



ASX ACTIVITIES REPORT
3 months ended
31 December 2009

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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directed to:

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OVERVIEW

Siana Gold Project, Philippines

Notice to Proceed awarded, equity financing completed, EPCM tender documents issued, architectural sign-off on building designs received, local tenders for road and building construction issued and manufacture of a new ball mill ring gear commenced.

- Engineering, Procurement and Construction Management - tenders close 29 January 2010.
- Mine access road -
Contracts will shortly be let to local groups for construction of the new access road, administration and accommodation buildings.
- Mill refurbishment -
The new ring gear, to be manufactured in Newcastle, is the longest lead item required in the ball mill refurbishment programme. A contract has been let and design and fabrication has commenced.
- Legal and technical due diligence by the Deutsche/Ashmore Group in progress for the US\$40 million debt and gold pre-pay financing components

Mapawa MPSA

- Diamond drilling at the LSY prospect commenced with the first of seven planned holes now at 430m having intersected a variably altered and mineralized diorite intrusive rock-type

Finance

- Net cash position \$35.3 million (unaudited) at period close.
- Equity raise component subject to shareholder approval (\$29.8 million) completed post period end.
- Deutsche/Ashmore Group mandated to provide project finance subject to normal due diligence and credit approval processes

Greg Edwards
Managing Director

29 January 2010

CHAIRMAN'S REVIEW

A dynamic quarter – with receipt of the Notice to Proceed, a \$45 million equity raise completed and approved by shareholders, a US\$40 million secured loan mandate awarded to Deutsche Bank AG and Ashmore Investment Management Limited, and commencement of drilling at Mapawa.

The issue of the “Order Approving the Declaration of Mining Feasibility”, (more commonly referred to as the Notice to Proceed) was received in late November 2009. It is believed to be the only hard rock Notice issued in calendar 2009. The award follows approval of the technical content of the Feasibility Study by the Mines and Geosciences Bureau internal technical review committee, and approval of the technical content of the Feasibility Study by the Mines and Geosciences Bureau internal technical review committee, and approval of the Environmental Protection and Enhancement Program and the Final Mine Rehabilitation and Decommissioning Plan by a panel of high level government interagency representatives known as the Contingent Liability and Rehabilitation Fund Steering Committee.

With the project timing risk removed, the Company rapidly advanced funding arrangements and within a fortnight had completed a \$45 million equity raise (290 million shares at 15.5 cents) as the gold price passed US\$1,200 per ounce. Placees included 31 first time Australian and Asian financial institutions.

The calibre of the share register would be the envy of companies capitalised at multiples of the Red 5 current market value.

The funding focus now turns to the Deutsche Bank AG and Ashmore US\$25 million balloon payment loan and US\$15 million gold pre-pay senior secured financing package. Executives from both organisations are in-country during the first week of February together with their independent technical experts, Behre Dolbear, to progress due diligence activities. Ashmore, a leading emerging markets fund manager has a long standing association with the Philippines, having invested in hard assets across a wide range of industries.

The timetable to credit approval is expected to conclude towards the end of April 2010.

This lengthy process, which is quite normal, is not critical path as the Company has equity funds exceeding \$60 million. Numerous early infrastructure capital activities have been approved by the board including mine access road, site administration and accommodation facilities and manufacture of a new girth gear and pinion for the SAG mill. Tenderers for the EPCM contract have visited site, and grid power and fuel contracts are all but completed.

Commissioning is scheduled to commence in January 2011 with the first gold pour three months later.

And at Mapawa, 20 km to the north of Siana, drilling commenced at the ‘LSY’ prospect. The first hole is in progress and entered an altered diorite intrusive rock-type, which is a typical host to porphyry systems, at a depth predicted by a strong geophysical anomaly.

Colin G Jackson
Chairman

DEVELOPMENT PROGRESS

The board has approved Capital Expenditure Authorisations for the development of early infrastructure at site to allow the main construction to proceed on schedule. This includes:

- 1.7km 12 metre wide access road with crossing;
- 69kV transmission line with the 10MVA station to be supplied by the Surneco power co-operative;
- buildings – staff accommodation, administration offices and messing facilities;
- construction of relocation housing;
- perimeter fencing; and
- explosives and detonator magazines;

for a total of US\$3.0 million.

The appointment of a Project Director with in-country experience for the implementation and development of the project is imminent.

EPCM Contract

A site inspection by eight tenderers was made mid-January. Tenders close today with review and negotiations commencing immediately thereafter.

Open Pit Mining Contract

Tender documents are expected to be issued shortly.

Power and Fuel Contracts

Negotiations were completed for power and fuel contracts.

Mill Refurbishment

Relocation of mill components from Cebu to Manila for refurbishment has commenced

Infrastructure

A Philippine architect has signed off on designs for all site buildings including the office and camp. Local permits to construct have been obtained.

Key milestones looking forward are:

EPCM contract award	March 2010
Open pit contract award	April 2010
Commence open pit pre-strip	May 2010
Commence plant siteworks	May 2010
First gold pour	April 2011

Finance

The Company mandated Deutsche Bank AG, Sydney branch and Ashmore Investment Management Limited, a subsidiary of Ashmore Group plc, in relation to an US\$40 million senior secured financing for the project that, together with equity funding, would complete all financial requirements for the project development.

Any financing commitment by Deutsche/Ashmore will be subject to normal detailed due diligence and all necessary internal approvals.

The bank's independent technical due diligence team will visit site during early February.

MAPAWA GOLD PROJECT

An extensive porphyry style exploration target approximately 1.5 km in diameter, was modelled from the results of a dipole-dipole Induced Polarisation (IP) survey surrounding the 'LSY' prospect at Mapawa, 20km north of the Siana project.

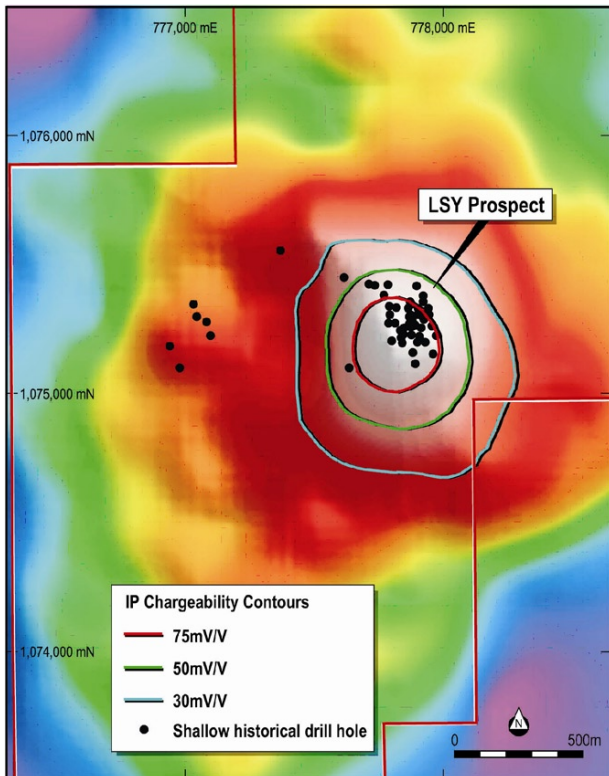
Stockwork quartz veining at LSY, located above the centre of the anomaly, contains gold and associated base metal mineralisation over cross-strike widths of between 80 to 90 metres.

At responses above the typical lower threshold for porphyry systems the anomaly is 0.9 km in diameter and has been modelled to a depth of approximately 250 metres.

Exploration diamond drilling commenced at LSY to test the IP anomaly at depth, and to confirm mineralisation identified in historic drilling.

MDD01, the first of seven planned holes, is at 430 metres depth. Encouragingly, the hole has intersected an altered diorite intrusive rock-type, a typical host to porphyry systems elsewhere in the Philippines and the Pacific Rim. The diorite hosts variable quartz veining and sulphide mineralisation, predominantly pyrite but also minor zinc, lead and copper sulphides.

MAPAWA MPSA



The hole is likely to extend beyond its original planned depth of 450 metres. As this is the first hole in the program the core will not be cut until the hole is completed and maximum geological logging data obtained.

Accordingly assays are not expected before mid February. A successful hole would encourage the immediate mobilisation of a second drill rig.

OTHER

Mt Cattlin Royalty

The Company is in discussion with Galaxy Resources pertaining to the possible securitisation of a royalty agreement related to the development of the Mt Cattlin pegmatite deposit for extraction of lithium and tantalum products.

The mining lease on which the project is located was originally owned by Greenstone Resources NL (now Red 5 Limited).

LSY IP chargeability anomaly at 200m depth.

Competent Person Declarations

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, Mr W Darcey and Mr A L Govey who are full-time employees of Red 5 Limited and who are Members of The Australasian Institute of Mining and Metallurgy.

Mr Edwards, Mr Govey and Mr Darcey 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 (the JORC Code). Mr Govey, Mr Darcey 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)
Bill Darcey (Project Manager)
Frank Campagna (Company Secretary)
Lolot Manigsaca (Philippines-based)
Manny Ferrer (Philippines-based)
Attny E Panimogan (Philippines-based)

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Stock Exchange Listing

Australian Stock Exchange
Ticker Symbol: RED

Issued Capital

As at the date of this report,
issued capital – 949,288,043 shares
Unlisted options – 7,400,000

Substantial Shareholders

Mathews Capital Partners 18.3%
Ross Stanley 6.6%
AngloGold Ashanti Australia 6.5%

Shareholder Enquiries

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

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