



ASX ACTIVITIES REPORT
3 months ended
31 December 2014

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

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OVERVIEW

Siana Gold Project, Philippines

Operations

- Cease and Desist Order lifted.
- Gold pour of approximately 1,110 gold/silver doré ounces completed in January 2015.
- Commissioning of thickener and cement addition plant and recommissioning of process plant undertaken in January 2015.
- An estimated 195,000 tonnes of ore at 2.43 g/t Au was stockpiled as at the end of December 2014.
- Pre-requisite construction activities completed below budget.

Finance

- A\$17.6 million cash balance at 31 December 2014.

Mark Williams
Managing Director
30 January 2015

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MANAGING DIRECTOR'S REVIEW

CEASE AND DESIST ORDER

On 7 January 2015, the Company received formal notification from the Philippines' Mines and Geoscience Bureau (MGB) that the Cease and Desist Order (CDO) over the processing operations at the Siana Gold Project was lifted. The approval was obtained following a site inspection by the MGB to verify the completeness of the three construction activities which had been identified by the MGB as pre-conditions to the lifting of the CDO.

Tailings storage facilities

Construction, upgrade and sign-off for Stage 1 of three Tailings Storage Facilities (TSF's) was received during the quarter.

The Knight Piésold design is in compliance with:

- MGB Policy Guidelines and Standards for Mine Wastes and Mill Tailings Management.
- Australian National Committee on Large Dams Guidelines (ANCOLD).
- International Commission on Large Dams Guidelines (ICOLD).

The current Stage 1 tailings facilities provide the Company with a storage capacity of approximately 375,000 tonnes of cemented paste tails. Construction work for Stage 2 of the tailings facilities is scheduled to commence in April 2015.

Thickener and Plant Commissioning

Construction of the thickener and cement addition plant was completed by the end of October 2014 with pre-commissioning, dry-commissioning and wet commissioning completed in November 2014. Since the lifting of the CDO, ore commissioning has progressed with tailings deposition to the HDPE TSF commencing in mid-January 2015.



MANAGING DIRECTOR'S REVIEW (CONTINUED)

The commissioning engineer from IMO, who lead the Siana team through the earlier recommissioning stages during October and November 2014, has returned to site to assist in making the plant ready and to commence ore commissioning. Engineers from Outotec have also returned to site to assist with the fine tuning of thickener operating control parameters and to complete warranty sign-off activities.

Controls and instrumentation engineers are also on site in January 2015, to support the commissioning processes, upgrading the process plant's software and integrating the controls and instrumentation devices of the new thickener and cement addition plant.

As part of the commissioning process up to 28 January 2015, the Company was able to process 20,000 tonnes of ore at an average grade of 3.4 g/t Au and has achieved a recovery rate of 89%. The Company has recovered an estimated 1,900 ounces of gold from the ore with approximately 1,110 gold/silver doré ounces poured. The remaining gold is in circuit. Gold sales are expected to resume by the March 2015 quarter.

Mining restart activities

Total material movement from the open pit for the quarter was approximately 560,000 BCM. Since the restart of mining operations until 31 December 2014 the total movement has been approximately 1.1 million BCM with approximately 51% used in TSF construction, 14% used for the RoM pad expansion and the remainder delivered to various stockpiles and other project related works.

During the quarter approximately 136,000 tonnes of ore has been added to the existing stockpile which, prior to the start of commissioning, totalled approximately 195,000 tonnes at 2.43 g/t Au. This ore will be used for final commissioning purposes and to provide feed to the mill during the current wet season.

Mining activities during the first quarter of 2015 will concentrate on developing the final pit western push-back and mining of ore is planned once the wet season passes.



Other activities

Dewatering

Work on the installation of additional dewatering and depressurisation bore pumps and the rehabilitation of existing bore pumps continued during the quarter, resulting with 7 bore pumps installed and operational.

During the first quarter of 2015, a review of the Company's continued wall depressurisation programme will be assessed by an independent consultant.

Power supply

The power upgrade to the in-house power supply now provides a total capacity of 8 MW of site-generated power supply, sufficient for all current site requirements. The Siana Gold Project also remains connected to mains power supply.

FINANCIAL SUMMARY

Cash expenditure for the quarter was A\$14.7 million with the majority spent on construction and mining activities, recommissioning works on the process plant in preparation for the restart of production, site administration costs and corporate costs.

Estimated expenditure for the completion of all capital works required for the lifting of the CDO is expected to be around A\$17 million with approximately A\$4.0 million of outstanding commitments still to be paid in the March 2015 quarter.

The cash balance for the Company at 31 December 2014, was A\$17.6 million of which approximately A\$13 million was uncommitted and available as working capital.

Financial Summary

	Quarter ended			
	Mar 2014 A\$m	Jun 2014 A\$m	Sep 2014 A\$m	Dec 2014 A\$m
Sales Proceeds	0.0	0.1	0.0	0.0
Operating Costs/ Care and Maintenance	(1.7)	(1.8)	(1.5)	(1.9)
Philippine and Australian corporate costs	(1.2)	(1.3)	(1.6)	(1.2)
EBITDA	(2.9)	(3.0)	(3.1)	(3.1)
Depreciation and Amortisation	(0.2)	(0.2)	(0.1)	(0.2)
Net Earnings/(Loss)	(3.1)	(3.2)	(3.2)	(3.3)
Capital Expenditure				
Plant/Equipment/Development	0.2	1.5	5.2	12.8

Tenement directory

Project	Tenement number	Registered holder	Equity interest	
			Red 5 Group	Other
Philippines				
Siana gold project	MPSA 184-2002-XIII	Greenstone	40%	SHIC 60%
	APSA 46-XIII	Greenstone	40%	SHIC 60%
Mapawa gold project	MPSA 280-2009-XIII	Greenstone	40%	SHIC 60%
Western Australia				
Montague	ML 57/429, ML 57/485, EL57/793		25% free carried	
No interests in mining tenements or farm-in or farm-out agreements were acquired or disposed of during the quarter.				
Abbreviations: Greenstone: Greenstone Resources Corporation; SHIC: Surigao Holdings and Investments Corporation; MPSA: Mineral Production Sharing Agreement; APSA: Application for MPSA; ML: Mining Lease; EL: Exploration Licence				

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