



ASX

Activities Report

for three months ended
31 December 2007

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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 .

Investor Inquiries:
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OVERVIEW

Siana Gold Project, Philippines

- Environmental Impact Statement in final preparation.
- Mine mobile fleet delivery times under review.
- Corporate and legal documentation nearing completion (title transfer still awaited).
- 10 holes of thirteen hole diamond programme to upgrade the underground resource completed.
- Geotechnical study for underground mine design in progress by Peter O'Bryan & Associates.

Mapawa MPSA and JV

- Grant awaited.

Finance and Corporate

- Siana Project senior debt
Behre Dolbear independent technical audit on behalf of Société Générale Corporate and Investment Banking completed, management review in progress.
- Siana Project equity
350 million shares placed at 10 cents per share to institutional and professional investors.
Shareholders approve placement.
- Chief Financial Officer, Raj Surendran, and Project Manager William Darcey appointed.
- Cash position: \$33.1 million

Greg Edwards

Managing Director
31 January 2008

The quarter focused on financing, conditions precedent to debt draw down, including a drill programme to convert 60 percent of the underground Inferred resource to Indicated category, and the assembly of an expanded executive team - each significant elements towards the development of the one million ounce Siana gold deposit.

A resurgence in gold equities, after a long period where base metals and uranium investor interest dominated, allowed the Company via its broker, Southern Cross Equities, to place 350 million shares at 10 cents per share to raise \$35 million before fees. The placement which more than doubled the issued capital of the Company, was made at a four percent discount to the volume weighed average price for the year - with the Company's four largest institutional and corporate shareholders participating, together with 84 new shareholders, including Portfolio Partners, who declared a substantial holding. Shareholders approved the placement at a General Meeting on 12 December 2007.

The Company also made significant progress towards meeting the conditions precedent nominated by Société Générale Corporate and Investment Banking before the indicative US \$42 million senior debt facility can be drawn down. As is conventional with debt/equity project financing, the equity is committed first. Whilst this means the debt is unlikely to be called upon until mid year, completion of the conditions precedent is integral to disciplined and effective project implementation. Accordingly the Company has given priority to this activity, prior also to any significant commitments of equity.

The bank's independent technical expert, Behre Dolbear Australia, generally acknowledged as one of the world's leading audit groups, has completed an extensive review of all aspects of the project including capital cost, operating cost and life-of -mine production forecasts. In addition, BDA completed thorough risk and implementation assessments. The Company is in general agreement with the findings and Société Générale is now in discussion with other bank consortia members.

The underground drill programme to convert Inferred resources to Indicated continues with three further holes to be completed. Progress is described in the technical section of this report.

The Environmental Impact Statement is in preparation prior to lodgement with the Department of Environment and Natural Resources. Once approved, an Environmental Compliance Certificate, the most significant permit, can then be issued.

Tangible progress has been reported on the title transfer and on the Mapawa MPSA grant; however, at the date of the report, neither has been received.

We also welcome two experienced professionals to the executive team in the immediate future – Raj Surendran (Chief Financial Officer) and William Darcey (Project Manager).

The Company's goal for the coming quarter is to maintain project momentum in financing, permitting and title/corporate structure, and, to commence the next phase of exploration at Siana.

CG Jackson
Chairman

Underground resource drilling

The underground resource drilling to date has indicated two or three thicker and higher grade mineralised zones within the Siana mineralised structure. These zones appear to be plunging steeply to the north over plunge lengths of at least 200 metres and within a total strike length of approximately 400 metres. Peripheral to these higher grade zones are narrower zones that may also be included in the final mine plan.

SMDD112 was drilled for geotechnical purposes at the base of the proposed pit in a crown pillar position. It returned, as expected, lower tenor results.

SMDD113 returned better than predicted results with strong mineralisation in all three lenses. Intersections included 8m at 5.6 g/t, 16m at 5.9g/t and 2m at 13.3g/t.

SMDD114 intersected two zones at greater than 5.0g/t within the eastern basalt, outside the Inferred Resource boundary. The Main Zone intersection of 10m at 7.2g/t was in the predicted position, with evidence of a new narrow higher grade footwall lens (1m at 18.6g/t) also present.

SMDD115 intersected four zones in the predicted target area with the two deeper intervals returning 5m at 6.6g/t and 4m at 7.3g/t.

SMDD116 has defined the upper northern limit of the higher grade portion of the central Main Zone mineralisation and returned results of 5m at 1.5g/t Au in the predicted location.

SMDD118 has defined the southern limit of the mineralisation at this level within the Main Zone with no significant results returned however it has intersected narrow high grades in the eastern basalts (1m at 8.3g/t from 232m and 1m at 17.8g/t Au from 236m) that may be included in the eventual mine plan. Taken into context with previous drilling results further to the south (SMDD019, 2m at 21.1g/t Au and SMDD111, 7m at 11.7g/t and 5.8% Zn), another steeply plunging Main Zone style mineralised zone may be present immediately to the south and beyond the limit of previous drilling.

SMDD119 in the central portion of the resource intersected numerous zones of strong pyrite/sphalerite mineralisation from 438m before becoming stuck at 489m in a clay alteration zone. Assays received to date for the upper portion only of this zone returned 15m at 3.5g/t Au from 438m, including 9m at 5.1g/t Au. Assays for the last 25m of the hole are pending and a portion of this intersection is expected to be mineralised.

Zinc assays in the same zone included 1m at 8.9% from 438m, and 6m at 1.5% from 443m.

A daughter hole, SMDD119A was wedged from 400m and recently completed at 682m. It successfully traversed a significant width of alteration and mineralisation between 438-512m (75 metres thick), and three shorter zones thereafter before intersecting a diorite intrusive at 606m. Most of the observed sulphide zones include strong zinc mineralisation. Sample preparation is in progress.

Hole SMDD120 has been completed, and SMDD121 is near completion.

The two final holes from the original programme will commence shortly, and one extra hole has been added below the SMDD115 intersection.

Completion of the infill programme has been slower than anticipated with the drilling fleet now reduced to two rigs, wet weather and considerably deeper final depths in holes SMDD 117 and 119.

Exploration drilling

Deep exploration hole SMDD117 was completed at 900.7m down hole to target projected mineralisation 200m vertically below the previous deepest intersection of 7m at 11.7g/t and 5.8% Zn near the southern margin of the Resource.

Although intersecting alteration and a feldspar porphyry intrusion along the structure, the usual carbonate host to Main Zone mineralisation was not intersected. Assays are pending.

The geological model indicated by these results indicates potential targets over a 300m strike

length to the north (as indicated by the steep north plunging mineralisation in the underground resource drilling above), particularly below earlier holes SMDD107 (12m at 4.5g/t Au) and SMDD105 (144m at 5.8g/t Au).

Geotechnical study

Post period, geotechnical consultants Peter O'Bryan and Associates completed site investigations as part of the detailed study for the underground mine design. Some laboratory test work is required prior to formal recommendations on design.

Metallurgy and resource estimation

Preparation of metallurgical samples has commenced; a new Mineral Resource estimate will follow completion of the final holes.

Independent review

Consultants from Behre Dolbear Australia conducted detailed due diligence studies on behalf of Société Générale Corporate and Investment Banking, including meetings in Perth and a site visit.

Project Implementation

Further reviews by the EPCM contractor have considered utilisation of in-country design teams to reduce costs.

Review of options available for acquisition of the earthmoving fleet commenced in the quarter and is continuing. Of particular note is the potential to use local mining contractors thereby reducing the lead time for equipment delivery.

Preparation of contract documentation for mining and construction is in progress.

Financial analysis

The BFS estimates of the financial returns for Siana were based on gold and silver prices of US\$650 and \$13 per ounce respectively. Since then precious metal prices have continued to increase.

At a price of US\$850 per ounce for gold the pre-tax NPV (at 8%) is US\$208M (an increase of 91%) with an internal rate of return of 83% (an increase of 73%).

Spot gold prices are now at approximately US\$920 per ounce.

Montague Joint Venture

(Western Australia—Red 5 free carried 25%)

Gateway Mining Limited advises that a programme of reverse circulation drilling is planned to follow up significant electromagnetic geophysical responses at Julia's Fault, and to test gold targets at the Victory Creek prospect.

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	(Executive Director-Tech)
Peter Rowe	(Non-executive Director)
Gary Scanlan	(Non-executive director)
Raj Surendran	(Chief Financial Officer)
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—18,500,000

Substantial Shareholders

Mathews Capital Partners	19.0%
AngloGold Ashanti Australia Ltd	10.2%
Portfolio Partners Limited	6.1%

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
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