



**ASX REPORT TO
SHAREHOLDERS**

16 April 2014

Red5 Limited

is a publicly listed
company on the ASX
- ticker symbol RED

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**Cease and Desist Order – Siana Gold Project;
Board and Management Changes**

**Agreement reached on process for lifting of Cease and
Desist Order on the Siana Gold Project, Managing Director
change, new Board Appointment**

Process for lifting of Cease and Desist Order

The Company has received formal notification from the Department of Environment and Natural Resources of the Philippines (DENR) that the Cease and Desist Order (CDO) placed over the processing operations at the Siana gold mine will be lifted upon the Company completing certain measures, as have been proposed by the Company.

Specifically, the Company must:

1. Complete construction of a new High Density Poly Ethylene (HDPE) lined tailings storage facility downstream of tailings storage facility 4 (TSF4) for additional storage capacity and strength;
2. Install the proposed thickener and cement addition facility to allow for production of a dry tailings product with greater residual strength; and
3. Make the necessary modifications to the existing TSF3 and TSF4 to accommodate the new thickened cement tailings.

The DENR has stated that it will liaise with the Environmental Management Bureau in order for the necessary permit amendments to be processed.

These works are consistent with the report prepared for the Company by engineering consultants, Knight Piesold and submitted to the Philippine authorities in support of the Company's request to re-commence gold production at Siana.

The Company appreciates the work undertaken by the Philippine regulatory authorities and the Company's consultants to allow the Company the opportunity to reach this point.

Upon completion of these works, the CDO will be lifted allowing for commercial gold production to resume.

The Company welcomes this development and anticipates some 6-8 months of construction activities are required to complete the necessary requirements prior to commercial milling activities being able to be commenced. Given the requirement to build up gold levels in the leach circuit, it is anticipated that, subject to the formal lifting of the CDO, gold production will recommence in the first quarter of the 2015 calendar year.

The Company currently has A\$40 million in uncommitted cash to fund the work necessary to enable recommencement of gold production.

continued overleaf

Board and management changes

Although the Company has achieved this significant advancement, it regrets that due to personal reasons, Mr Steve Norregaard will no longer be Managing Director but will be retained by the Company on a consultancy arrangement at \$275,000 per annum, to assist the Company in re-establishing production at Siana. The Board wishes to thank Mr Norregaard for all his efforts during a difficult period both for him personally and the Company.

The Board has resolved to appoint Non-Executive Director, Mr Mark Williams, to the position of Managing Director of the Company. Mr Williams is a mining engineer and he has been actively involved in the outcome that the Company has now achieved. Since being appointed as a director in January 2014, Mr Williams has spent a significant amount of time in the Philippines dealing with the government authorities. Mr Williams was previously General Manager of the Tampakan Copper-Gold Project in Southern Philippines from 2007 to 2013. He has over 20 years of mining industry experience operating a diverse range of open cut, underground, quarrying and civil engineering environments across developed markets; Australia, UK and New Zealand and emerging markets; Philippines, Vietnam, Thailand and South Pacific.

The remuneration package for Mr Williams will comprise a base salary of \$420,000 per annum plus statutory superannuation, a short term incentive of up to 80% of fixed remuneration of which 20% is share price related and 80% key operating performance related, and a long term incentive payable on the third and fourth anniversaries, subject to significant peer group share price outperformance.

The Company also announces the appointment of Mr Ian Macpherson as a Non-Executive Director. Mr Macpherson is a chartered accountant with over 30 years' experience in financial and corporate advisory services specializing in the mining and resources industries. He is a member of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Discussions are also well advanced with key site appointees and a further update will be provided in due course.



Kevin Dundo
Chairman