

Red 5 Ltd

09:07 13 Mar 2018

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\$0.059

Market Cap: A\$73.28M

1 Year Share Price Graph



October 2017 April 2018 October 2018

Share Information

Code: RED

Listing: ASX

52 week **High** **Low**
 A\$0.09 A\$0.05

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.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

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

No investment advice

The information on this Site is of a general nature only. It does not take your specific needs or circumstances into consideration, so you should look at your own financial position, objectives and requirements and seek financial advice before making any financial decisions. You acknowledge and understand that neither the Company, its related bodies corporate, the information providers or their affiliates will advise you personally about the nature, potential value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter. You should read our FSG and any other relevant disclosure documents and if necessary seek persona advice prior to making any investment decision.

You understand and agree that no Content (as defined below) published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person.

You understand that in certain circumstances the Company, its related bodies corporate, the information providers or their affiliates may have received, or be entitled to receive, financial or other consideration in connection with promoting, and providing information about, certain entities on the Site and in communications otherwise provided to you.

You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate. From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

Before you act on any general advice we provide, please consider whether it is appropriate for your personal circumstances.