



ASX ACTIVITIES REPORT
3 months ended
30 June 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.*

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

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OVERVIEW

Siana Gold Project, Philippines

- Bankable feasibility study findings released:
 - 849,000 ounces of production over ten year operating life at US\$351 per ounce;
 - capital cost to first gold pour US\$62.5 million, including contingency plus US\$10 million working capital for initial six months of operations;
 - IRR 38% at US\$800 per ounce gold price.
- Selected pre-capital development expenditure, including fabrication of girth gear for mill, approved.
- Declaration of Feasibility and Social Development and Management Program presented to Mines and Geosciences Bureau.

Mapawa MPSA

- MPSA granted (Red 5 interest 80%).
- Initial exploration programme, including 10 holes (6 holes to 500 metres) approved.

Finance

- Net cash position \$22.7 million (unaudited) at period close.
- Information Memorandum, Funding - document prepared for dispatch to selected financial institutions.

Greg Edwards

Managing Director

28 July 2009

CHAIRMAN'S REVIEW

Momentum continued with the completion and release of the Bankable Feasibility Study and the grant of the Mapawa Mineral Production and Sharing Agreement.

The Siana development has been designed around an open pit and underground Probable Reserve estimated in accordance with JORC guidelines, plus a conservative conversion of known underground Inferred Resources with further drilling during development.

The open pit operation and process plant design are conventional whilst the underground operation is based on road headers and paste fill. The mining method chosen is optimal for the range of rock strengths identified and suitability is confirmed by substantial test work.

Cement for the paste fill will be sourced from the island's largest producer, situated 20km to the north of the site.

The overall study was subjected to a detailed audit and review process, including risk and gap analysis. Whilst the financial analysis demonstrates robust economics, the ultimate test will be securing adequate finance on acceptable terms.

The Company retains a significant treasury position and will selectively commit funds to the project ahead of finance completion. In particular, an order (with cancellation clauses) will be placed for a new SAG mill girth gear and pinions. The elapsed time for the manufacture is 40 weeks and these items would be required at site for installation and set-up approximately 20 weeks prior to plant commissioning.

The grant of the Mapawa MPSA will see the recommencement of an active exploration programme in the coming quarters.

Confirmation of historical data has at a minimum, the potential to provide satellite ore to the Siana project, whilst success with the 500 metre holes planned, may provide alternative outcomes.

With the recent achievement of significant milestones and the clear definition of the project arithmetic, the Company can now logically increase the investor relations marketing tempo.

The targets for the next quarter are delivery and acceptance of the Social Development and Management Program, the Environmental Protection and Enhancement Program and the Final Mine Rehabilitation and Decommissioning Plan lodgements – collectively requirements for the permit to operate, title transfer from joint venture partner Merrill Crowe Corporation to the Philippine operating company, and significant advancement with the financing.

Colin G Jackson
Chairman

FEASIBILITY STUDY

Summary

During the mine life, and based on reasonable assumptions of Inferred Resource conversion into the mine plan during underground mining, production from known resources is forecast to reach 849,000 ounces over a ten year operating mine life at a cash cost of US\$351 per ounce.

Funding requirement to sustainable positive cash flow is forecast at US\$72.5 million, comprising US\$62.5 million in capital development to first gold pour, and working capital for the first six months of operation of US\$10.0 million. Underground development expenditure will be funded from cash flow. Total life of mine costs, including capital, average US\$473 per ounce.

Capital and operating costs

The capital cost to first gold pour, including contingency is US\$62.5 million. The estimate is based on the supply of new equipment, as normally required in Bankable Feasibility Studies, with the exception of the SAG mill that is already purchased and to be refurbished.

Capital for the owner operated underground mine phase is sourced from positive cash flow.

Table 1. Capital to first gold production

Capital Item	US\$m*
Mining Open Cut	
Dewatering	2.5
Equipment & pre-strip	17.3
Total Mining Open Cut	19.8
Process Plant	35.0
Infrastructure	4.3
Misc Capital	3.4
Total	62.5

* including contingency

The total site open pit and underground operating cost is US\$35.61 per tonne and US\$59.14 per tonne respectively, and over the Life of Mine averages US\$47.54 per tonne.

This includes a 1% community tax (based on the milling and mining costs) and a 2% government excise tax on the value of gold produced.

Table 2. Summary Operating Costs

	LOM
Mining Operating	28.34
Processing	12.64
Administration	4.03
Excise Tax	2.53
Total Cost (US\$/t)	47.54
Total Cash Cost (US\$/oz)	351

Financial analysis

The ungeared financial model derived from the Siana BFS indicates that at US\$800 per ounce gold and US\$10 per ounce silver the Base Case pre-tax IRR is 38% and the NPV US\$145.5 million at an 8% discount rate. Pre-tax financials for a range of gold prices are shown in Table 3.

Table 3. Pre-tax Financial Summary

Gold Price (\$US)	600	700	800	900	1,000
NPV US\$M (8%)	39.2	92.4	145.5	198.6	251.7
IRR (%)	17	28	38	47	55

Note: Silver price assumed as 1/80th of gold price

The Company will seek certain tax benefits applicable to the current mineral title. If a four year tax holiday was approved, the Base Case post tax IRR would be 36% and the NPV US\$120.3 million.

MAPAWA MPSA

The Mapawa MPSA, 30km north of Siana, covering 1,482 hectares of land highly prospective for gold, and potentially base metals, has been issued to Merrill Crowe Corporation, the Company's partner at Siana. Red 5 is entitled to an eighty percent beneficial interest in any mine development.



Quartz vein stockwork and alteration exposed at LSY Prospect.

Gold mineralisation has been intersected in historic drilling by former mine operator Suricon at the 'LSY' prospect, with indications of target mineralisation of approximately three to four million tonnes, commencing at surface.

An initial exploration programme will include the following key activities:

- Comprehensive community dialogue
- Design and implementation of a district scale environmental monitoring programme
- Detailed surface sampling at LSY and reconnaissance sampling elsewhere
- Geophysical surveys (electrical and magnetic) over LSY and environs
- Initial diamond drilling to confirm the geology and grades intersected in the former Suricon drilling, and to explore at depth below LSY
- Preliminary open pit geotechnical assessment
- Preliminary metallurgical testwork.

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 – 659,288,043 shares
Unlisted options – 7,400,000

Substantial Shareholders

Mathews Capital Partners 19.0%
AngloGold Ashanti Australia 10.2%
Ross Stanley 8.0%

Shareholder Enquiries

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

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