



ASX ACTIVITIES REPORT  
3 months ended  
30 June 2011

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

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

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this report and company  
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## OVERVIEW

### Siana Gold Project, Philippines

- Heavy rains abate allowing mining and construction to accelerate
- Dewatering 85% complete – total of 13 billion litres discharged
- Pre-strip material movement exceeds 0.5 million bcm in June
- All major concrete pours completed
- Outotec commence 90 day SAG mill installation and commissioning programme – shell, feed and discharge trunnions and ring gear in place
- Transfer conveyors, cyclone and gravity tower, CIL tanks, detox tanks largely complete. Remaining civils completion date end of August.
- Electrical teams mobilising to site.
- All remaining equipment and materials, bar some piping, at site
- Capital cost estimate US\$85.0 million, with increases due to scope changes (fuel farm and reagent management) and additional/rectification plant site hard stand materials due to the excessive rainfall.
- Operations Director and Group Exploration and Technical Manager commence duties.
- Targeted first gold pour date – November 2011

### Exploration

- Siana north-western extension holes, SMDD136 and 137 have been completed at 706 and 577 metres total depth respectively and results are awaited

### Finance

- Cash position (no debt) \$52.5 million (unaudited) at period close with a further \$34.4 million allocated to completing the mine build
- Royalty (Mt Cattlin tantalum ore) revenue of \$265,000 received from Galaxy Resources Limited

**Greg Edwards**  
*Managing Director*  
29 July 2011

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## CHAIRMAN'S REVIEW

**As the rainfall finally abated early May after a sustained wet season that surpassed many records, the site construction progress accelerated.**

**As at the date of this report, with over eleven hundred personnel on site, the pit dewatering is 85% complete with over 13 billion litres discharged, the pre-strip movement at 0.5 million bcm per month is 20 percent above forecast, and the process plant civils construction phase is nearing completion. The first gold pour has been forecast for November 2011.**

The Siana landscape is now visibly changing on a daily basis. The record rains, that delayed the critical path concrete pours for the crushing station and SAG mill floors for over ten weeks are now well behind us. Construction progress can be followed by accessing the photo gallery on the Company website ([www.red5limited.com](http://www.red5limited.com)).

Whilst the site is still receiving substantial rainfall (315 mm in June which is 276% of normal levels), consequential delays are now only relatively minor. Importantly, throughout this period, the mine site drainage system, which was established from day one, has performed, with no turbidity in the final settling pond discharge to off-lease. Similarly, the six wheel drive articulated 35 and 40 tonne haulage fleet has performed admirably in difficult tramping circumstances. These observations bode well for the next ten years plus of operating mine life.

The water level in the 100 metre deep historical open pit is now receding rapidly, exposing the original benches and ramp, and the occasional underground workings. The pumps are easily handling the 8.2 giga litres of water, the natural precipitation which now totals over 5 metres for the calendar year and observed groundwater inflows of over 150 litres per second.

Large diameter dewatering bores are also being installed with discharge to replace the potable water reticulation to the surrounding villages.

The Delta Earthmoving contract is now performing at movement rates above forecast after a difficult start due to the heavy rains and plastic nature of some of the clays near the surface. Operator training and machine maintenance have been accorded high priority. The majority of the operators are from the surrounding villages and we believe this might include the first female off-road mine truck drivers in the Philippines.

The process plant is rapidly taking shape. Whilst the early rains delayed initial site progress, the manufacture of all new equipment and the fabrication of steel and plate work was unaffected. It did, however, necessitate additional off-site ware housing and on-site lay down areas. The attention to design detail and the implanting of Red5 personnel to monitor fabrication has resulted in smooth equipment assembly with almost no on-site modifications necessary. The only major variation to the construction programme has been the importation of much larger quantities of engineered fill which was originally to be sourced from the pit. The fill is principally for the non-critical areas of the plant, particularly the workshop and plant office locations, were plastic clays at surface were encountered as expected. Civils will be completed next month with the electrical workforce already mobilising to site.

Exploration recommenced at the Siana site for the first time in three years with two rigs targeting the three major ore panels in a potential north western extension. The first two holes have been completed to 706 and 577 metres downhole depth and results are awaited. A third hole has progressed to 252 metres depth and set-up for the next hole has commenced. There is no current activity at Mapawa.



The two recent senior appointments, Ron Pyatt (Operations Director) and Rohan Williams (Group Exploration and Technical Manager) have commenced duties and already positively impacted. Plant operating manuals are complete and interviews for operating staff have commenced.

Investor relations activities during the period have included presentations to existing and potential institutional shareholders in New York, San Francisco, Toronto, Singapore and Hong Kong. The next phase will be invitations to brokers and institutions to site to see the final construction activities. Shareholder numbers have increased for each of the last three months, as the delivery risk has diminished.

**The next key deliverable is the first delivery of ore to the ROM pad.**

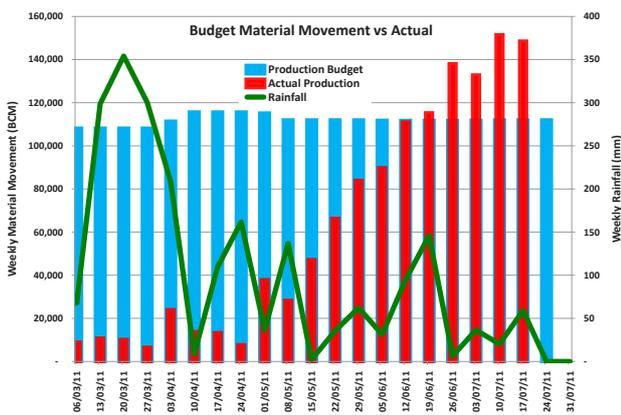
**Colin G Jackson**  
*Chairman*

## SIANA MINE BUILD

The civils programme is less than one month from completion. Areas complete or nearing completion include: the crusher station, retaining walls and discharge conveyor, the surge bin, retaining walls and discharge conveyor, cyclone and gravity concentrator tower, the six CIL tanks and access walkways, agitator shafts and gearboxes, screens and davit cranes for three of the CIL tanks installed, the two stainless steel de-tox tanks, the elution column structure and tank installation, the standby 6MW power plant, MCC and compressor buildings and senior staff quarters. The SAG mill installation, under the supervision of Outotec, has the shell, feed and discharge trunnions and ring gear in place.

Recently commenced areas include the elution column, gold room, reagent make-up and storage, maintenance workshop, junior quarters and mess facilities.

The explosives compound has been completed and inspected. The operating permit is awaited.



## EXPLORATION

The first two holes, SMDD136 and 137, at Siana for nearly three years have been completed at down the hole depths of 706 and 577 metres respectively. Both holes have intersected narrow alteration zones consistent with the adjacent mineralised panels of the Siana Gold Resource previously reported. Complete assay results are awaited. Hole SMDD138 has progressed to 252 metres downhole. A fourth hole, SMDD139 is currently being set-up.

Surface sampling in the surrounding region has commenced to follow-up stream sediment results up to 3.54 g/t gold. Upon receipt of confirmatory sample results and grid soil sampling, drilling is expected to commence within the next quarter.

There was no exploration work at Mapawa whilst a review of previous work was being undertaken and high priority drilling targets are tested at Siana whilst access to the northwest extensions of the current Resource remain available as preferred collar locations will be in the area of the ROM pad access road.

## FINANCE

The treasury cash position at 30 June 2011 is \$52.5 million, principally held in Australian dollars. The Company has no debt, no gold hedging and no foreign exchange contracts. The remaining cash spend to first gold pour, including remaining contingencies, is \$34.4 million.

The capital cost forecast of US\$85.0 million to first gold pour has increased, reflecting FX movement, some project scope changes, time delays and additional engineering fill. Expressed in Australian dollars, the capital cost forecast of \$80.2 million is considerably below the project implementation budget of \$96.0 million.

The feasibility life of mine cash cost to treat 6.6 million tonnes (average grade of 4.63 g/t gold, average recovery of 87.1%) to produce 849,000 ounces is US\$364 per ounce. The Company is reviewing the ore production schedule cut-off grade due to a sustained higher gold price.

### Capital to first gold production (revised)

Capital Item	US\$m
Mining Open Cut	
– dewatering	3.6
– equipment & pre-strip	17.5
Process Plant	49.0
Infrastructure	7.6
Misc Capital	7.3
<b>Total</b>	<b>85.0</b>

### Summary life-of-mine operating costs

	LOM
Mining	30.57
Processing	12.75
Administration	4.00
Excise Tax**	2.25
<b>Total Cost (US\$/t)</b>	<b>49.58</b>
<b>Total Cash Cost (US\$/oz<sup>^</sup>)</b>	<b>364</b>



Left: CIL tanks, detox tanks, and elution column.



Below left: SAG mill installation.

### Competent Person Declaration

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 G C Edwards who is a full-time employee of Red 5 Limited and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Edwards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which the Company is 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 (the JORC Code). Mr Edwards consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

## CORPORATE INFORMATION

### Directors and Executive Management

- Colin Jackson** (Chairman)
- Greg Edwards** (Managing Director)
- Gary Scanlan** (Non-executive Director)
- Kevin Dundo** (Non-executive Director)
- Mark Milazzo** (Non-executive Director)
- Joe Mobilia** (Chief Financial Officer)
- David Jerdin** (Project Director)
- Ron Pyatt** (Operations Director)
- Rohan Williams** (Group Exploration)
- Frank Campagna** (Company Secretary)
- Lolot Manigsaca** (Philippines Finance)

### Registered Office

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### Stock Exchange Listing

Australian Stock Exchange  
 Ticker Symbol: RED

### Issued Capital

Issued capital – 1,283,597,526 shares  
 Unlisted options – 2,100,000

### Share Price Range

11.0 to 19.0 cents

### Substantial Shareholders

- Mathews Capital Partners 17.7%
- Baker Steel Capital Managers 8.1%
- JP Morgan Chase 5.8%
- Sprott Asset Management 5.2%
- Lujeta Pty Ltd 5.1%

### Shareholder Enquiries

Matters related to shares held, change of address and tax file numbers should be directed to:

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