

16 December 2022

## Commercial production declared at King of the Hills and production guidance for six months to 30 June 2023

### *Production guidance of 90-105koz for 2H FY2023 at AISC of A\$1,750-1,950/oz*

Red 5 Limited (ASX: RED) (Red 5 or the Company) is pleased to advise that mining and processing operations at the King of the Hills (KOTH) gold mine, located in the Eastern Goldfields region of Western Australia, have reached steady-state and commercial production has now commenced.

#### Operational Update

The planned shutdown of the KOTH process plant advised on 21 November has now been completed, with the mill and crusher offline for 125 hours. The crusher had a full reline and several improvements have been made throughout the circuit to improve reliability and address high-wear areas. The crusher and mill restarted on 5 December 2022 and are performing well.

During November 2022, overall plant utilisation up to 28 November 2022 (prior to the shutdown) averaged above 95%, with average mill throughput of 611tpoh (tonnes per operating hour) / 13,916tpd (tonnes per day) (equivalent to an annualised throughput rate above 5Mtpa).

The KOTH open pit and underground mines are well-resourced and continue to see an improved ramp-up performance. However, the Company has seen some impact from COVID-19 on absenteeism rates in recent weeks. Activities in the KOTH open pit, including the completion of the Stage 1 cut-back, are on track to be completed early in the March 2023 quarter. The Darlot mine is well-resourced and performing in line with expectations.

#### Guidance for 2H FY2023

With operations reaching a steady state in December 2022, reporting of All-in Sustaining Costs (AISC) and other financial metrics will commence for the March 2023 quarter.

Gold production guidance for the six months from 1 January 2023 to 30 June 2023 is 90,000 – 105,000 ounces at an AISC of A\$1,750 – A\$1,950 per ounce.

	Production (koz)	AISC (A\$/ounce)	Growth* (A\$m)
<b>H2 FY2023 guidance</b>	90 - 105	1,750 – 1,950	5 - 10

\*Growth capital will fund the completion of TSF5 and additional minor operating enhancements to the KOTH process plant.

Over the next six months, mining volumes in the open pit are expected to stabilise at approximately 1.0-1.1M Bank Cubic Metres (BCM) per month. Processing plant feed grade is expected to increase as the open pit bench levels progressively mine through the mineralised ultramafic/granodiorite intrusion contact. Grade control drilling of these initial primary ore body levels is confirming the expected tonnes and grades.

The construction and commissioning of Tailings Storage Facility 5 is expected to be completed in the March 2023 quarter.

**Red 5 Limited**

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ASX: **RED**Shares on issue: **2,793M**

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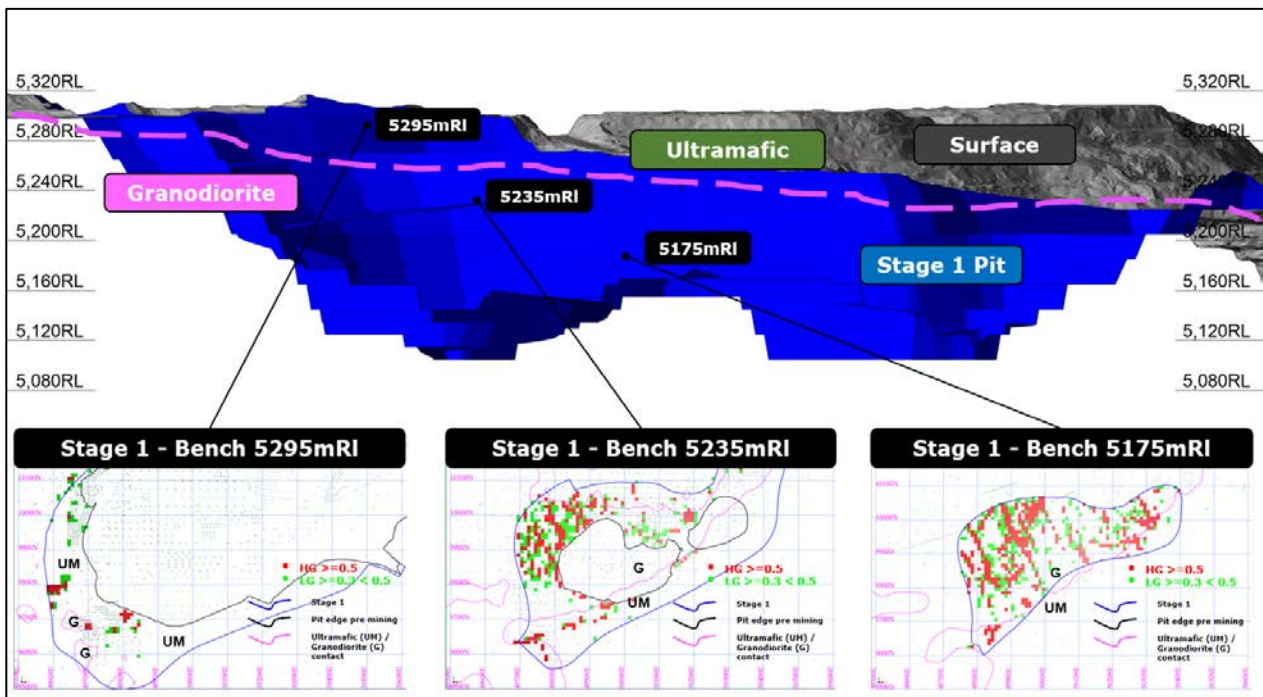
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**Figure 1:** Mining in the southern end of the King of the Hills open pit.

### KOTH Open Pit tonnes and grade reaching steady state

Reliability and continuity of ore tonnes and grade have improved as mining progresses deeper into the Stage 1 pit and, importantly, reaches the granodiorite/ultramafic contact. This has been confirmed by grade control on the 5245mRL bench, where tonnes and grade were respectively 4% and 9% higher than the planned reserves. There is increased confidence that the reserve model is accurately predicting the planned ore tonnes and grade as the primary orebody, which is predominantly hosted in the granodiorite, is exposed at depth. Figure 2 shows three successively deeper Stage 1 bench slices, showing increasing quantity and continuity of ore blocks.



**Figure 2:** Long section view of the KOTH Stage 1 open pit (looking west) showing the ore block outlines for the 5295mRL bench, the 5235mRL bench and the 5175mRL bench. The successive benches demonstrate the progressive increase in tonnes and grade continuity with depth.

## **Management Comment**

Managing Director of Red 5, Mark Williams, said: “We are delighted to have achieved commercial production at King of the Hills and now be in a position to provide production and cost guidance for this major new gold mining operation over the remainder of FY2023.

“We are now hitting the main ore body within the open pit and are seeing a very positive reconciliation of ore tonnes and grade against the mine plan.

“The KOTH processing plant is also performing strongly, achieving an annualised throughput rate equivalent to 5Mtpa throughout most of November, and with several key enhancements now complete.

“With both mining and processing performing strongly, we are gearing up for a very exciting second half to the 2023 Financial Year, with expected production of between 90 and 105,000 ounces of gold at an all-in sustaining cost of between A\$1,750 and A\$1,950 per ounce.”

**ENDS**

Authorised for release by the Board.

For more information:

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