

25 September 2019

Full Year Financial Results

Red 5 Limited (ASX: RED) (“Red 5” or “the Company”) today announces its financial results for the year ended 30 June 2019.

Summary

- Sales revenue of A\$153.51 million, excluding A\$21.53 million in pre-operational sales at King of the Hills (KOTH) offset against mine development costs.
- Combined Darlot and KOTH gold production of 102,012oz and gold sales of 98,240oz (including 12,861oz KOTH pre-operational sales).
- Net cash flow from operating activities of A\$23.18 million.
- Gross profit from operations of A\$11.34 million.
- Net loss after income tax of A\$3.03 million.
- A\$24.87 million in cash and metal accounts at period end.

Red 5 achieved steady-state production during the 12 months to 30 June 2019, following the successful ramp-up of production at the Darlot and King of the Hills (KOTH) gold mines in the Eastern Goldfields of Western Australia. The Company delivered gold production of 102,012 ounces for FY-19, recovered from 900,251 tonnes of ore processed at an average head grade of 3.86g/t Au.

In addition to the successful ramp-up of gold production to over 100,000oz per annum, the Company also made significant progress in advancing the opportunity for large-scale bulk mining at KOTH.

The Company increased its cash and gold bullion in its metal accounts to A\$24.9 million at the end of the reporting period, with this cash position underpinned by steady performance from the Darlot mining operation and the successful ramp-up of production at KOTH.

Forecast gold production for FY-20 is maintained at 110,000-120,000oz at an all-in sustaining cost (AISC) of A\$1,350 – A\$1,500 per ounce.

Commenting on the 2019 full year results, Red 5’s Managing Director, Mark Williams, said:

“2019 was a pivotal year for Red 5 with the successful ramp-up of production from our Darlot and KOTH gold mines to more than 100,000 ounces per annum after achieving steady-state production.

“In addition, we maintained a strong exploration program over the course of the year, leading to the identification of an outstanding bulk mining opportunity at KOTH.

“Building on this rapidly evolving bulk mining opportunity at KOTH, the coming financial year is set to be a landmark period for Red 5 as we work to deliver the Final Feasibility Study for an integrated bulk open pit and underground stand-alone mining operation, which is on-track for delivery by mid-CY2020.

“These growth programs will be supported by expected strong gold production and cash flow from both the Darlot and KOTH mining operations. Ongoing operational and cost efficiency programmes are underway aimed at reducing operating costs, with the commencement of bulk stoping at KOTH expected to drive enhanced operational efficiencies,” he said.

Red 5 Limited

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ASX: RED

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

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Outside of its asset base in the Eastern Goldfields region of Western Australia, the Red 5 Group is also continuing to evaluate its preferred plan for the Siana Gold Project in the Philippines. with mining operations currently suspended. This includes consideration of the preferred method of maximising the value of this project for Red 5 shareholders.

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For more information:

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