



**ASX ACTIVITIES REPORT**  
**3 months ended**  
**31 March 2014**

**Red5 Limited**

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

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**OVERVIEW**

**Siana Gold Project, Philippines**

**Operations**

- In April 2014, the Department of Environment and Natural Resources (DENR) of the Philippines informed the Company that the measures which had been proposed by the Company must be completed to enable the lifting of the Cease and Desist Order (CDO).
- The Company has engaged GR Engineering and Knight Piesold to provide engineering design and construction support, in order to complete the DENR requirements.
- Representatives from both consulting groups have been mobilised to site during April.
- With the arrival of the Outotec thickener, all necessary long lead items to meet the required measures are now on site and ready for installation.
- Planning for the restart of construction and operations is progressing and includes independent reviews of project risks, manpower requirements, community matters and hydrology requirements to enable an orderly start-up.

**Finance**

- Balance of proceeds from business interruption insurance claim was received.

**Corporate**

- Mr Mark Williams appointed as Managing Director.
- Mr Ian Macpherson appointed as a Non-Executive Director.
- Mr Steve Norregaard engaged as a Consultant.

**Mark Williams**  
*Managing Director*  
30 April 2014

## MANAGING DIRECTOR'S REVIEW

Work undertaken at the Siana Mine site during the quarter was limited to care and maintenance activities including in-pit pumping to maintain water levels.

With the arrival of the Outotec thickener, all necessary long lead items to complete the measures required to allow the lifting of the CDO are now on site and ready for installation.

### CEASE AND DESIST ORDER

In April 2014 the Company was informed by the DENR that the CDO shall be lifted after the following three items were completed:

1. Complete construction of a new High Density Poly Ethylene (HDPE) lined tailings storage facility downstream of the 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 TSF4 and TSF3 to accommodate the new thickened cement tailings.

The DENR have also advised the Company that they will coordinate with the Environmental Management Bureau in order for the necessary permit amendments to be processed.

The Company has commenced activities required to implement the required measures and has engaged GR Engineering to assist with the installation of the thickener and cement addition facility and has engaged Knight Piesold to assist with the construction of the HDPE lined storage facility and the modification of TSF3 and TSF4.

Representatives from GR Engineering and Knight Piesold visited the Siana Site during April 2014 to meet the site management and progress planning for the commencement of activities in May.

Review of project risks, manpower requirements, community matters and hydrology is also being progressed to enable the Company to prepare for the construction activities and prepare the operation for the recommencement of production.

The Company expects some 6-8 months of construction activities are required to complete the necessary requirements prior to commercial milling activities being commenced. 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.

### BOARD AND MANAGEMENT CHANGES

#### Appointment of New Managing Director

As previously announced, Mr Steve Norregaard stepped down from the Managing Director position and was replaced by Mr Mark Williams as Managing Director. Mr Williams was previously a Non-Executive Director of the company.

Mr Williams is a mining engineer and has spent a number of years living and working in the Philippines.

#### Appointment of Non-Executive Director

Mr Ian Macpherson was appointed as a Non-Executive Director on 16 April 2014. Mr Macpherson is a chartered accountant with over 30 years' experience in financial and corporate advisory services specialising 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.

### FINANCIAL SUMMARY

The Company spent \$3.5 million during the quarter on care and maintenance expenditure including \$0.2 million on residual payments for critical capital items.

The cash balance for the Company at 28 April 2014, was A\$40.7 million.

#### Financial Summary

	Quarter ending		
	Sep 2013 A\$m	Dec 2013 A\$m	Mar 2014 A\$m
Sales Proceeds	0.0	0.0	0.0
Cost of Sales	0.0	0.0	0.0
Care and Maintenance Costs	(2.2)	(1.9)	(1.7)
<b>EBITDA from Operations</b>	<b>(2.2)</b>	<b>(1.9)</b>	<b>(1.7)</b>
Depreciation and Amortisation	(0.1)	(0.1)	(0.2)
<b>Net Earnings from Operations</b>	<b>(2.3)</b>	<b>(2.0)</b>	<b>(1.9)</b>
Philippine and Australian Corporate costs	(1.0)	(1.0)	(1.2)
<b>Net Earnings/(Loss)</b>	<b>(3.3)</b>	<b>(3.1)</b>	<b>(3.1)</b>
<b>Capital Expenditure</b>			
Waste Stripping Costs	0.00	0.00	0.00
Plant and Equipment	0.06	1.18	0.20
Exploration	0.14	0.07	0.07

#### Tenement directory

Project	Tenement number	Registered holder	Equity interest	
			Red 5 Group	Other
<b>Philippines</b> Siana gold project	MPSA 184-2002-XIII	Greenstone	40%	SHIC 60%
	APSA 46-XIII	Greenstone	40%	SHIC 60%
Mapawa gold project	MPSA 280-2009-XIII	Greenstone	40%	SHIC 60%
<b>Western Australia</b> Montague	ML 57/429, ML 57/485		25% free carried	
No interests in mining tenements or farm-in or farm-out agreements were acquired or disposed of during the quarter.				
<b>Abbreviations:</b> Greenstone: Greenstone Resources Corporation; SHIC: Surigao Holdings and Investments Corporation; MPSA: Mineral Production Sharing Agreement; APSA: Application for MPSA; ML: Mining Lease				