



## ASX Activities Report

for three months  
ended  
30 June 2004

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

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or

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*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 .*

## OVERVIEW

### Siana Gold Project

- Four drill rigs operating from east side of pit (concurrently testing shallow depths of East Zone and Main Zone).
- Scoping Study on schedule for completion in late August 2004. A new Resource estimate (upgrade and expansion) to follow.
- Unsolicited financing proposals received.

### Siana Open Pit

- 18 diamond holes now completed, additional 10 to 15 hole programme from east of pit commenced.
- Results generally include greater widths/higher gold grades (including 38 metres at 5.3 g/t, 54 metres at 4.5 g/t, and 41 metres at 5.0 g/t) at modest depths.
- Results at Resource perimeter (22 metres at 6.1g/t and 24 metres at 3.6g/t) indicate possible extensions.
- Underground stope-fill grade considerably higher than that used in current Resource estimate.

### Boyongan Corridor

- Drilling to commence post current Siana pit programme.

### Copper Porphyry

- First hole mineralised entire 380 metres at 0.2% Cu. -162 metres aggregate 0.32% Cu and 0.26 g/t Au.
- Second hole completed, analysis pending.

### Corporate Finance

- Net cash position \$8.1 million.
- Approach by gold majors and copper majors interested in strategic alliances by equity position or joint ventures.

**Greg Edwards**  
**Managing Director**  
26 July 2004



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## CHAIRMAN'S REVIEW

**As promised, Red 5 conducted extensive exploration at Siana, continuing the resource upgrade and extension programme, and confirming the presence of a copper-gold porphyry system on the southern portion of the MPSA.**

A further ten holes of the eighteen hole programme were completed delivering a number of strong results (higher grades and widths) between 40 and 70 metres below the pit. These results included 38 metres at 5.3g/t, 54 metres at 4.5g/t, 41 metres at 5.0 g/t, 19 metres at 5.2g/t, 86 metres at 3.1g/t, and 22 metres at 6.1g/t, each situated within an horizon likely to constitute initial mill feed for a new operation.

A number of holes also intersected former underground workings. The stope-fill material intersected to date has been considerably higher in grade than the grade used in the current Mineral Resources which may result in a revision to the previous conservative estimate.

Several holes also penetrated the previously postulated East Zone basalt sequence recording encouraging intersections, including 3 metres at 15.1g/t, 6 metres at 13.1g/t, 5 metres at 7.4g/t and 7 metres at 5.6g/t. Some of these zones now aggregate to broad widths, for example 48 metres at 2.5g/t Au. Accordingly, an additional 10 to 15 hole drill programme has been authorised from the eastern side of the pit, with three concurrent objectives: shallow testing of the East Zone, the open pit Main Zone, and geotechnical testing of the eastern pit walls.

The Scoping Study remains on schedule for completion by the end of August 2004. A site visit by a banking organisation with country experience offering financial advice/arranger capabilities has been hosted.

The decision to sole fund the first hole into the one of the two porphyry systems defined in the southern portion of the Permit area was vindicated with copper mineralisation present throughout the entire hole. Terminated at 379.9 metres, the practical limit of the rig, the hole averaged 0.2 percent Cu with an aggregate 162 metres averaging 0.32 percent Cu and 0.26g/t gold.

This is an outstanding result for a first hole. Many of the major porphyries being mined or in advanced development today, require ten holes or more to achieve confirmation of the geological package. A second hole, using a more powerful rig, was committed to further establish vectors relating to alteration, grade and metal ratios. This hole was completed at a target depth of 557 metres in altered brecciated ground. Full analysis of the results is pending.

The on-going exploration, and certainly, the development of large copper porphyries, is both an expensive and time consuming activity. It is best suited to a company with existing cash flow and a substantial balance sheet. Red 5 has been approached by both gold majors and copper majors with these attributes. All expressions of interest (direct project and corporate equity) are being carefully assessed by the Board.

**The next Quarter is destined to be equally demanding on our executive and consultants with completion of a new Resource estimate and Scoping Study to establish precise parameters for the commencement of production at Siana.**

**Nicholas Smith**  
Chairman



## **SIANA GOLD PROJECT**

(RED 5 Limited 80%,  
JCG Resources Corporation)

### **Resource drilling**

At the mine site the first phase 18 hole diamond drill programme that commenced in November 2003 was completed (post period). Drilled mainly from the west side of the open pit, these holes were designed to upgrade and extend the current Resource. Three follow-up holes to a high grade intersection in SMDD17, north west of the Resource, were also completed.

Results included some outstanding widths, and higher than expected gold grades at modest depths below the open pit (see Table 1 and longitudinal projection). Gold grades in stope-fill were consistently higher than estimated in the current Resource.

New results for SMDD46, 47 and 49 received post period include 22 metres at 6.1g/t Au and 126g/t Ag (90 metres below surface, SMDD49), confirming an up dip extension to the SMDD17 mineralised zone.

SMDD46 returned 24 metres at 3.6g/t Au (210 metres below surface) on the northern end of the Indicated Resource. SMDD47 recorded 38 metres at 1.9g/t Au (170 metres below surface) adjacent to the southern margin, indicating potential for additional Resource extensions.

All diamond drilling has recorded high core recoveries (>95%) consistent with previous drilling.

Assays for six holes (SMDD50 to 55) are pending.

### **East Zone**

A series of gold lodes have been intersected at depth in most holes to date, hosted within the basalt sequence east of the Main Zone. The lodes aggregate to broad zones (48 metres at 2.5g/t Au, SMDD34; 120m at 0.8g/t Au, SMDD42) that have shallow up-dip resource potential in the eastern side of the open pit.

A programme of up to 15 shallow inclined diamond holes has commenced using four rigs from the east side of the pit to concurrently test for shallow East Zone mineralisation, to generate geotechnical data for the eastern pit wall, and to provide additional Main Zone intersections.

### **Boyongan Corridor**

SMDD21 drilled in the March Quarter yielded low grade mineralisation (4 metres at 1.9g/t and 3 metres at 2.0g/t) in strongly altered wallrocks adjacent to the north west trending porphyry between Crackerjack and the open pit.

Initial diamond drilling at Crackerjack will commence on completion of the East Zone programme to follow-up encouraging intersections in previous RC drilling.

### **Copper-gold porphyry**

The first diamond drill hole at Madja, ALDD1, located 7.5km south of Siana, was terminated at 379.9 metres, the limit of the rig capacity. The entire hole averaged 0.2% Cu, 0.14 g/t Au and 0.92 g/t Ag, with no copper cut-off applied.



Seven intersections at a nominal 0.2% copper cut-off between 41 metres and 361 metres aggregate to 162 metres at a weighted average grade of 0.32% Cu, 0.26 g/t Au and 1.5 g/t Ag.

The combination of copper and gold grade, and presence of significant silver, indicate a fertile copper-gold mineralised system with characteristics typical of the major diorite hosted copper-gold porphyry deposits.

A larger capacity rig was mobilised to a second drill site 200 metres south of ALDD1 during May. ALDD2 was completed at 557 metres in altered breccias and basalts, with results pending.

The Company is currently considering completing a large Dipole-Dipole Induced Polarisation (IP) survey over the southern portion of the MPSA area. If completed, this IP survey is anticipated to provide additional quality targets for follow-up drilling of these exciting prospects.

### **Mapawa Joint Venture**

Standard procedures for grant of the Mineral Production Sharing Agreement (MPSA) permit continues.

### **DEVELOPMENT STUDIES**

The Hardrock Group, manager of the current Scoping Study, completed a site visit and background documentation prior to preparation and distribution of comprehensive work packages to a number of specialist consulting groups.

The primary foci at present are engineering, process design, geotechnical issues and detailed investigation of permitting requirements.

A large representative suite of mineralised core samples from the Main Zone below the open pit has been submitted to Pontifex & Associates in Adelaide for petrographic and mineragraphic studies ahead of detailed metallurgical sampling and process test work.

BFP Consultants Pty Ltd conducted a site visit to review geotechnical issues, to provide mining and rock stability parameters for the Scoping Study and advise on data collection procedures.

The objective is to complete the initial scoping work by end August ahead of formal pre-feasibility and feasibility studies.

### **CORPORATE and FINANCE**

The Company has been approached by major gold and copper mining companies interested in strategic alliances. This could involve an equity position, future development funding, or additional joint ventures in the region. Discussions continue.

Several financial groups have expressed interest in providing future development funding, and of these, two parties have recently completed due diligence site visits to Siana.

The Company is well funded with cash of \$8.1 million at 30 June 2004.



**TABLE 1 Siana Open Pit Diamond Drill Results – Main Zone  
(0.5 g/t Au cut-off)**

Hole ID	WGS84 UTMEast	WGS84 UTMNorth	Az (Mag)	Dip	From (m)	To (m)	Interval (m)	Gold Grade g/t
SMDD002	782931.34	1055511.00	060	-45	343	464	121	0.9
				incl	386	464	78	1.2
SMDD009	782903.39	1055624.40	090	-33	256	384	128	2.0
				incl	296	337	41	4.1
SMDD014	783440.15	1055591.20	267	-58	300	310	10	2.5
SMDD015	782918.40	1055686.60	087	-34	275	294	19	7.9
SMDD016	782948.98	1055766.50	090	-40	229	235	6	1.7
					240	241	1	14.3
SMDD017	782964.41	1055806.90	090	-33	153	195	42	4.2
				incl	153	170	17	7.0
SMDD018	782931.49	1055508.80	090	-38	336	344	8	14.5
SMDD019	782940.39	1055469.20	090	-40	418	420	2	21.0
SMDD034	782897.07	1055584.60	090	-23	267	305	38	5.3
SMDD039	782901.42	1055625.60	090	-26	277.1	299	21.9	2.7
SMDD041	782895.08	1055664.10	091	-24	268	322	54	4.5
SMDD042	782895.58	1055584.60	090	-33	278	319	41	5.0
SMDD043	782931.08	1055508.80	090	-23	257	343	86	3.1
SMDD044	782886.61	1055730.30	090	-23	242	261	19	5.2
SMDD045	783334.51	1055409.00	270	-40				NSR
SMDD046	782929.32	1055508.70	090	-33	285	308	24	3.6
					333.6	341	7.4	3.9
SMDD047	782885.39	1055730.30	090	-28	247	284	38	1.9
SMDD049	782964.91	1055806.90	090	-30	134	173	39	3.9
				incl	134	156	22	6.1

Note: DGPS Coordinates accurate to less than 0.25m

*The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Allen L Govey and Gregory C Edwards, who are full-time employees of Red 5 Limited and 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 that they are undertaking to qualify as Competent Person(s) as defined in the 1999 Edition of the "Australasian Code for Reporting of 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.*



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## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

Nicholas J Smith (Chairman)  
Gregory C Edwards (Managing Director)  
Allen L Govey (Exploration Director)  
Colin G Jackson (Non-executive Director)

### COMPANY SECRETARY

Frank J Campagna

### ISSUED CAPITAL

As at 23 July 2004

Ordinary shares ..... 220,304,333  
Options (31 January 05)... 55,076,020  
Options (various dates)... 4,450,000

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Web-site: [www.red5limited.com](http://www.red5limited.com)

### SHARE REGISTRY

Enquiries relating to shareholding  
and notification of change of address  
should be directed to:

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153

Telephone:(61 8) 9315 0933  
Facsimile: (61 8) 9315 2233  
E-mail: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

SOUTH

NORTH

# Siana Pit Longitudinal Projection

