



**ASX ACTIVITIES REPORT**  
**3 months ended**  
**31 March 2008**

**Red5 Limited**  
is a publicly listed company  
on the ASX  
- ticker symbol RED

*The Board strategy is to  
focus on the development  
of Siana.*

Inquiries regarding  
this report and company  
business may be  
directed to:

**Greg Edwards**  
*Managing Director*  
(office) +61 8 9322 4455  
(mob) +61 408 370 582, or

**Lance Govey**  
*Executive Director - Technical*  
(office) +61 8 9322 4455  
(mob) +61 408 933 276

Investor Inquiries:  
[info@red5limited.com](mailto:info@red5limited.com)

Address:  
Level 2, 35 Ventnor Avenue  
West Perth 6005  
Western Australia  
Tel: **(+61) 8 9322 4455**  
Fax: **(+61) 8 9481 5950**  
Web: [www.red5limited.com](http://www.red5limited.com)

## **OVERVIEW**

### **Siana Gold Project, Philippines**

- Title transfer to Merrill Crowe Corporation completed, transfer to Red 5 operating company in progress.
- Selected pre-development capital activities approved including mine road permitting and final power negotiations.
- Initial underground resource upgrade programme nearing completion - includes 2 metres at 18.6 g/t and 6.3% Zn, 7 metres at 9.8 g/t and 1.1% Zn, 2 metres at 25.6 g/t and 2.2% Zn, and 7 metres at 7.3 g/t and 4.2% Zn. Additional holes planned.
- Final open pit mine equipment and design optimisation well advanced.
- Construction manager, Warren Mathews appointed.
- Environmental Impact Statement on schedule for mid-May 2008 submission.

### **Mapawa MPSA and JV**

- All required documentation submitted and grant awaited.

### **Finance and Corporate**

- Société Générale bank syndicate (total four banks) confirms indicative term sheet for Siana development.
- Net cash position \$31.9 million (unaudited).

**Greg Edwards**  
*Managing Director*

9 April 2008

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## CHAIRMAN'S REVIEW

**The quarter recorded measured progress with our bank syndicate affirming interest despite a difficult global credit outlook, the Secretary of the DENR approving the first step of Siana MPSA title transfer and the commencement of infrastructure permitting.**

During the period under review the gold price rose strongly, culminating at over US\$1,000 per ounce. The catalyst was the accelerating global credit crisis which ultimately had an adverse impact on equity markets.

A disappointment to all concerned was the Red 5 share price retreating to below the recent issue price as a number of placees and other parties were obliged to part-liquidate positions - a situation not necessarily related to the perceived progress or otherwise of the Company's business. One benefit however of the recent issue and market conditions has been the increased stock liquidity with daily trades exceeding one million shares every five days.

Recent placees and all shareholders will need to see through the current share market volatility confident that Red 5 has the asset base to deliver sustainable long term gold and zinc concentrate production at highly profitable margins.

Critical to the Board's recommendation on committing equity funds to early capital development was, amongst other items, confirmation that the previous debt funding offer was still in place despite the dramatic changes to global credit availability.

Our lead arranger bank, Société Générale elevated the indicative offer to indicative term sheet status, following discussions with their bank syndicate and following a review of the Behre Dolbear Independent Technical Engineer's report.

Whilst fees and margins understandably increased, although only by modest amounts, the terms and conditions that Red 5 must meet to effect draw down are essentially unchanged. The quantum is also unchanged subject to a further technical review once the underground resource upgrade work is complete.

New executives, Raj Surendran (Chief Financial Officer) and William Darcey (Project Manager) have already made significant contributions to project delivery momentum. They will shortly be joined by Warren Mathews, Construction Manager, with his immediate targets the mine access road and bridge which will double as the corridor for power reticulation from the national grid.

**The Company goals for the coming quarter include submission of the Environmental Impact Statement to the EMB, which is the precursor to the award of the Environmental Compliance Certificate, approval of which allows the mine construction to commence.**

**Colin G Jackson**  
*Chairman*

## Underground resource drilling

Completion of the infill programme was further delayed with SMDD122 near the northern limit of the ore body abandoned at 331m ahead of the target zone with high back pressures and sludge ingress, possibly from historic underground workings. All attempts to recover the hole failed, resulting in considerable time and equipment loss. A twin hole, SMDD125 has commenced nearby and is approximately 100m down hole.

The current drilling status is shown in the accompanying longitudinal projection. Progress during the period included:

- SMDD119A - assays exceeded expectation with multiple high grade gold zones and consistent zinc mineralization averaging 31m at 5.6 g/t Au and 1.3% Zn from 444m, and a lower zone of 7m at 7.3 g/t Au and 4.2% Zn from 505m. Details are tabulated below.
- SMDD120 - two intersections are hosted in Eastern Zone basalt; the carbonate Main Zone is thinner than expected.
- SMDD121 & 123 - completed, assays pending.
- SMDD124, the last of the original programmed holes, in progress at 250m.

	From m	Interval m	Au g/t	Zn %
<b>SMDD 119A</b>	417	4	2.06	3.1
	444	2	18.61	6.3
	450	7	9.82	1.1
	462	4	2.51	2.6
	473	2	25.57	2.2
	505	7	7.28	4.2
	526	3	2.12	1.6
<b>SMDD 120</b>	239	14	0.90	<0.1
	308	2	9.01	<0.1
	328	1	4.40	0.15
	350	1	5.52	<0.1

## Exploration drilling

Deep exploration hole SMDD117 was completed at 900.7m. Although intersecting alteration and a feldspar porphyry intrusion along the structure, the carbonate host to Main Zone mineralisation was not intersected. Assays are pending.

## Geotechnical study

Consultants Peter O'Bryan and Associates completed initial laboratory test work on samples from the current deep drilling and a detailed geotechnical appraisal is expected shortly with recommendations to be considered in the final underground mine design.

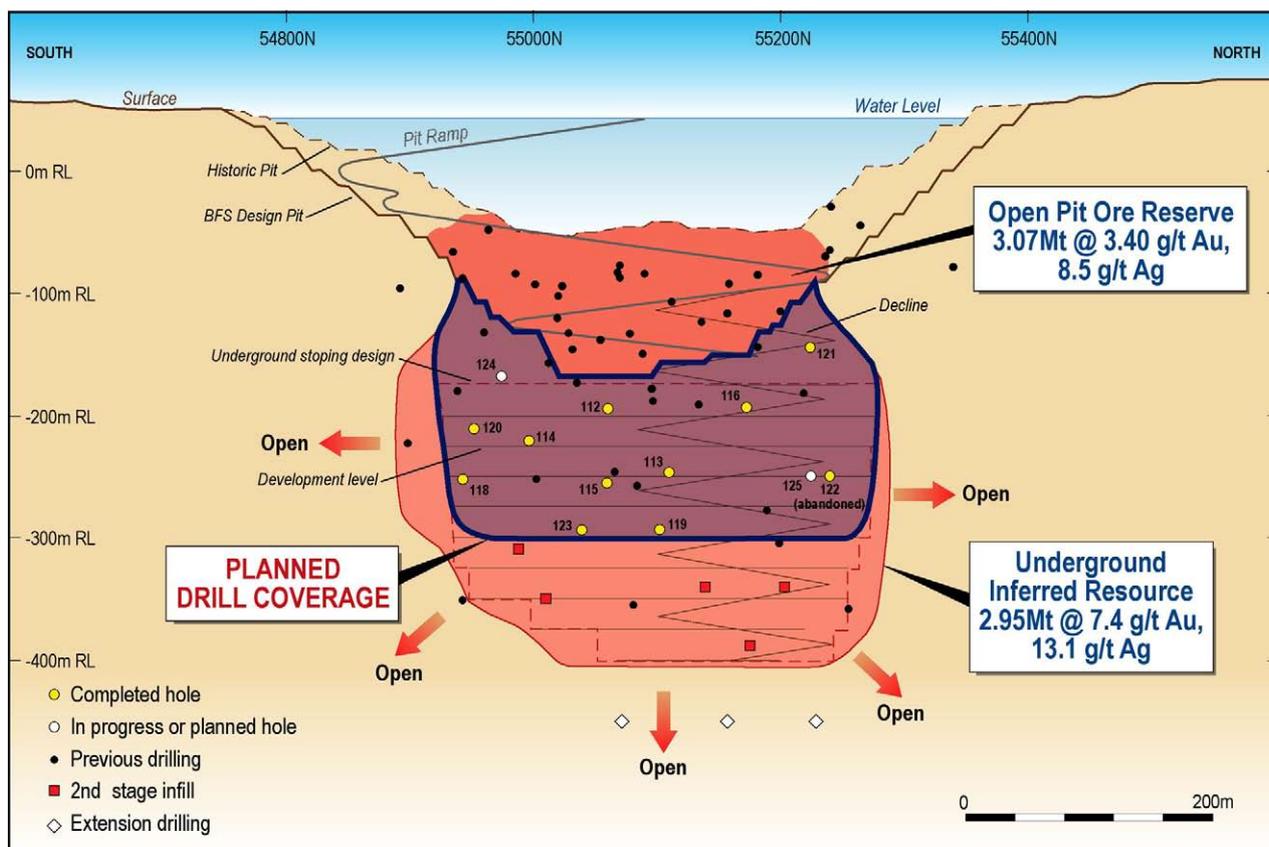
## Project Implementation - in progress

- Metallurgical testing pending (underground resource)
- EPCM draft tender documents under final legal review
- Open pit mine design and mining fleet optimisation near completion
- Hydrology update for drainage design – mine area and access road
- Access road final design and local permitting
- Preparation for drafting contracts for camp and admin. building design/construction and local permitting
- Draft contracts for fuel supply, power and telecommunications received from prospective suppliers and under review
- Preparation of Declaration of Feasibility as required under Philippine regulations
- Environmental Impact Statement in preparation; final Environmental Management Board scoping meeting satisfactorily completed

Environmental Compliance Certificate grant is targeted for the September quarter allowing commencement of pre-strip mining and major plant construction.

Access road, camp and administration building construction is targeted to commence in the June quarter.

# SIANA DEVELOPMENT



**Siana drilling status (longitudinal projection)**

The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on, and accurately reflects, information compiled by Mr. A L Govey and Mr. G C Edwards who are full-time employees of Red 5 Limited and who are Members of The Australasian Institute of Mining and Metallurgy. Mr Govey and Mr. Edwards have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Govey and Mr. Edwards consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

## CORPORATE INFORMATION

### Directors and Executive Management

Colin Jackson (Chairman)  
 Greg Edwards (Managing Director)  
 Lance Govey (Executive Director - Tech)  
 Peter Rowe (Non-executive Director)  
 Gary Scanlan (Non-executive Director)  
 Raj Surendran (Chief Financial Officer)  
 Frank Campagna (Company Secretary)  
 Lolot Manigsaca (Philippines-based)  
 Manny Ferrer (Philippines-based)  
 Attny E Panimogan (Philippines-based)

### Registered Office

Level 2, 35 Ventnor Avenue  
 West Perth WA 6005  
 Telephone: +61 8 9322 4455  
 Facsimile: +61 8 9481 5950

### Stock Exchange Listing

Australian Stock Exchange  
 Ticker Symbol: RED

### Issued Capital

As at the date of this report,  
 issued capital  
 – 659,288,043 shares.  
 Unlisted options – 18,500,000

### Substantial Shareholders

Mathews Capital Partners 19.0%  
 AngloGold Ashanti Australia Limited 10.2%  
 Portfolio Partners Limited 6.1%

### Shareholder Enquiries

Matters related to shares held,  
 change of address and tax file  
 numbers should be directed to:  
 Securities Transfer Registrar  
 770 Canning Highway  
 Applecross WA 6153  
 Telephone: +61 8 9315 2333  
 Facsimile: +61 8 9315 2233