

12 March 2019

Half-Year Results 31 December 2018

Red 5 Limited (ASX: RED) (“Red 5” or “the Company”) today announced its financial results for the Half-Year ended 31 December 2018 (HY18).

Summary

- Sales revenue of A\$70.84m
- Net cash flow from operating activities of A\$1.84m
- A\$14.6m in cash and in metal accounts at period end
- Combined Darlot and King of the Hills gold production of 47,727oz and gold sales of 47,390oz
- Gross profit from operations of A\$11.40m
- Net profit after tax of A\$3.72m (after recognising an income tax benefit of \$4.21m)

Red 5 delivered steady-state gold production from its Eastern Goldfields gold operations in Western Australia for the six months to 31 December 2018, producing 47,727 ounces of gold.

During the period, which saw the Company complete its first full year of operations since assuming ownership of the Darlot and King of the Hills (KOTH) gold mines, Red 5 completed the ramp-up of mining at KOTH, enabling it to achieve commercial production at KOTH from 1 December 2018 – a significant milestone.

The Company had cash and gold bullion in its metal accounts of A\$14.6 million at the end of the reporting period, with this cash position underpinned by a steady performance from the Darlot mining operation and the successful ramp-up of production at KOTH.

The Company is on track to meet its March 2019 Quarter production guidance of 24,000-28,000 ounces at an all-in-sustaining cost of A\$1,450–A\$1,650 per ounce. Forecast gold production for FY2019 is maintained at 100,000-115,000oz at an AISC of A\$1,350 – A\$1,550 per ounce.

Commenting on the half-year results, Red 5’s Managing Director, Mark Williams, said:

“This is a positive result despite making a significant investment in mine development at KOTH, making the final payment to Saracen Mineral Holdings for the KOTH acquisition and significantly ramping up exploration activities.

“Both the Darlot and KOTH operations are performing well, and we remain on track to achieve our production and cost guidance for the 2019 Financial Year. At the same time, our strong ongoing commitment to exploration delivered very exciting results during the reporting period, with confirmation of a significant emerging bulk mining opportunity at KOTH in addition to the positive results generated at Darlot.”

Red 5 Limited

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Shares on issue: **1,243M**

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“At KOTH, this has led to the delivery of an initial 1.88 million ounce resource estimate in early December 2018 (see ASX announcement on 4 December 2018), with a major 30,000m drilling program now underway to further define this opportunity,” Mr Williams continued.

Outside of its asset base in the Eastern Goldfields region, the Red 5 Group is also 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.

ENDS

For more information:

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