



## ASX Activities Report

for three months  
ended  
30 September 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 operated continuously from the east side of pit (concurrently testing East Zone, at shallow depth and Main Zone).
- Scoping Study completed (final review in progress).
- Pre-feasibility Study commenced
  - 8 tonnes of orebody representative drill core assembled for metallurgical testwork in Australia
  - tailings dam drill programme planning completed
- A new Resource estimate, incorporating data to Hole SMDD061 commenced.

### Siana Open Pit

- 15 diamond holes mainly from the east side of the pit completed, 1 in progress, 2 remaining.
- Results continue to demonstrate greater widths and higher gold grades (including 65 metres at 3.6 g/t, 69 metres at 5.6 g/t, 43 metres at 4.5 g/t and 64 metres at 2.7 g/t) at modest depths in Main Zone.
- Results at Resource perimeter (31 metres at 2.7g/t) indicate possible extensions.

### Boyongan Corridor

- Crackerjack and North East Fault drilling has commenced.

### Copper-gold Porphyry

- Second hole logged. Cutting and assays pending.

### Corporate

- AngloGold Ashanti Australia Limited - strategic alliance, placement (\$5.5 million) and joint venture arrangements completed
- Mr. Peter Rowe joins Board as non-executive Director
- Net cash position, post placement - \$11 million
- Annual General Meeting date - 24 November 2004

**Greg Edwards**  
Managing Director  
28 October 2004



## CHAIRMAN'S REVIEW

**A series of excellent diamond drill results into Main Zone, (65 metres at 3.6 g/t, 69 metres at 5.6 g/t, 43 metres at 4.5 g/t and 64 metres at 2.7 g/t), at depths between 30 and 60 metres below the pit, affirm our confidence in the potential for the Siana open pit development.**

**Indeed, the prospectivity of the entire Siana and Mapawa land package was confirmed by a strategic alliance, and joint venture arrangements, with AngloGold Ashanti Australia Limited, a wholly owned subsidiary of one of the world's largest gold producers.**

AngloGold Ashanti are now the largest shareholder in Red 5, with a 12 percent shareholding, following completion of a share placement (31 million shares at 17.7 cents per share - a 30 per cent premium to the preceding average price). Mr Peter Rowe, the Head of the Australian wholly owned subsidiary, joins the RED 5 Board. His expertise and experience at the Kalgoorlie Super Pit (Fimiston) and Boddington gold mines, add substantive depth to the Company's capabilities.

The terms of potential future separate JVs have been pre-agreed and are valid for two years, subject to AngloGold Ashanti maintaining a minimum 12 percent shareholding. These could include separate JVs on three designated areas – the Madja copper gold porphyry, Mapawa (post MPSA grant) and Siana outer targets. Expenditure commitments on each JV are a minimum US\$1.5 million for no interest in the first year, a further US\$4 million for 65 per cent of the Red 5 interest, and a further US\$5 million for 75 per cent of the Red 5 interest. During the minimum expenditure period Red 5 is the manager.

The Siana open pit development is specifically excluded from future joint venture arrangements, retaining the maximum leverage to this near term project for shareholders. Red 5 may, however, avail itself of a Technical Services agreement, subject to personnel availability. Given the tightening market for experienced mining professionals, this provides considerable comfort for our ambitions of completing the final feasibility by July 2005.

A new resource estimate by independent, Snowden, has commenced, and includes the most recent Main Zone intersections. At the southern end of the pit, holes also targeting the postulated East Zone at shallow depths, recorded substantial alteration, but only modest economic mineralisation. We remain optimistic for results from holes currently being drilled at the northern end of the pit. The potential of additional in-pit ounces, and a lower waste-to-ore strip ratio would enhance project economics.

The Scoping Study has been completed by consultants, Hardrock. It is currently being reviewed prior to presentations to partner JCG Resources and the Surigao Bureau of Mines and Geosciences. In practical terms, however, the Pre-feasibility Study has commenced. The priority focus is value-enhancing activities, particularly metallurgical flowsheet design with reference to gravity recovery of coarse gold.

**Shareholders will have recently received the 2004 Annual Report. The Annual General Meeting will be held on 24 November 2004 and the Board encourages all shareholders to attend or cast their votes by proxy.**

**Nicholas Smith –Chairman**



## **SIANA GOLD PROJECT**

(RED 5 Limited 80%,  
JCG Resources Corporation)

### **Resource drilling**

Diamond drilling continued with completion of holes SMDD53 to 63 (4,761 metres) during the quarter. Holes SMDD64 to 67 (1,806 metres) were completed post period.

The four rigs were located on 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.

Results were received for holes SMDD50 to 60 including intersections in Main Zone of 65 metres at 3.6 g/t, 69 metres at 5.6 g/t, 43 metres at 4.5 g/t and 64 metres at 2.7 g/t, at depths between 30 and 60 metres below the open pit.

A intersection of 31 metres at 2.7 g/t at the southern limit of the Resource model indicates a possible extension.

Holes targeting East Zone in the southern pit area intersected altered basalts with modest gold grades. Mineralisation in the northern holes is expected to be stronger (a number of results are pending).

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

## **Boyongan Corridor**

Diamond drilling of the Crackerjack area north-west of the current Resource re-commenced post period.

One rig is targeting encouraging gold intersections 30 to 50 metres below surface in previous reverse circulation (RC) drill holes (SMRC003 -13 metres at 6.2 g/t and SMRC03 - 5 metres at 5.0 g/t, and 15m at 2.0g/t).

The programme includes up to seven holes, dependent on results.

A second rig, located on the east side of the pit, has commenced an exploration hole directed to the north to intersect the trend of an interpreted north-east striking fault zone.

This structure constitutes another of the near mine targets prospective for additional resources.

## **Copper-gold porphyry**

Preparations have commenced for a large Dipole-Dipole Induced Polarisation (IP) geophysical survey over the southern portion of the MPSA area (planned to begin by year end, subject to contractor availability).

The IP data is anticipated to provide additional quality targets for follow-up drilling of the porphyry prospects in the Alegria-Madja area.

Assaying of ALDD2, the second Madja porphyry hole, delayed by priority given to the Siana pit resource programme, is pending.

## **Mapawa Joint Venture**

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



## DEVELOPMENT STUDIES

The Scoping Study was completed under management of the Hardrock Group.

The Study focused on engineering, process design, geotechnical issues and a detailed investigation of permitting requirements.

In addition, an integral part of the brief was assembly of a substantial data base of design criteria to allow rapid transition through to pre and final feasibility.

The Study identified, quantified and prioritised the elements of the project with the greatest economic impact. Based on the opportunities identified commencement of the pre-feasibility was approved with a budget estimate of US\$1.68 million and a completion date at the end of February 2005.

Design refinement of the treatment plant flowsheet and final mine design, particularly strip ratio and pit slope angles were identified as major opportunities.

Accordingly, sampling of diamond core for metallurgical testwork was completed (post period), with the arrival of a large shipment of samples at Perth testing laboratories imminent.

Metallurgical test results will incorporate data from a major mineralogical report completed by Pontifex & Associates.

A programme to drill test the tailings dams has been planned and will commence shortly. The objective is to investigate the recovery of free gold by simple gravity concentration and to define the economic viability of retreating all, or a portion of the dams.

A new Mineral Resource, incorporating results up to and including hole SMDD061 commenced post period.

The estimate is being completed by independent consulting group Snowden.

## MONTAGUE GOLD PROJECT (RED 5 Limited 25% free carried, Gateway Mining NL)

The Montague Joint Venture is located 80km NNE of Sandstone, Western Australia, in the Gum Creek Greenstone Belt. The project is managed by Gateway Mining NL.

The RED 5 tenements cover a 7km northern extension of the stratigraphy and structures that host Gateway's high-grade gold discovery at the Airport Prospect.

Earlier Rotary Air Blast (RAB) and RC drilling programmes resulted in gold discoveries in the Victory Creek and Hypotenuse target areas.

Latest broad spaced RAB drilling located a new prospect, Two Dogs approximately 1km west of the interpreted Hypotenuse shear zone in an area overlain by transported sediments, and where little previous exploration has been completed.

Hole GRB3073 intersected 24 metres at 1.9 g/t Au from 20 metres downhole, including 5 metres at 5.3 g/t Au, with mineralisation open in all directions. A follow-up drilling programme is near completion.



## CORPORATE

Discussions with AngloGold Ashanti Australia Limited culminated in a placement of 31 million shares (equivalent to 12.3 percent of the expanded Red 5 issued capital) to raise \$5,487,000 for exploration outside the defined Siana mine development area.

AngloGold Ashanti is now the largest shareholder in Red 5 and Mr. Peter Rowe (Head of AngloGold Ashanti Australia) joined the Board.

The strategic alliance secures the right to direct equity joint ventures on the Company Philippine tenements, subject to retention of a minimum 12 percent Red 5 shareholding.

Whilst the Siana open pit development is excluded, Red 5 has access to AngloGold Ashanti Australia technical support. An interest to provide debt funding for the development has also been indicated.

The terms of potential future separate JV agreements (Madja copper-gold porphyry, Siana outer targets and Mapawa -post MPSA grant) have been determined.

Expenditure commitments are a minimum US\$1.5 million for no interest in the first year, a further US\$4 million for 65 percent of the Red 5 interest, and a further US\$5 million for 75 percent of the Red 5 interest.

Red 5 will be manager during the minimum expenditure period.

## FINANCE

The net cash position of the Company, post placement is approximately \$11 million.

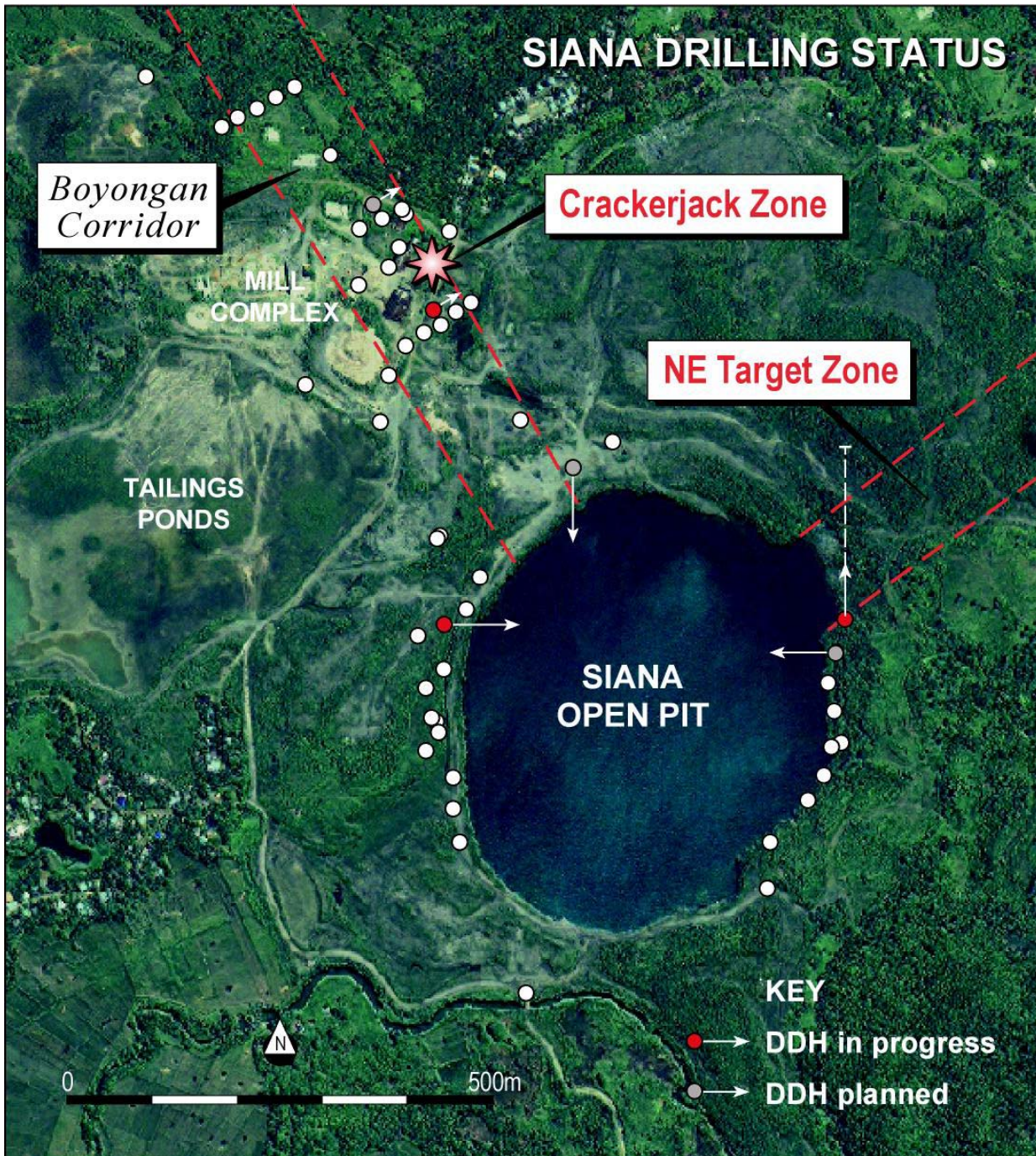
*The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Allen L Govey and Gregory C Edwards, who are full-time employees of Red 5 Limited and are Members of The Australasian Institute of Mining and Metallurgy. Mr Govey and Mr Edwards have 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.*



**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	1055511	060	-45	343	464	121	0.9
				incl	386	464	78	1.2
SMDD009	782903	1055624	090	-33	256	384	128	2.0
				incl	296	337	41	4.1
SMDD014	783440	1055591	267	-58	300	310	10	2.5
SMDD015	782918	1055687	087	-34	275	294	19	7.9
SMDD016	782949	1055767	090	-40	229	235	6	1.7
					240	241	1	14.3
SMDD017	782964	1055807	090	-33	153	195	42	4.2
				incl	153	170	17	7.0
SMDD018	782931	1055509	090	-38	336	344	8	14.5
SMDD019	782940	1055469	090	-40	418	420	2	21.0
SMDD034	782897	1055585	090	-23	267	305	38	5.3
SMDD039	782901	1055626	090	-26	277.1	299	21.9	2.7
SMDD041	782895	1055664	091	-24	268	322	54	4.5
SMDD042	782896	1055585	090	-33	278	319	41	5.0
SMDD043	782931	1055509	090	-23	257	343	86	3.1
SMDD044	782887	1055730	090	-23	242	261	19	5.2
SMDD045	783335	1055409	270	-40				NSR
SMDD046	782929	1055509	090	-33	285	308	24	3.6
					333.6	341	7.4	3.9
SMDD047	782885	1055730	090	-28	247	284	38	1.9
SMDD049	782965	1055807	090	-30	134	173	39	3.9
				incl	134	156	22	6.1
SMDD050	782964	1055806	090	-40	179.7	196	16.3	1.0
SMDD051	782931	1055549	087	-30	239	270	31	2.7
SMDD052	783337	1055467	270	-35	247	251	4	1.8
SMDD053	782964	1055808	070	-33	328	358	30	0.8
SMDD054	782908	1055608	090	-33	338	339	1	1.7
SMDD055	783338	1055468	270	-45	256	265	9	0.7
SMDD056	783390	1055520	270	-25	237	257	20	0.9
SMDD057	783411	1055551	270	-25	265	330	65	3.6
SMDD058	783408	1055670	270	-26	248	317	69	5.6
				incl	287	298	11	14.0
SMDD059	783420	1055587	270	-25	305	348	43	4.51
SMDD060	783418	1055631	270	-25	271	335	64	2.70

Note: DGPS coordinates rounded to nearest metre





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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)  
Peter W Rowe (Non-executive Director)

**COMPANY SECRETARY**

Frank J Campagna

**ISSUED CAPITAL**

As at 28 October 2004

Ordinary shares ..... 251,304,333  
Options (31 January 05)... 55,076,020  
Options (various dates)... 4,200,000

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