



ASX ACTIVITIES REPORT
3 months ended
30 September 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

- Capital cost forecast to first gold pour unchanged at US\$86.0 million
- Process plant build status
 - civils and earthworks 99% complete
 - structural and mechanical installation 99% complete
 - piping and electrical installation 65% complete
- Power plant (stand-by) engines under test
- Pit dewatering complete – total of 14 billion litres discharged, remaining water to be used in wet commissioning
- First fill reagents and consumables received
- SAG mill and specialist commissioning engineers mobilising to site to augment operating staff
- Pre-strip and cut-back movement – 1.55 million bcm this period and 2.49 million bcm year-to-date
- Mineral Resource re-calculated at US\$900 per ounce
 - 21% increase in ounces with an additional 526,000 ounces available from an open-pit

Exploration

- Three Siana north-western resource extension holes, three southern Siana resource holes and two regional holes complete, with some results outstanding. Two holes in progress

Finance

- Cash position (no debt) \$38.6 million (unaudited) at period close with a further US\$23 million allocated to completing the mine build
- Royalty (Mt Cattlin tantalum ore) revenue of \$227,687 received from Galaxy Resources Limited

Greg Edwards
Managing Director

31 October 2011

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CHAIRMAN'S REVIEW

The Company's seven year journey to become a gold producer is now only weeks away.

At the date of this report, the project is 96% complete overall with the only remaining activities being piping and electricals, both 65% complete.

The capital cost forecast is US\$86.0 million of which US\$23.0 million is still to be spent. Treasury funds are well in excess of this amount.

The capital cost in Australian dollars is lower than forecast despite additional expenditures on risk mitigation, including a double pit ramp, tailings dam dewatering redundancy and extra freeboard, a new SAG mill and complete back-up power plant, and the early delays due to weather. This outcome reflects an appreciating Australian dollar, in which treasury funds were maintained, versus costs that are largely in pesos.

Dry commissioning of the crusher station has commenced with wet commissioning, using the last few metres of the water in the open pit, to follow. All first fill reagents and consumables are on site.

Naturally, attention will soon focus on the inaugural gold pour date. The Outotec SAG mill commissioning experts and other commissioning specialists are mobilising to site. A more important focus however is the speed and success of the ramp-up to process plant name plate throughput.

A new resource estimate was declared, at a still conservative US\$900 per ounce gold price.

The 21% increase in ounces provides the potential to reduce mining risk with 83% of the tonnes and 65% of the ounces now deliverable from an open pit compared with 48% and 31% respectively under the previous model.

This equates to an additional 526,000 ounces in open pit categories.

A Reserve and new mine plan are being derived with a delay in the underground mine commencement by three years and the stockpiling of intermediate grade material likely outcomes.

Our Annual General Meeting is scheduled for 23 November 2011. At that meeting one of the resolutions shareholders are being asked to vote on is a ten for one consolidation of shares.

The rationale for this is to facilitate an increase the depth of the share register. Red5 is fortunate in that we already have the major international precious metal funds as existing shareholders. The next investment fund tier down, is however more risk averse, and typically only invest in businesses with existing cash flows.

At present, our share price is more typical of a speculative investment rather than a no debt, no hedge, imminent high margin gold producer. The share consolidation should contribute to modifying this image.

Colin G Jackson
Chairman



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SIANA MINE BUILD

The mine build is now down to a myriad of minor activities. The final civils activity is external rendering for the gold room, assay laboratory and clinic, plus various plumbing works for ablation facilities; structural and mechanical work outstanding comprises conveyor belt installation, wear chutes, acid pickling of elution and strong electrolyte tanks, and reagent and lime building cladding; electrical works include final cable ladders and layout of low voltage power conduit.

The explosives compound was completed and the operating permit issued. Drill and blast has commenced in the pit.

Total material movement from the open-pit was 1.55 million bcm outperforming the budgeted movement by 11% during the period.

MINERAL RESOURCE INCREASE

The imminent commencement of gold production, the earlier availability of the ultimate 1.1 million tonne per annum plant throughput and a higher sustained gold price have prompted a review of the Mineral Resource estimate previously calculated in February 2009.

Pit shells have been calculated for gold prices from US\$700 per ounce incrementally to US\$1,800 per ounce. At US\$1,200 per ounce, the entire Resource (known through drill testing to date) can be exploited by open-pit methods and delivers the highest net present valuation. However, the volume of waste generated under this scenario dominates the ground footprint held by the Company and is not deemed to be desirable given various social and topographical considerations.

The new Mineral Resource statement estimated within the guidelines and definitions of the 2004 Australasian Code for Reporting Mineral Resources and Ore Reserves (the JORC Code) is based on a US\$900 per ounce pit shell. The global resource of 13.2Mt at 3.2g/t gold and 5.7g/t silver for 1,357,000 ounces and 2,417,000 ounces respectively, represents an additional 231,000 ounces of contained gold, an increase of 21%.

A cut-off grade of 0.8g/t (1.1g/t previously) and 2.0g/t gold was used to define the Mineral Resource in the open-pit and underground portions of the deposit respectively. Significantly, 81% (60% previously) of the Mineral Resource is now within the Indicated confidence category. The open-pit Resource has been extended an additional 100 metres vertical and now accounts for 83% of the tonnes and 65% of the ounces (previously 48% and 31% respectively), an overall increase of 526,000 ounces.

The Ore Reserve, mine plan and production schedule are still being reviewed. The revised Resource offers the optionality to extend the open pit operating life and as a consequence delay commencement of the underground phase. The revised Resource also offers the potential to stockpile intermediate grade material for future processing.

EXPLORATION

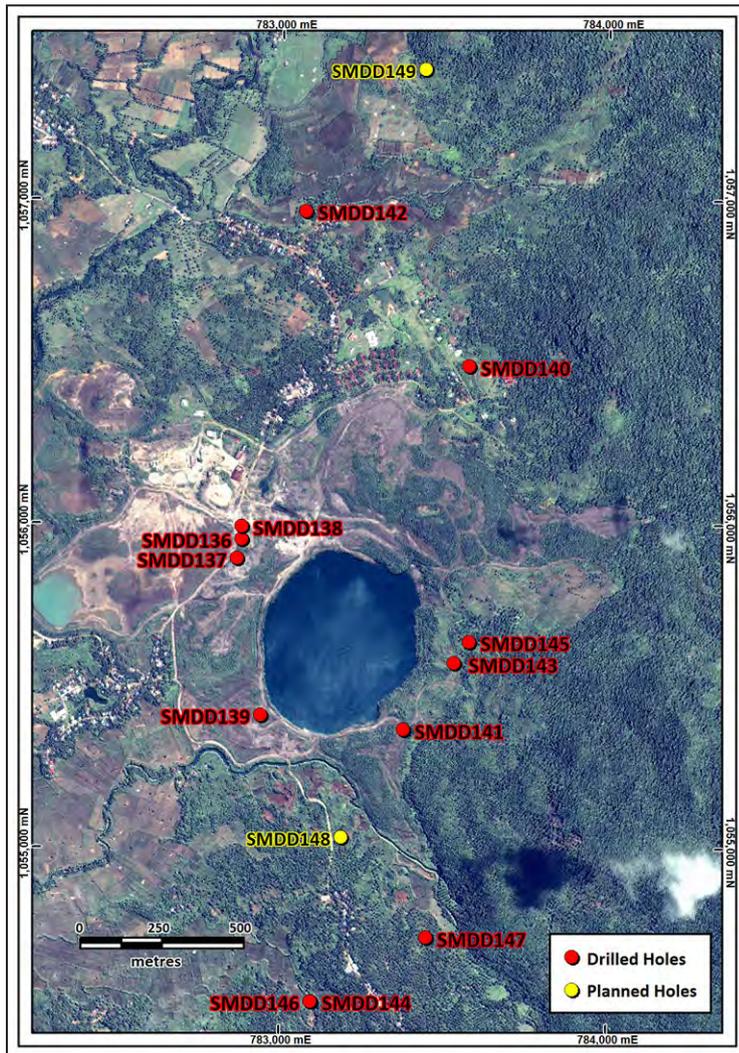
Three holes (SMDD136 to 138), the first at Siana in nearly three years were completed at the north western edge of the pit before access was lost to pit roads and infrastructure. SMDD136 intersected a narrow intersection of 2 metres at 2.1g/t gold reflecting a distal projection of Panel 2 mineralisation located some 250 metres to the south. SMDD 137 recorded intersections of 6 metres at 5.8g/t gold and 10 metres at 1.7g/t gold and 2.9% zinc in Panels 1 & 3 respectively and demonstrated the potential continuity of the Siana resource at depth and to the north SMDD138 recorded multiple narrow low-grade intersections in favourable alteration. Follow-up drilling is warranted.

Three southern extension holes (SMDD139, 141, 143) have been completed, with SMDD141 abandoned due to unfavourable lithology. Results are awaited for the balance. SMDD145 is currently drilling ahead on the eastern wall with alteration intersected in the predicated Panel 4 through 10 positions.

Two regional holes have been completed with SMDD140 abandoned due to unfavourable lithology. SMDD147 is drilling ahead across a volcanoclastic-limestone contact.

A surface sampling programme in the surrounding region to follow-up stream sediment results up to 3.54 g/t gold, is 35% complete.





Siana minesite and near-mine exploration activity.

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 R Williams who is a full-time employee of Red 5 Limited and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams 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 Williams 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)

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Stock Exchange Listing

Australian Stock Exchange
 Ticker Symbol: RED

Issued Capital

Issued capital – 1,283,674,237 shares
 Unlisted options – 2,100,000

Share Price Range

12.0 to 23.0 cents

Substantial Shareholders

Baker Steel Capital Managers 8.6%
 Mathews Capital Partners 6.1%
 Sprott Asset Management 5.4%

Shareholder Enquiries

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

Securities Transfer Registrar
 770 Canning Hwy Applecross WA 6153
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