

Red 5 Ltd

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Red 5 delivers maiden gold production ahead of consolidation strategy

Red 5 Limited (ASX:RED) has transitioned from gold explorer to producer as evidenced in its result for the six months to 31 December 2017.

During this period the company achieved a strong maiden production performance from the Darlot operations in the Eastern Goldfields of Western Australia.

Gold sales were 16,150 ounces at an all in sustaining cost of A\$1,291 per ounce.

Cash and bullion of \$21.8 million

Red 5 had cash and gold bullion of \$21.8 million at the end of the half year.

The robust cash position at the end of December 2017 was driven by a strong quarterly performance from the newly acquired Darlot mining operations.

READ: Red 5 provides maiden gold production guidance for 2018

While plant issues will stifle March quarter production, management is expecting that it will be in a range between 12,000 ounces and 15,000 ounces.

Underground development began at the King of the Hills project in January 2018 using experienced underground mining contractors, Pit N Portal Mining Services.

Resource definition work starts

Resource definition work has also started this quarter at Darlot and King of the Hills.

This work will potentially increase costs for the next two quarters.

Mark Williams, managing director, said: "We are encouraged by the performance of the Darlot operation and confident in our Eastern Goldfields consolidation strategy."

"This should maximise throughput at the Darlot mill by processing ore from both the Darlot and King of the Hills underground mining operations.

"Stage II of the strategy will centre on increasing the reserve and resource base in the Eastern Goldfields through regional exploration within the 25,700-hectare tenement footprint acquired under the Darlot and King of the Hills transactions.

"Assessing additional opportunities"

Price: A\$0.06

Market Cap: A\$74.44M

1 Year Share Price Graph



Share Information

Code: RED

Listing: ASX

52 week High Low
0.075 0.030 1802326p

Sector: Mining

Website: www.red5limited.com

Company Synopsis:

Red 5 Ltd (ASX:RED) is listed on the Australian Securities Exchange.

Author:

Proactive Investors Australia

+61 (0)2 9280 0700

action@proactiveinvestors.com.au

"It will also see the company assessing additional business development opportunities which we are executing.

"This was recently demonstrated from our announcement of the intention to make a conditional off-market takeover bid for all fully paid ordinary shares in Bullseye Mining Limited."

Red 5 continues to pursue other acquisition opportunities in areas surrounding its core assets.

It is also advancing permitting approvals for the Siana Gold Project in the Philippines.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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