



ASX

Activities Report

for three months ended
30 June 2007

Inquiries regarding this report and company business may be directed to:

Greg Edwards
Managing Director

or

Lance Govey
Exploration Director

Red 5 Limited is a publicly listed company on the ASX-ticker symbol RED.

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

Investor Inquiries:
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OVERVIEW

Siana Gold Project, Philippines

- Bankable Study Report documentation near completion following receipt of final principal and peer group reviews from several consultants
- Debt funding (mezzanine and senior) negotiations advanced, lead bank mandate imminent
- Legal documentation for Conditions Precedent to debt package draw down (corporate structure and title) nearing completion
- Recruitment of finance executive and senior project implementation engineers commenced
- Metallurgical test work on the zinc rich ore commenced
- Drill programme to in-fill the upper part of the underground Inferred resource planned. Rigs available.
- Capital costs refreshed with no significant variations
- Environment Impact Statement submission nearing completion
- Landholder negotiations complete for the road access route to site

Mapawa MPSA and JV

- MPSA grant still awaited despite renewed representations
- Legal documentation for JV awaits partner sign-off

Finance

- Cash position \$0.97 million

Greg Edwards
Managing Director
30 July 2007

CHAIRMAN'S REVIEW

As foreshadowed in the previous Chairman's review, the Company's activities this quarter focused predominantly on financing activities and the associated, extensive documentation necessary to meet conditions precedent for eventual drawdown of funds.

Whilst the perception is that currently there is substantial funding available for resource projects, the reality is it is often expensive and highly conditional. Many of the offers, particularly from offshore institutions, are from intermediaries, not principals, are on a 'best endeavours' basis and are fee intensive. Discussions with these parties can be time consuming and may include site visits.

Careful deliberation on the debt to equity mix is also imperative as decisions made today will significantly influence the balance sheet and cash flow for the next five years. The equation is universal – more debt equals less equity dilution but, it means more hedging and more cash flow restrictions. Even if the hedge instruments are uncommitted put options there is still a front end cost.

The company is now working closely with a lead arranger bank and a broking house. Formal announcements of their appointment are imminent

It should also be noted that despite an extraordinary equities market for companies involved in the resource industry, gold companies have been the poor cousins. The share price of Newmont for example, a 6 million ounce per annum producer is down 31 percent in the last year. The Red5 share price has disappointed despite the project advancing from a modest open pit to a project with a twelve year mine life, and with the potential for meaningful zinc credits. Whilst it might be tempting to flirt with uranium, iron ore or molybdenum, the Board is clear that the principal mandate is to develop Siana.

In Surigao del Norte, exploration immediately to our north, along the same structural zone, has recommenced with Anglo American committed to 50,000 metres of drilling over the next eighteen months. At least seven rigs are currently employed in and around their Boyongan/Bayugo multi-million ounce deposit with a new high grade supergene copper discovery, the "exotic" zone, recently declared.

On the Siana project front, metallurgical test work to recover zinc from the underground resource has commenced. This followed drill hole result SMDD111 (7 metres of 11.7g/t gold and 5.8% zinc) and subsequent recognition of consistent zinc values in the range 1-3% from approximately 250 metres vertical.

Three rigs are currently available in Surigao and it is the Company's immediate intention to in-fill drill the 250 to 350 metre vertical horizon with the objective of raising the underground resource to Indicated Status. This would then lead to an improvement in the 'reserve tail' criterion which is a key factor in the bank determining the length of the period over which a loan is repayable. Obviously, the longer the period, the greater the availability of cash for other growth opportunities.

Colin G Jackson
Chairman

Siana development studies

Project Finance

Negotiations on mezzanine and senior debt funding are at an advanced stage with a target for completion during August .

The Company is seeking to maximise the debt component of the funding, with three offshore banks having completed site inspections and likely to syndicate the debt package.

Implementation planning

As a condition precedent to bank funding, equity funds are required in the initial phases to facilitate:

- conversion of the underground resource to reserve status
- appointment of senior development staff - several key candidates have been approached
- commencement of detailed engineering
- submission of the EIS
- pre-ordering of selected equipment and
- installation of pre-construction infrastructure including an access road, mains power, camp and pit dewatering pumps.

EPCM

Final selection and appointment of the engineering procurement and construction management team will be made in six to eight weeks time dependent on completion of equity and mezzanine financing.

Major sub contractors most likely to be utilised during the EPCM period have been identified.

Underground resource upgrade

Three diamond drill rigs are scheduled to commence a +3,000 metre programme to in-fill the upper 100 metres of the underground Inferred Resource with the objective of upgrading the classification to a JORC compliant Indicated Resource and conversion to a Mining Reserve by the application of appropriate economic factors.

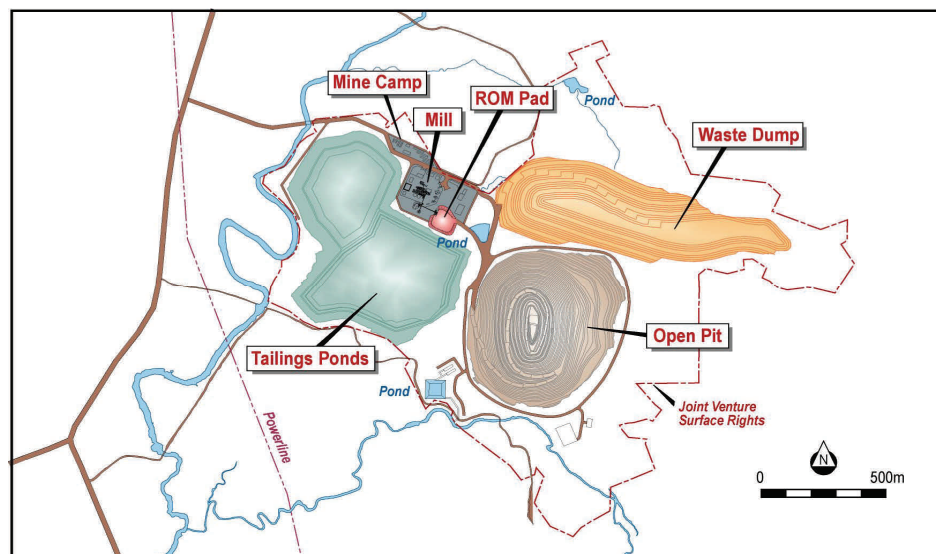
The core will provide additional detailed geotechnical data for use in determining the final underground mine design parameters, and material for further metallurgical test work required to confirm the recovery characteristics of the deeper gold mineralisation.

In addition, where zinc grades are of sufficient tenor, further tests would be completed on flotation recovery to augment preliminary test work currently in progress at Optimet Laboratories in South Australia.

Capital and operating review

Capital and operating expenditure estimates were reviewed with no material differences identified from the earlier BFS study results.

**Siana
site
layout**



Exploration

Mapawa MPSA

The long awaited grant of the MPSA for Mapawa has still not occurred. This is despite regular and increased contact priority with the Philippine Mines and Geosciences Bureau to progress the application.

Internal reviews of historic drilling indicate a potential 3 to 4 million tonne open-pit target at grades between 1.7 and 2.5 g/t.

Mapawa JV Agreement

Execution of the proposed joint venture between Merrill Crowe Corporation (MCC), AngloGold Ashanti and Red 5 awaits final approval by the MCC board, anticipated shortly.

Finance

- Net cash position at the end of the quarter was \$0.97 million.
- The second A\$1.0 million tranche of the debt facility arranged with Société Générale CIB Australia was drawn down to replace funds used in the purchase of long lead time items - ball mill and crusher.

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. A L Govey and Mr. G C Edwards who are full-time employees of Red 5 Limited and who are Members of The Australasian Institute of Mining and Metallurgy. Mr Govey and Mr. Edwards 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. Mr Govey 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	(Exploration Director)
Peter Rowe	(Non-executive Director)
Gary Scanlan	(Non-executive director)
Frank Campagna	(Company Secretary)
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 is 291,288,043 shares.

Substantial Shareholders

Mathews Capital Partners	19.5%
AngloGold Ashanti Australia Limited	13.0%

Shareholder Enquiries

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

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