



ASX ACTIVITIES REPORT
3 months ended
30 September 2008

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

- Environmental Impact Study submitted and accepted for review
- Capital cost increased to US\$73 million, financials still robust
- Resource expansion drilling intersects 7 metres at 6.4g/t gold – deepest to date at 500m below surface
- Underground resource model expanded
- Corporate restructure implementation imminent
- Declaration of Feasibility submission imminent
- Infrastructure design in progress

Mapawa MPSA and JV

- Documentation completed to facilitate final approvals stage

Finance and Corporate

- Cash position \$29.3 million (unaudited)

Greg Edwards
Managing Director

31 October 2008

CHAIRMAN'S REVIEW

The quarter under review has seen unprecedented dislocation to financial markets and value diminution across all asset classes.

The financing of Siana was predicated on a combination of debt and equity, the latter having been raised in November 2007. Whilst the Company has maintained strong contacts with interested banks the availability of debt for the project is currently uncertain.

Poor liquidity in the banking system, and even doubts on the validity of quoted London Inter Bank Offer Rates data, means that debt, if available at all, would be on terms that may ultimately erode the intrinsic value of our business.

The Board, management and shareholders are naturally disappointed in the delays associated with the EIS submission, resource conversion and title transfer/internal corporate restructure. However, in some respects we are fortunate not to have committed a substantial component of our cash funds on pre-development and early development construction activities immediately preceding the current financial market uncertainty.

Our cash resources at the end of the quarter totals \$29 million, held in short term and term deposit facilities with Australian banks.

The Board, at its recent meeting in Manila implemented prudent cash conservation actions, including the temporary curtailment in drill activity from three drill rigs to one, as current holes are completed.

During the quarter, the Environmental Impact Statement finalisation dominated activities, with required changes to waste and tailings dams footprints having impacts on mine site roads, infrastructure and site drainage. Changes were agreed and the five consulting groups concerned were co-ordinated to deliver acceptable results. The EIS was submitted post the reporting period on 17 October 2008 and has now been formally accepted for review by the Environment Management Bureau.

The capital cost was also refreshed to acknowledge capital creep since the original feasibility study was delivered in September 2007. The revised cost to first gold pour, US\$73.3 million, is an increase of US\$13.5 million, with the primary culprits structural steel, EPCM and earthworks. Given a general slow down in some mine project developments it is possible we may see a partial retracting of these costs in coming months.

It was previously believed that the drilling completed for the upgrade of the underground resource to Indicated Resource status was sufficient. However, detailed pierce point plotting of results for multiple lodes and subsequent analysis, cast some doubt on the confidence of this prediction. Additional holes were drilled and one is still in progress.

Results were received from holes 127, 128 (5 metres at 13.3 g/t gold, 32.7 g/t silver and 4.9% zinc – one of our best intersections) and 130 (the deepest to date at 500 metres vertical), and are awaited for a further two completed holes.

The Board remains committed to Siana and will take appropriate actions to deliver the project despite the current period of financial market unpredictability.

Colin G Jackson
Chairman

Project Implementation

A comprehensive environmental impact study was lodged 17 October 2008 and formally accepted by the Philippines Environmental Management Bureau (EMB) for detailed review.

The nine month study, completed by Philippine environmental specialists BMP Environment and Community Care Inc, includes detailed assessment of the natural and socio-economic environment in the project area, identifies and ranks potential impacts, and presents key elements of the environmental management plan.

In terms of the natural environment there are no major risks identified and the planning for progressive rehabilitation and eventual closure will ensure that this former mine-site can be fully utilised to benefit future generations from the local communities.

The study has been meticulously prepared to Philippine and Equator Principles standards and has been provided to the Company's lead arranger bank, Société Générale Corporate and Investment Banking, for internal review.

Since project inception in 2002 the joint venture partners have maintained a close relationship and communication with the host communities, who remain supportive and enthusiastic about the proposed development and the economic benefits that would flow to the region.

A public forum will be scheduled by the EMB for late November following statutory public advertising, detailed review of the EIS documentation and any requested additional information. Following the forum the EMB will consider any public input, prior to final deliberations and recommendation of grant of an Environmental Compliance Certificate.

A detailed Declaration of Feasibility document is essentially complete and will be submitted to the Mines and Geosciences Bureau (MGB) shortly.

Incorporation documents for the Philippine operating entity are ready for lodgment pending final meetings with partner Merrill Crowe. On completion the request for formal transfer of the Siana MPSA title to the operating entity will commence.

Engineering

Geotechnical drilling of in-situ tailings is in progress as part of final design work for the tailings storage facility.

Shipping of SAG mill components from Cebu to Manila in preparation for refurbishment is imminent. Costings include the manufacture of a new mill girth gear.

Detailed surveying for a new mine access road was completed and the road design is near completion. Draft building designs for the site accommodation camp, offices and other structures were completed.

Internet Engineering completed the revised estimate of the major civil, mechanical and electrical components of the EPCM. Other contractors provided estimates in their specific area of expertise. The revised capital cost estimate to first gold production is US\$73.3 million, impacted mainly by increased steel costs, EPCM increases and earthworks.

Schedule

Key targeted project milestones were revised based on the construction schedule provided by Internet Engineering. Based on the commencement of detailed engineering prior to finance approval in 2009, commissioning would be expected second calendar quarter 2010.

Underground resource drilling and mine plan

The revised geological model incorporating data from holes SMDD111 to SMDD128, 130, 132 and 133 has been extended with six low tonnage, but medium to high grade lodes within the eastern basalts included in addition to the three main carbonate hosted lodes.

Resource estimation is scheduled for completion in November and will form the basis for a new underground mine design.

Recommendations on underground mine design were contained within an independent geotechnical study completed during the quarter.

SIANA DEVELOPMENT

Metallurgical studies confirmed similar gold and silver recoveries for the underground material to the open pit ore, indicating that no significant changes would be required in the precious metals circuit.

Additional zinc testwork confirmed similar favourable recoveries by flotation as determined in an earlier programme. Inclusion of a zinc circuit during underground operations will depend on the metal price at the time.

A hydrological study for the underground mine commenced and is near completion.

Underground extension drilling

Holes SMDD129 and 131 targeted resource extensions at the northern and southern limits respectively but both were abandoned due to drilling difficulty. SMDD132 was successfully completed adjacent to SMDD129. SMDD133 was completed and SMDD134 is in progress.

A deep extension hole, SMDD130, intersected economic mineralisation 50 metres below the previous resource limits and is the deepest intersection at 500m below surface.

Results were received for SMDD127, 128 and 130 and are pending for SMDD132 and 133.

Two of the three rigs active in the last quarter have been stood down to moderate expenditures until current studies are completed.

Siana drilling results (cut-off 2.0g/t Au, 1% Zn)

Hole no	From (m)	Interval (m)	Au (g/t)	Zn (%)
127	345	2	5.3	-
	382	2	7.8	-
	457	5	4.8	1.0
	493	2	7.1	-
128	433	5	13.3	4.9
	457	5	4.8	1.0
130	430	3	7.4	-
	567	7	6.4	-

MAPAWA MPSA

The titles review committee has completed both a desktop due diligence and site verification visit with all known requirements now met to enable the last stages of the approval process to proceed.

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)
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 – 21,300,000

Substantial Shareholders

Mathews Capital Partners 19.0%
AngloGold Ashanti Australia 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
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