

## Siana Underground Feasibility Study On Track for Delivery in June Quarter

### Key Points

- Updated Feasibility Study being undertaken by Mining One Pty Ltd for the proposed Siana underground development is progressing on schedule, and is on track for completion during the June 2016 Quarter.
- Feasibility Study to assess the potential to extract resources below the current Siana Open Pit design (~180m below surface).
- JORC 2012 compliant Mineral Resource estimate for the Siana underground deposit, reported at a 2.4g/t gold cut-off in February 2016, comprises:
  - *Indicated Resource of 3.3Mt grading 5.2g/t gold for 551,000oz*
  - *Inferred Resource of 0.5Mt grading 9.3g/t gold for 153,000oz*
  - *Total Indicated and Inferred Resource of 3.8Mt grading 5.8g/t gold for 704,000oz*
- Subject to a successful outcome from the updated Feasibility Study, underground development activities are expected to commence in the second half of the 2016 calendar year.
- Experienced mining executive and former AngloGold Ashanti Underground Project Manager Steve Tombs appointed as Underground Project Manager.

Red 5 Limited (ASX: RED) is pleased to advise that work on the update to the Feasibility Study for the proposed underground mine development at the Siana Gold Project in the Philippines is progressing on track, with the Study scheduled to be delivered during the June 2016 Quarter.

The Study is being completed by Mining One Pty Ltd (Mining One) and will represent a comprehensive update to the original Feasibility Study completed in 2009.

The Study is aimed at assessing the technical and economic viability of mining the Siana underground resource below the current Siana Open Pit design (~180 metres below surface), and will incorporate the latest understanding of the geological, geotechnical and hydrological setting of the Siana mining operation.

The current Siana underground resource, as at February 2016, comprises a total Indicated and Inferred Resource of 3.8 million tonnes grading 5.8g/t gold for 704,000 contained ounces of gold (see ASX Announcement – 23 February 2016).

Mining One has advised that key milestones of the Feasibility Study have been completed or are now in the final stages, including a detailed mine design and schedule, geotechnical modelling of the resource below the current pit, cost estimates, hydrogeological analysis, paste-fill test work and financial modelling. Completion of the Feasibility study will comprise final engineering of the mine infrastructure, final optimisation work of the production schedule, economic modelling and compilation of the feasibility report and Ore Reserve statement.

### Red 5 Limited

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Figure 1 below shows a long sectional view of a proposed mine design that forms the basis of the mine plan currently under assessment.

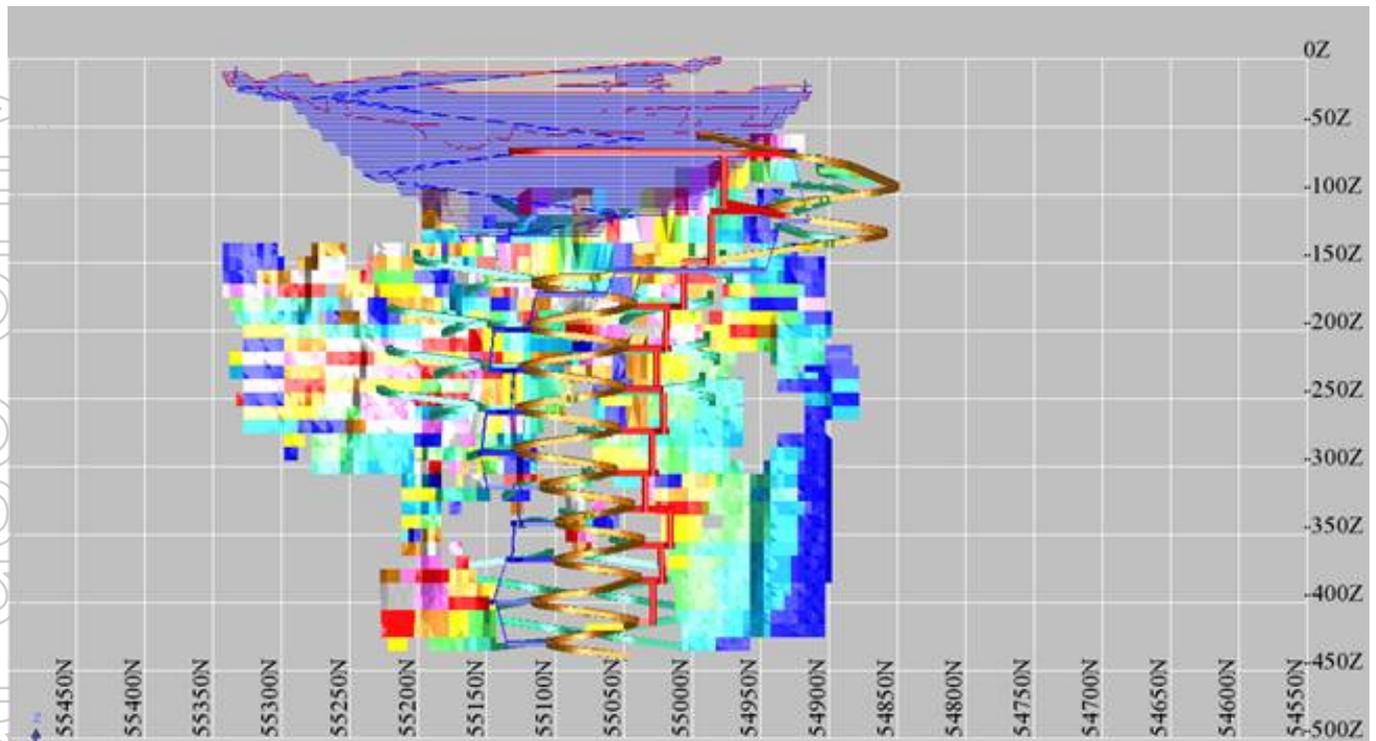


Figure 1: Long section view of current proposed mine design

Engineering studies for the major infrastructure requirements are also well advanced. This work includes capital and operating cost estimates as well as the technical design. Key items such as the design of a paste-fill plant with associated reticulation system, mine ventilation and pump specification and design are currently also being investigated.

Contract mining specialists both in the Philippines and Australia have been engaged to provide guidance on mining costs and productivity rates. Major suppliers of mining equipment have also been engaged to help develop specifications and pricing.

#### **Appointment of Underground Project Manager**

Experienced mining executive Steve Tombs has been appointed as Underground Project Manager for the Siana Gold Mine.

Steve has joined the team following more than 11 years with AngloGold Ashanti, where he held a number of senior positions including Underground Project Manager for the Sunrise Dam Gold Mine in Western Australia.

Mr Tombs has extensive experience working in underground operations where efficient paste-fill management, effective mining of historical workings and detailed water management practices were key factors for operational success.

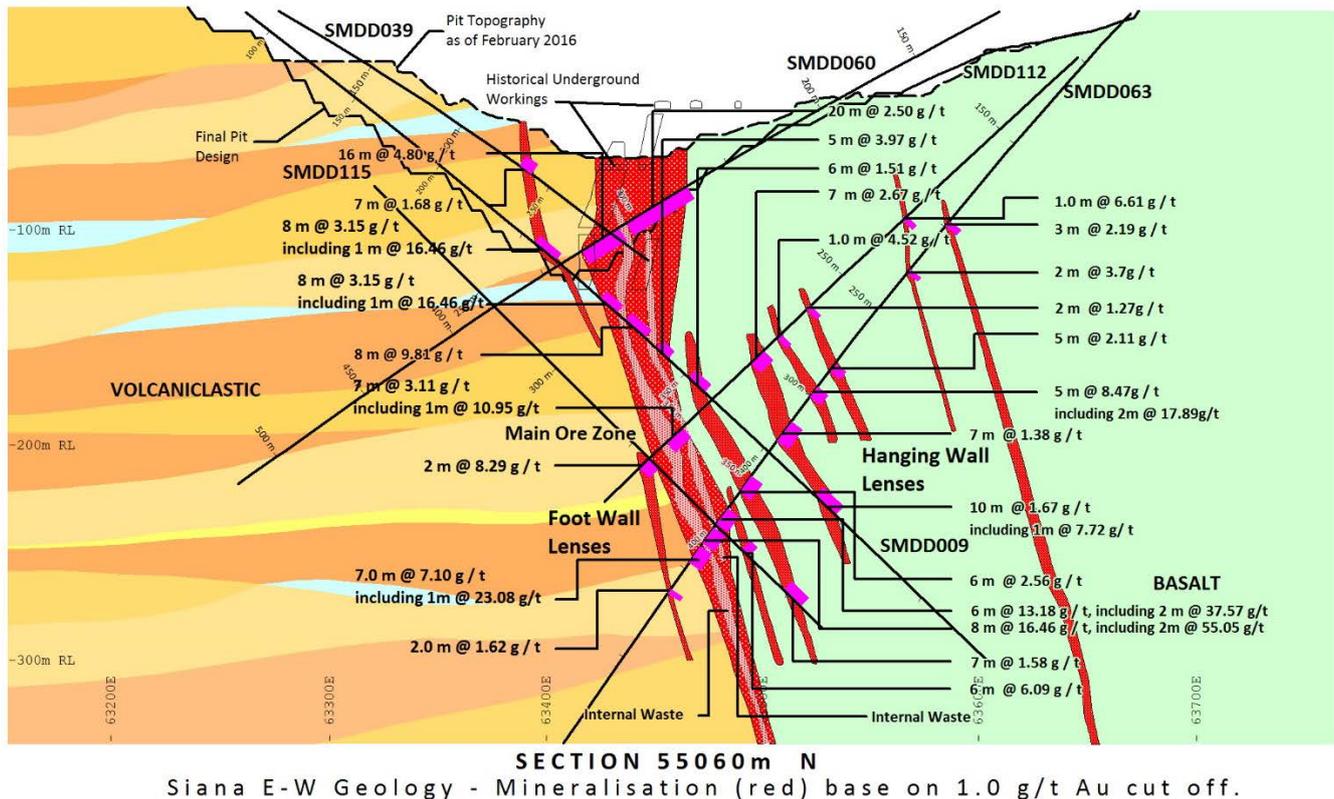
#### **Management Comment**

Red 5's Managing Director, Mr Mark Williams, said the completion of the updated Underground Feasibility Study would represent a key milestone for the Siana mining operation.

"The transition to underground mining represents a core component of our strategy to extend the mine life of the Siana Project following the completion of the current open pit phase of operations," he said. "The delivery of this updated Feasibility Study will provide an important blueprint for the proposed underground development.

“We are also very pleased to have secured Steve Tombs as Underground Project Manager at Siana,” he continued. “Steve has the right experience for Siana and his expertise will be invaluable as we consider a proposed transition to underground mining.”

Figure 2 below is a cross-section through the Siana underground deposit, showing the open pit design.



Siana E-W Geology - Mineralisation (red) base on 1.0 g/t Au cut off.  
 Figure 2: Geology cross-section for 55060mN based on the 1.0g/t Au grade boundary used for the UG resource model

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**About Red 5 Limited**

Red 5 Limited (ASX: RED) through its associated Philippine company Greenstone Resources Corporation is a gold producer which operates the Siana Gold Project, located in the established gold mining region of Surigao del Norte in the Philippines. This richly endowed region hosts epithermal gold systems and porphyry copper-gold deposits.

The Siana Gold Project re-commenced operations in January 2015 following the redevelopment of tailings storage capacity and is now focused on steady-state gold production and laying the foundations for the Company’s future growth. The Company is focusing on the following key areas to create value for shareholders:

- **Reliable production** – to deliver steady and reliable production at Siana based on achievable targets;
- **Technical strength** – to implement high standards across all aspects of the business, including mining, processing, the management of the Tailings Storage Facility (TSF) and the pit wall cut-backs; and
- **Growth** – to lay the foundations for the Company’s future growth by finalising its long-term mining plans for the open pit and future underground mines, and by recommencing exploration activities to grow its resource and reserve inventory and unlock the potential of its highly prospective exploration portfolio.

## Competent Persons Statement

### Mineral Resource

Mr Byron Dumpleton, confirms that he is the Competent Person for the Mineral Resource estimates summarised in this Report and Mr Dumpleton has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Dumpleton is a Competent Person as defined by the JORC Code, 2012 Edition, having five years’ experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which he is accepting responsibility. Mr Dumpleton is a Member of the Australian Institute of Geoscientists, No. 1598. Mr Dumpleton has reviewed the Report to which this Consent Statement applies. Mr Dumpleton is a full time employee of Red 5 Limited. Mr Dumpleton verifies that the Mineral Resource estimates quoted in this Report is based on and fairly and accurately reflects in the form and context in which it appears.

### Production Forecast

The ore reserves underpinning the production forecast in this report are probable ore reserves and have been prepared by a competent person in accordance with the requirements of JORC 2012.

### 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.