



**ASX ACTIVITIES REPORT**  
**3 months ended**  
**31 December 2010**

**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) +63 2 807 2790  
(mob) +61 408 370 582, or

**Colin Jackson**  
*Chairman*  
(office) +61 8 9322 4455  
(mob) +61 407 718 372

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**

- Heavy rains slowing build progress
- Grid power connected and reticulated on site
- Concrete foundations for all six CIL tanks and the cyanide detox plant completed
- Formwork and rebar for the crusher and SAG mill complete
- On site concrete batch plant commissioning imminent
- Second dewatering pump unit comprising Flyt pumps due for commissioning
- All major equipment items manufacture (SAG mill, rolls crusher, apron feeder, cyclone nest) complete awaiting delivery to site
- All offsite steelworks and plateworks on schedule
- Refurbishment of second hand emergency power plant 78 percent complete
- Electrical and pipe work packages released
- 75 percent of the capital cost is now firm orders/contracts
- Targeted first gold pour date under review

### **Mapawa MPSA**

- Analytical results received for four holes (including 37m at 3.0g/t gold in MDD013), results for four holes awaited
- Momentum slowed as a consequence of assay turnaround time deterioration, drill rod availability and heavy rains. Three rigs remain on site

### **Corporate**

- Non-executive director, Mr Bolitho did not seek re-election at the AGM. A search for two directors has commenced through Park Brown International Pty Ltd

### **Finance**

- Siana Project fully funded
- Available gold pre-pay of additional US\$25 million under review
- Cash position (no debt) \$81.1 million (unaudited) at period close

**Greg Edwards**  
*Managing Director*  
31 January 2011

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## CHAIRMAN'S REVIEW

**Statistically high levels of rainfall have temporarily restricted construction activities on some parts of the plant build. Plant and machinery movement has also been limited as a precaution to avoid excessive degradation of site access.**

The government rain station at Surigao recorded 1,515mm of rain in the first 27 days of this year or approximately three times the average January rainfall of 582mm recorded over the last thirty years. This represents approximately 50% of the average annual rainfall of 3,086mm.

Pit dewatering has been temporarily suspended on several occasions due to the large volume and velocity of water in the adjacent river system.

Mining pre-strip has progressed to the +50mRL bench on the eastern side of the pit and +40mRL on the western side of the pit (approximately 50m vertical advance). Although

progress has been good, recent heavy rains has postponed stripping activities in areas requiring narrower working widths for safety reasons.

Whilst the manufacture of all major plant equipment items and the platework and steelwork fabrication off-site is on schedule, the preparedness of the site is now behind schedule. The first gold pour will miss the targeted date of early May, by a yet to be determined period but likely to be equal in time to the current and any further abnormal rain periods.

The rain has also caused a temporary suspension of drilling at Mapawa for safety reasons due to mudslides and the inability to maintain a continuous supply of consumables to the three rigs.

The Company treasury at calendar year end stands at \$81.1 million, with a further \$57.6 million to be spent to complete the build assuming no further rain impediments or major delays.

Working capital during commissioning and to achieve steady state operations plus exploration expenditure and normal corporate costs for the next twelve months is estimated at US\$23.0 million. A US\$25 million gold pre-pay facility is available to the Company, with discussions on drawdown for additional working capital or as a stand-by facility, on-going.

One of the non-executive directors did not seek re-election at the Annual General Meeting in late November 2010. The Board appointed Park Brown International Pty Ltd to commence an immediate search for two new directors with the skills to reflect the Company's advance to producer status.

**Colin G Jackson**  
*Chairman*



*SAG mill foundation formwork and rebar.*

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*Site overview – clockwise from bottom left:*

*Carbon-in-leach train foundations and tank steelwork erection*

*SAG mill feed conveyor foundations, cyanide detox foundations, No. 1&2 carbon-in-leach tanks, concrete batch plant, SAG mill foundations.*

*No. 1 land based 1,000 litre per second pit dewatering pump*

*Pit dewater discharge to cement lined spillway channel*

*2.0MW Caterpillar 3608 heavy fuel oil/diesel generator for standby power plant undergoing refurbishment in Manila.*



## MAPAWA

Exploration drilling activity slowed during the period due to the unavailability of drill rods for the deeper planned holes due to the upturn in exploration activity. Some planned holes have been temporarily postponed to await rods from other completed holes. Despite this three drill rigs have been maintained at the Mapawa site. More recently, however, extremely heavy rains have hampered the drilling programme and drill sites have been temporarily evacuated for safety reasons.

In addition, the assay laboratory has been inundated with samples over the past few months with a resultant delay of the receipt of results of up to six weeks from the time of dispatch from site. Discussions with the laboratories management has resulted in an assurance that our samples will be given some priority in the future.

Narrower, higher grade zones of gold mineralisation have been intersected in several of the holes to date that may have economic significance. In particular, carbonate hosted, "manto" style mineralisation has been intersected in MDD013 with single metre intersections up to 43.1g/t gold being recorded within a broader intersection of 37 metres at 3.0g/t gold and 3.6 ppm silver. Apart from MDD003 and part of MDD001 (reported previously), all other holes indicate mineralogical and geochemical characteristics of a distal epithermal nature.

In support of this interpretation, intersections of significant zinc values (up to 9.3% Zn) indicate recent drill holes are distal to a mineralised porphyry. Current drilling has stepped out 300m, 500m and 1,000m to the west to probe the potential of the system. The interpretation of this partially blind porphyry based on 13 completed holes is that the system probably dramatically increases in size with depth.

Drill hole Number	From (m)	Interval (m)	Cu %	Au g/t	Ag ppm	Cut-off*
MDD010	26	55	0.08%	0.3	1.2	0.3
MDD011	72	56	0.14%	0.7	5.0	0.5
<i>incl.</i>	104	10	0.26%	1.6	6.0	1.0
	179	11	0.04%	1.3	1.5	0.5
MDD012	137	11	0.09%	0.7	2.8	0.5
	169	19	0.03%	1.6	4.2	0.5
	203	89	0.07%	0.6	2.5	0.3
MDD013	146	269	0.02%	0.7	1.9	0.3
<i>incl.</i>	146	19	0.02%	1.0	1.6	0.5
<i>incl.</i>	194	18	0.02%	1.1	3.0	0.5
<i>incl.</i>	209	2	0.02%	6.5	5.5	1.0
<i>incl.</i>	244	1	0.02%	15.2	6.1	1.0
<i>incl.</i>	378	37	0.02%	3.0	3.6	0.5

\* Gold equivalent is calculated using prices of \$3.70/lb Cu, \$1,350/oz Au and \$24/oz Ag

Drill hole Number	Easting (m)	Northing (m)	RL (m)	Collar Azimuth	Collar Dip	Depth (m)
MDD010	77966	75197	254	260	-50	165
MDD011	77798	75320	237	90	-70	200
MDD012	77794	75252	237	40	-80	365
MDD013	77691	75230	213	45	-80	585

### 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)  
**Joe Mobilia** (Chief Financial Officer)  
**David Jerdin** (Project Director)  
**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

Issued capital – 1,277,597,526 shares  
 Unlisted options – 7,400,000

### Share Price Range

16.5 to 21.5 cents

### Substantial Shareholders

Mathews Capital Partners 19.2%  
 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:

Securities Transfer Registrar  
 770 Canning Hwy Applecross WA 6153  
 Telephone: +61 8 9315 2333  
 Facsimile: +61 8 9315 2233