

13 March 2018

Half Year Results and March 2018 Quarter Guidance

Red 5 Limited (ASX: RED) (“**Red 5**” or “the **Company**”) today announced its financial results for the Half Year ended 31 December 2017.

Summary

- Sales revenue of A\$37.5m
- Net cash flow from operating activities of A\$8.2m
- A\$21.8m in cash and in metal accounts
- Darlot gold production of 17,777oz and gold sales of 16,150oz since acquisition in October 2017
- Darlot all-in sustaining costs (AISC) of A\$1,291 per ounce
- Net loss of the consolidated entity before income tax was A\$1.6m, inclusive of a net profit before income tax from Darlot operations of A\$2.8m

The results show that the Company has achieved a strong maiden production performance from the Darlot operations under the Company’s ownership, with gold sales of 16,150 ounces at an AISC of A\$1,291 per ounce.

The Company had cash and gold bullion in its metal accounts of A\$21.8m at the end the Half Year. The strong cash position at the end of December 2017 was driven by a strong quarterly performance from the newly acquired Darlot mining operations.

Guidance for the March 2018 Quarter however will be impacted following recent issues relating to the gear and clutch on Mill-1 at the Darlot Mill. Whilst the resolution and impacts are being assessed it is clear that gold production for the quarter will be impacted and previous production guidance of between 16,000 to 19,000 ounces for the Quarter is unlikely to be achieved. Based on the expected resumption of milling operations by the end of this week, initial assessments are that gold production for the Quarter will be in the range of 12,000 to 15,000 ounces. The Darlot underground is performing in line with expectations and the ROM stockpile is currently 22,000 tonnes at a grade of 3.8 g/t Au.

Development activities at the King of the Hills (KOTH) underground commenced in January 2018 using experienced underground mining contractors, Pit N Portal Mining Services. Resource definition activities have commenced at both KOTH and at the Darlot mine during the March 2018 Quarter. The commencement of underground development and mining at the KOTH project and resource definition activities at the Darlot mine during the March 2018 Quarter will have an impact on the expected AISC for potentially the next two quarters.

In regard to the half year results, the Company’s Managing Director Mark Williams said the underlying performance was encouraging for several reasons.

“We are encouraged by the performance of the Darlot operation and confident in our Eastern Goldfields Consolidation Strategy to maximise throughput at the Darlot mill by processing ore from both the Darlot and King of the Hills (KOTH) underground mining operations.

Red 5 Limited

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ASX: **RED**

Shares on issue: **1,241M**

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“Stage 2 of the Strategy will centre on increasing the Company’s Reserve and Resource base in the Eastern Goldfields through regional exploration within the 25,700ha tenement footprint acquired under the Darlot and KOTH transactions, as well as assessing additional business development opportunities which we are executing on as recently demonstrated from our announcement on 19 February 2018 of the Company’s intention to make a conditional off-market takeover bid for all of the fully paid ordinary shares in Bullseye Mining Limited.”

The Company will continue to pursue other acquisition opportunities in areas surrounding its core assets across the Group, whilst also advancing permitting approvals in connection with the Siana Gold Project in Philippines. As per previous announcements, consideration also continues to be given to a potential \$10-15m debt facility and an ongoing strategic review of the Mt Cattlin royalty which accounted for \$1.2m revenue in the half to December 2017.

ENDS

For more information:

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About Red 5 Limited

Red 5 Limited (ASX: RED) is an Australian gold producer an asset portfolio in the Eastern Goldfields region of Western Australia comprising the operating Darlot Gold Mine and the King of the Hills (KOTH) Gold Project.

Red 5 holds a commanding 25,700ha footprint in the highly-endowed Yandal gold district, one of Australia’s most active gold provinces, an expanding Mineral Resource inventory, gold production and outstanding exploration and growth potential.

The Group, through its associated Philippine company Greenstone Resources Corporation, also holds interests in the Siana Gold Project, located in the established gold mining region of Surigao del Norte in the Philippines. Mining operations at the Siana Gold Project are currently suspended pending an improvement in operating conditions in the Philippines. Siana retains significant inherent value, including a substantial gold inventory, a modern 1.1Mtpa treatment facility, an open pit mine and a part-developed underground mine.