) trending zone of tension veins developed along the eastern margins of the Tarmoola granodiorite pluton and ultramafic contact.

The holes were designed to follow-up drill hole KHGC149 completed by previous owner, Saracen Mineral Holdings Ltd, in November 2016, which was drilled to confirm the presence and orientation of these narrow “E-W” tension veins.

Results from the program appear to confirm the existence and orientation of the veins, as well as identifying a network of vein/veinlet stockworks close to the granitoid/ultramafic contact (granitoid in the illustrations) that have the potential to develop into additional mining areas for the KOTH underground mining operations.

Significant high-grade intercepts¹ returned from the drill program included:

- 6.0m @ 38.9g/t Au from 54.0m, includes 0.3m @ 254g/t Au (KHRD0098)
- 14.9m @ 7.6g/t Au from 70.5m (KHRD0095)
- 15.6m @ 5.6g/t Au from 95.5m, incl. 0.3m @ 160.0g/t Au and 0.2m @ 103.0g/t Au (KHRD0101)

In addition, broad mineralised stockwork zones² between 335m and 423m below surface returned results including:

- 73.7m @ 2.9g/t Au from 14.1m (KHRD0095)
- 37.5m @ 3.8g/t Au from 23.6m (KHRD0096)
- 51.0m @ 2.1g/t Au from 15.0m (KHRD0097)
- 40.0m @ 6.6g/t Au from 20.0m (KHRD0098)
- 94.3m @ 1.2g/t Au from 95.1m (KHRD0099)
- 30.0m @ 2.6g/t Au from 14.1m and 45.5m @ 1.7g/t Au from 53.8m (KHRD0100)
- 70.5m @ 2.1g/t Au from 13.8m and 15.6m @ 5.6g/t Au from 95.5m (KHRD0101)

Full details of the drilling results are provided in the Company’s ASX Announcement dated 21 September 2018.

The narrow veins and veinlets are typically <10 to 30cm wide, high-grade and occur as composite zones of vein stockworks, typically separated by lower grade (0.3 to 1.0g/t Au) mineralisation, along the +4km eastern margin of the interpreted granitoid/ultramafic contact.

The nature of vein densities and gold tenure indicates two potential scenarios for underground development, with narrow high-grade zones amenable to narrow vein stoping methods, and wider zones offering the potential for long-hole stoping. The entire under-explored 4km contact zone has the potential to provide multiple headings and stoping areas on each development level.

¹ All intercepts reported are approximately true width, with the mineralised veins oriented approximately perpendicular to drilling. No top cuts have been applied.

² These zones include weakly mineralised grades of <1g/t Au with intervals up to 19.5m. Refer to Appendix 1 Table 1 to 4 for detailed grade composited intervals in the ASX announcement dated 21 September 2018.

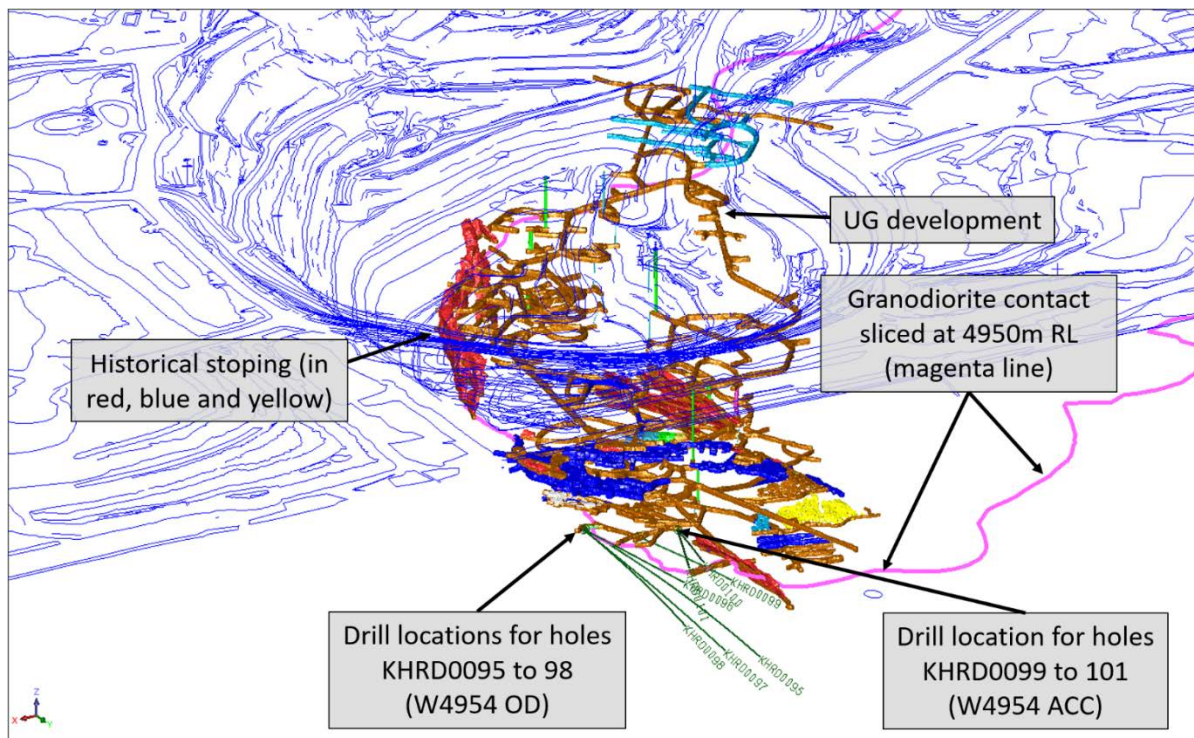


Figure 9: Location of drill holes KHRD0095 to KHRD0101 looking south-west (mine grid)

Each of the seven diamond drill-holes (KHRD0095-KHRD0101) returned similar results, with numerous higher-grade zones (>3.5g/t Au) separated by lower-grade zones averaging 0.25-0.5g/t Au.

For example, hole KHRD0095 returned assay results over the entire hole length of 330 metres averaging 1.7g/t Au, comprising 13 high-grade zones for a combined 34.5 metres averaging 12.3g/t Au, separated by lower grade material for a combined 295.5 metres averaging 0.5g/t Au, and including one continuous zone of 14.9m averaging 7.6g/t Au (see Table B). Hole KHRD0098 returned a continuous zone of 44.8m @ 5.8g/t Au, which included a zone of 6m @ 38.9g/t Au.

Hole_ID	East	North	RL	depth	azim	dip	from	to	metres	g/t Au	gram x metres
KHRD0095	50897.4	10924.4	4951.4	330.0	343.6	-9.6	59.50	63.90	4.40	5.9	26
							67.78	79.42	11.64	9.7	113
							87.12	90.83	3.71	13.3	49
							131.53	135.12	3.59	4.9	17
							148.44	148.79	0.35	80.0	28
							164.03	164.71	0.68	43.0	30
							179.88	180.54	0.66	45.0	30
							196.30	200.56	4.26	7.7	33
							213.75	214.58	0.83	18.2	15
							285.45	287.00	1.55	5.4	8
							314.35	314.84	0.49	128.0	63
							318.40	320.70	2.30	4.7	11

Table B: KHRD0095 – composited assay results: $\geq 1.2\text{m}$ @ $\geq 3.5\text{g/t Au}$, or ≥ 15 gram-metres

The results from the drilling are now being reviewed to determine the degree of continuity of the higher-grade zones between drill-holes.

Historical drilling targeting the granitoid/ultramafic contact was predominantly oriented at right angles to the contact (i.e. parallel to the orientation of the tension veins – Figure - 9), and therefore did not intersect or satisfactorily interpret significant proportions of the mineralisation for Mineral Resource definition.

Red 5's recent drilling has been oriented parallel to the granitoid/ultramafic contact (i.e. at right angles to the orientation of the tension veins), with the results indicating strong potential to develop significant new bulk mining areas proximal to and accessible from current underground mining operations where the vein network has developed.

In addition, recent face mapping and sampling in development headings on level W4957 OD has provided further evidence of the well mineralised zones of tension vein stockworks, with face grades of 4.4m @ 10.1g/t Au, 4.6m @ 5.9g/t Au, 4.3m @ 1.5g/t Au, 4.5m @ 1.2g/t Au and 4.4m @ 5.9g/t Au (example of Face 9 shown in Figure 10). This heading is driving towards the zone of 14m averaging 7.6g/t Au identified in Hole KHRD0095, highlighting the speed with which this discovery could be bought into production if continuity is confirmed.

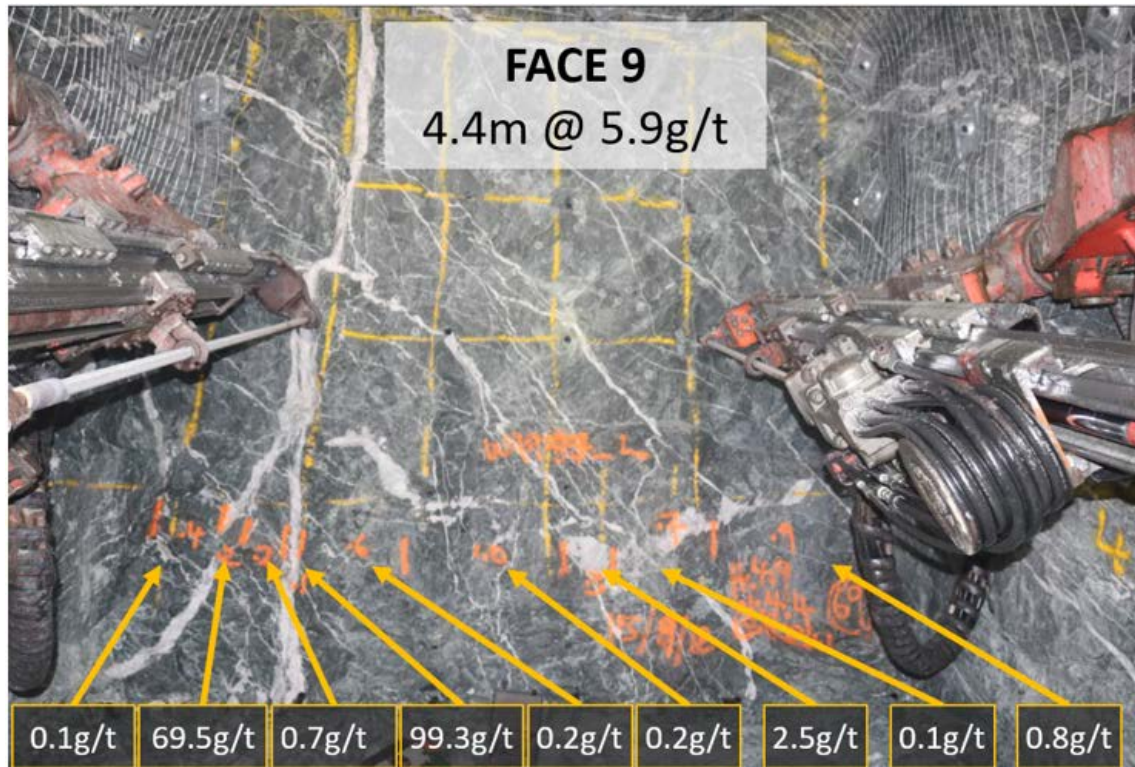


Figure 10: Face cut of Level W4957 OD heading east (mine grid) advanced through the stockwork mineralisation. This drive is located above the recent drilling of holes KHRD095 to 101.

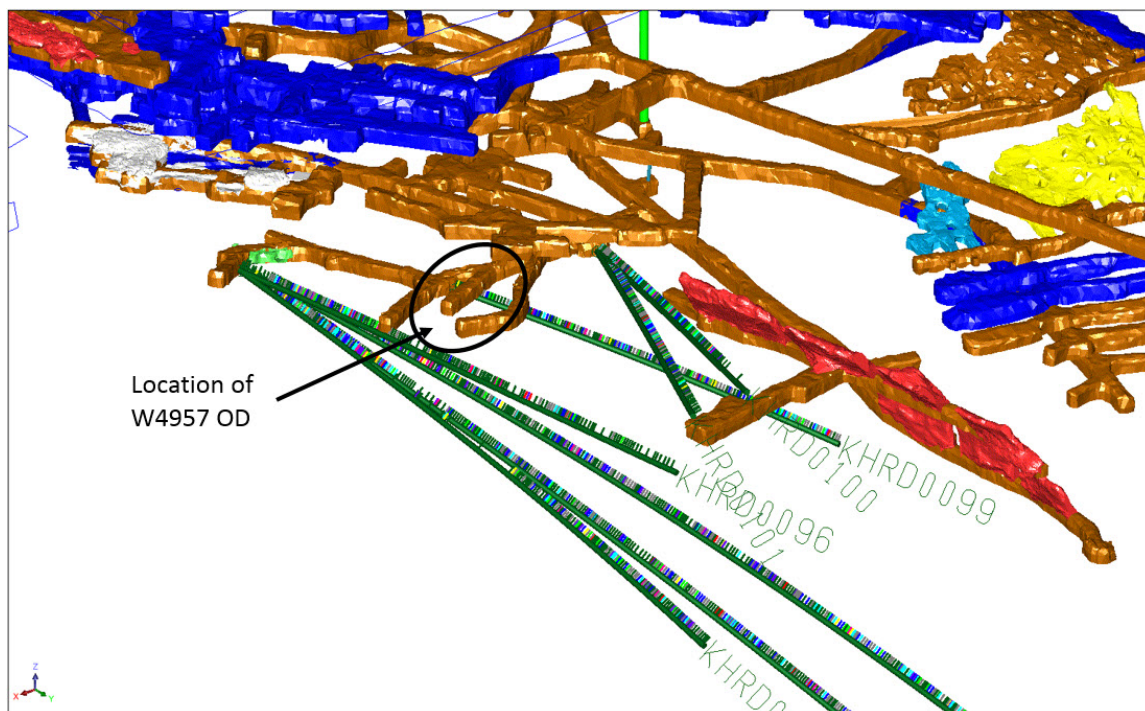


Figure 11: Location of development heading W4957 OD and the drill holes KHRD0095 to KHRD0101.

Drilling is currently being planned to further test the eastern margin contact comprising the multiple zones of tension vein mineralisation.

Surface Exploration

Geophysical data acquisition has commenced at KOTH with a gravity survey designed to improve resolution over the Ursus and Tarmoola Shear Zones. The new gravity data acquisition will infill existing surveys to provide a high-resolution gravity layer to better identify and define gravity lows relating to highly prospective felsic stratigraphy and structure.

In a push to provide KOTH with higher resolution geophysical data to improve and advance the exploration targeting process, additional geophysical data acquisition using aeromagnetism and sub-audio magnetism (SAM) will also be completed over selected areas of the tenure in the next quarter.

The KOTH resampling program continued during the Quarter and is nearing completion. The geochemical program involves the collection and sampling of drill spoils from historical RAB/AC/RC holes and aims to deliver tenure wide multi-element and hyperspectral data for exploration targeting. Following completion of the initial program, the second part of the study will involve geochemical fingerprinting across the Tarmoola and King of the Hills ore system to identify the key geochemical characteristics of the ore deposit for comparison with geochemical data from other parts of the tenure for the purpose of identifying similarities and potential deposit analogues.

SIANA GOLD PROJECT, PHILIPPINES

During the Quarter the Philippines Environmental Management Bureau amended the co-ordinates of Red 5's Philippine-affiliated company, Greenstone Resources Corporation's Environmental Compliance Certificate for the Siana Gold Project in the Philippines, to include the proposed area of Tailings Storage Facility 6 (TSF 6).

This amendment, together with the Notice to Proceed from the Philippines Mines and Geoscience Bureau (MGB) to construct and operate TSF 6 at the Siana Gold Project, allows the construction and operation of TSF 6 to proceed, subject to the completion of standard local construction permitting requirements. TSF 6, has an expected capacity of 1 million tonnes of tailings.

In light of the Philippine national government approvals for TSF 6, Greenstone Resources is evaluating its preferred plan and options for the Siana Gold Project, including a revised mining strategy for the Siana open pit mine and required funding for the potential future recommencement of operations. An important part of these considerations will be the current Philippine Government's mining policy.

While mining operations remain suspended at Siana, ongoing activities at the site include dewatering of the open pit, infrastructure maintenance and monitoring of geotechnical issues and pit wall stability.

CORPORATE

Board and Management Changes

General Manager Operations Steve Tombs retired from the Group's executive management team effective from 31 July 2018, having played a key role in the successful integration, consolidation and ramp-up of the Darlot and King of the Hills operations following their acquisition in October 2017. Mr Tombs was appointed as a non-executive director of the Company with effect from 1 August 2018.

Brendon Shadlow, previously Mining Manager for Red 5, assumed the role of General Manager Operations.

Takeover Bid for Bullseye Mining Limited

On 19 February 2018, Red 5 announced a conditional off-market takeover bid for all of the fully paid ordinary shares in Bullseye Mining Limited. Bullseye is an unlisted public company whose Western Australian-based gold portfolio includes the Laverton Project, located ~30km to the north of the Darlot Gold Mine, the Southern Cross Gold Project and the Aurora Gold Project.

The proposed transaction is consistent with Red 5's previously announced Eastern Goldfields Consolidation Strategy, given the proximity of the Laverton Project to the centrally located processing facility at Darlot.

Bullseye shareholders are being offered 1 fully-paid ordinary share in Red 5 for every 5 Bullseye Shares they hold. Further details of the transaction are outlined in the Company's ASX Announcement dated 19 February 2018 and the Bidders Statement lodged with ASX on 17 April 2018. Conditions to the offer have not been satisfied to date.

During the Quarter, Red 5 extended the period during which the offer will remain open so that the offer will now close on 16 November 2018, unless further extended or withdrawn in accordance with the Corporations Act.

FINANCIAL

Cash balance

The Group's cash balance, including bullion on hand at the end of September 2018, was \$18.6 million.

Proceeds from sale of Mt Cattlin Royalty

During the Quarter, the Company received proceeds of \$11 million from the sale of its royalty entitlement from the Mt Cattlin mine in Western Australia to Canadian royalty company, Lithium Royalty Corporation (LRC).

Gold Loan Facility

Red 5 has entered into a gold loan facility of 5,015 ounces with Malaysian-based investment fund, Asian Investment Management Services Ltd (AIMSL).

The gold loan facility is for the provision by AIMSL to the Company of a gold loan of 5,015 gold ounces available in one tranche. The facility has a term of 12 months and is secured by a security interest in Red 5's Australian operating subsidiary companies on a limited recourse basis.

This interim facility has been drawn down for net proceeds of approximately A\$8.2 million and, together with cash-flow from existing operations will be used to advance development at Darlot and King of the Hills, maintain ongoing exploration momentum at both mines and for general working capital purposes.

As previously foreshadowed, the Company has been considering a \$10-\$15 million debt facility to provide additional working capital.

Hedging

Supporting the Company's cash flow moving forward is the benefit of a short term 14,500 ounce hedge position at an average gold price of \$1,710 per ounce.

Deferred Consideration Payment to Saracen Mineral Holdings

Subsequent to the end of the reporting period, Red 5 completed payment of the \$4.5 million deferred consideration to Saracen Mineral Holdings Limited, pursuant to the October 2017 acquisition agreement for the King of the Hills gold mine. The payment to Saracen finalises all obligations of Red 5 to Saracen under the acquisition agreement for KOTH.

Production Guidance and Outlook

Production for the December 2018 Quarter is expected to be in the range of 26,000 to 30,000oz at an all-in sustaining cost of A\$1,450-A\$1,650 per ounce. Oval development is progressing through the December 2018 quarter with access to high grade ore stopes.

Gold production guidance for the Darlot operations, including from KOTH, for the 2019 financial year is expected to be in the range of 100,000-115,000oz, with All-in Sustaining Costs (AISC) expected to be in the range of A\$1,350 – A\$1,550 per ounce. Ongoing operational and cost efficiency programmes are continuing aimed at reducing operating costs.

ENDS

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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.

Competent Person Statement for Exploration Results

The information in the report to which this statement is attached that relates to Exploration Results is based upon information compiled by Mr Byron Dumpleton, a Competent Person, who is a Member of the Australian Institute of Geoscientists (membership number 1598). Mr Dumpleton is a full-time employee of Red 5 Limited. Byron Dumpleton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves'. Byron Dumpleton consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

Competent Person Statements for JORC 2012 Mineral Resource and Ore Reserves

The information in this presentation that relates to the Mineral Resources at the Oval deposit within the Darlot gold mine is extracted from the report titled "Near-mine exploration success at Darlot lifts Oval deposit to 117,200oz Resource and 72,102oz Ore Reserve" released on 19 June 2018 and "Red 5 Set to Become +100,000ozpa Australian Gold Producer Following Landmark Resource and Reserve Upgrade and FY2019 Production Outlook" released on 2 August 2018 and are available on the ASX web-site. 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 announcement 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 announcement.

RED 5 LIMITED
TENEMENT SCHEDULE – 30 SEPTEMBER 2018

WESTERN AUSTRALIA				
Project	Tenement number		Red 5 interest	
<i>Darlot Gold Mine</i>	E36/0865, E37/1247, E37/1268, E37/1269, E37/1296, E37/1297, E37/1298, L37/0109, L37/0110, L37/0118, L37/0206, L37/0207, L37/0223, L37/0224, L37/230, L37/0237, M37/0155, M37/0252, M37/0373, M37/0417, M37/0418, M37/0419, M37/0420, M37/0584, M37/0592, M37/0608, M37/0667, M37/0774, M37/0775, M37/1217, P37/8698, P37/8699, P37/8700, P37/8701, P37/8716, P37/8788, P37/8789		100%	
	L37/0231,L37/238, E36/0941, E36/0944, E36/0945, E37/1350, E37/1352, P36/1879		100% (Applications pending)	
	M37/0552, M37/0631, M37/0709, M37/1045		49%	
	M37/0246, M37/0265, M37/0320, M37/0343, M37/0345, M37/0393, M37/0776		83.5%	
	M37/0421, M37/0632		100% with portion of tenements at 49% via agreement	
<i>King of the Hills Gold Project</i>	L37/0211, M37/0021, M37/0067, M37/0076, M37/0090, M37/0179, M37/0201, M37/0222, M37/0248, M37/0330, M37/0394, M37/0407, M37/0410, M37/0416, M37/0429, M37/0449, M37/0451, M37/0457, M37/0496, M37/0529, M37/0544, M37/0547, M37/0548, M37/0551, M37/0570, M37/0571, M37/0572, M37/0573, M37/0574, M37/0905, M37/1050, M37/1051, M37/1081, M37/1105, M37/1165, P37/8391, P37/8392, P37/8393, P37/8394		100%	
	P37/9157, P37/9160, P37/9161		100% (Applications pending)	
<i>Montague Project</i>	M57/429, M57/485, E57/793		25% free carried	
PHILIPPINES				
Project	Tenement number	Registered holder	Equity interest	
			Red 5	Other
<i>Siana Gold Project</i>	MPSA 184-2002-XIII APSA 46-XIII	Greenstone Greenstone	40% 40%	SHIC 60% SHIC 60%
<i>Mapawa gold project</i>	MPSA 280-2009-XIII	Greenstone	40%	SHIC 60%

Interests in mining tenements or farm-in or farm-out agreements acquired or disposed of during the quarter were as follows:

WESTERN AUSTRALIA

Project	Tenement number	Red 5 interest
<i>Darlot Gold Mine</i>	Applications lodged for E37/1352, E36/0941, E36/0945, P38/1879, L37/0237, L37/0238	100%
<i>King of the Hills Gold Project</i>	P37/9157, P37/9160, P37/9161	100%

Abbreviations

Tenements (Australia)

M: Mining Lease

P: Prospecting Licence

E: Exploration Licence

L: Miscellaneous Licence

Tenements (Philippines)

MPSA: Mineral Production Sharing Agreement

APSA: Application for MPSA

Company name

Greenstone: Greenstone Resources Corporation

SHIC: Surigao Holdings and Investments Corporation