

King of the Hills Mining Services Contract

5-year open pit and underground mining services agreement awarded to Macmahon for the 2.4Moz, 16-year life-of-mine King of the Hills (KOTH) Gold Project in Western Australia

Red 5 Limited (**ASX: RED**) is pleased to advise that it has awarded the King of the Hills Mining Services Contract to Macmahon Contractors Pty Ltd (**Macmahon**), a subsidiary of leading civil and mining contractor Macmahon Holdings (**ASX: MAH**).

The contract award follows the completion of a thorough competitive tender process in late 2020 for the open pit and underground mine contracts and encompasses the combined mining operations at KOTH.

Red 5 signed a Letter of Intent with Macmahon for the Mining Contract in March (see ASX Announcement 9 March 2021), and following the finalisation of contract terms, has now formally awarded the contract. The contractual terms are in line with the mining unit costs outlined in the KOTH Final Feasibility Study (FFS) announced on 15 September 2020.

The KOTH Gold Mine includes 16 years of open pit mining and an initial 5-year underground mining operation, with first gold scheduled in the June Quarter 2022. The mining services contract is for an initial 5-year period, with industry-standard incentives and penalties for mining contractor performance.



Figure 1: Delivery of the mill motors (63 tonne, 9000kW each) and trunnions (44 tonne each) to KOTH, with the construction of the CIL tanks and the Mill plinths in the background.

Red 5 Managing Director Mark Williams said the formal award of the contract to Macmahon is a significant milestone for the project.

“We’re pleased to have finalised agreed contract terms with Macmahon and formally appointed them as our open pit and underground mining contractor. Macmahon is one of the strongest mining contractors in the market, and we are looking forward to partnering with them to deliver Australia’s next significant new gold mine.

“Importantly, the contract terms are in line with the mining unit costs outlined in the KOTH FFS. Operational efficiencies and cost benefits have been realised in having both mining operations managed by a single contractor.

“Given the current tightness in the labour market in Western Australia’s mining sector, we believe Macmahon is well placed to secure the skilled resources required to operate the underground and open pit mines at KOTH.”

ENDS

Authorised for release by the Board.

For more information:

Investors/Shareholders:

Patrick Duffy, Chief Corporate Development Officer
Mark Williams, Managing Director
Red 5 Limited
Telephone: +61 8 9322 4455

Media:

Nicholas Read / Kate Bell
Read Corporate
Telephone: +61 8 9388 1474

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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.

Red 5 confirms that all the material assumptions underpinning the Final Feasibility Study production targets on the King of the Hills project (see ASX release dated 15 September 2020), or the forecast financial information derived from a production target, in the initial public reports continue to apply and have not materially changed.