



ASX Activities Report

for three months
ended

31 December 2004

*Inquiries regarding this
report and company
business may be directed to:*

Greg Edwards
Managing Director

or

Lance Govey
Exploration Director

Level 1
43 Ventnor Avenue
West Perth 6005
Western Australia
Tel: (+61) 8 9322 4455
Fax: (+61) 8 9481 5950

Web: www.red5limited.com

Investor Inquiries:
info@red5limited.com

*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

- Five drill rigs operated - from the east side of pit (concurrently testing East Zone, at shallow depth and Main Zone), the Boyongan Corridor and tailings dam
- Pre-feasibility Study in progress
 - resource estimate completed with 42 percent increase to 1.6 million ounces (0.5g/t cut-off) including 12.0mt at 2.5g/t (946,000 oz at 1.25g/t cut-off)
 - metallurgical gold recovery testwork 70% complete
 - comminution tests (4 tonnes of drill core assembled) commenced to determine power demand
 - tailings dam drill programme (64 holes – 720 metres) in progress, evaluation commenced
 - BMP commence Environmental Impact Statement
 - Rothschild appointed financial adviser and arranger

Siana Open Pit

- 12 diamond holes completed (9 results outstanding).

Results received include

- East Zone (north), 3 metres at 19.7 g/t, 20 metres at 3.9 g/t and 19 metres at 3.2 g/t.
- the deepest Main Zone intersections to date, 28 metres at 9.3g/t, 13 metres at 7.5g/t and 26 metres at 6.9g/t.

Boyongan Corridor

Diamond drilling completed at Crackerjack and North East Fault (5 holes), results pending

Madja copper-gold porphyries

Major induced polarisation survey grid prepared and geochemically sampled

Asia Gold Limited

- Company sponsored to identify and apply for prospective ground in Central Asian Tien Shan gold belt (Red 5 earning 50% interest).

Finance

- Net cash position - \$10.2 million

Greg Edwards
Managing Director
31 January 2005



CHAIRMAN'S REVIEW

Scoping study completed, pre-feasibility study commenced, discovery of the East Zone (north) multiple lode system and the deepest intersections to date at Main Zone typify another very active and successful three month period for Red 5.

The Scoping Study was completed, with the project, as currently defined, comprising a 180 metre deep open pit (plus perimeter bore holes and in-pit dewatering system), and a 1.25 million tonne per annum modern gravity and CIL treatment plant, producing between 110,000 and 130,000 ounces per annum. Infrastructure includes a 10 MW diesel fired, third party owned power station, accommodation camp and an all weather 16 metre wide access road.

The Board approved the scope of, and the budget for the Pre-feasibility Study at US\$1.68 million with a targeted completion date of March 2005. Substantial work is in progress. Gold recovery testwork using gravity and leach techniques is well advanced. This will be complemented by comminution (grinding) tests to determine estimated power consumption. The three tailings dams have been sampled by drilling, with assaying and an evaluation of economic viability in progress.

A new resource estimate by independent and highly regarded consultants, Snowden Mining Industry Consultants Pty Ltd, has been declared. The resource below the open pit is estimated at 35.4 million tonnes at 1.3 g/t (1.545 million ounces) at a 0.5g/t cut-off. Due to the data cut-off date nine holes are not included in the new resource, foreshadowing a further resource update in April 2005. An additional 50,000 ounces of gold is inferred for the tailings ponds (estimate by Hardrock Mining Consultants) with drilling still in progress.

On-going exploration activity achieved two notable results. East Zone (north) is a strongly mineralised lode system, with a current strike over 120 metres and open to the north, east and at depth. Intersections include 3 metres at 19.7 g/t, 20 metres at 3.9 g/t and 19 metres at 3.2 g/t at depths of 90-235 metres below surface. Importantly, these results occur within the current pit design perimeter.

The deeper Main Zone intersections are 50 metres below the previous deepest intersections, and are 180 metres below the current pit floor (and 100 metres below the project pit floor design). The intersections, 28 metres at 9.3 g/t, 13 metres at 7.5g/t and 26 metres at 6.9 g/t occur over a lateral strike distance of 120 metres.

With technical aspects of the project proceeding along a well defined path the Company appointed NM Rothschild and Sons as financial adviser and arranger. Rothschild has in-country experience and was recently the successful Lead Manager for the first greenfield mining project financing for thirty years in the Philippines.

The Company also welcomes the Republic of the Philippines Supreme Court decision to reverse an earlier decision, and declare title held under FTAA valid. This is a positive development (Red 5 holds title under an established MPSA) for the Philippines mining industry and for investor confidence.

Nicholas Smith –Chairman



SIANA GOLD PROJECT

(RED 5 Limited 80%,
JCG Resources Corporation)

Resource Estimation

Snowden Mining Industry Consultants (Snowden) has estimated a JORC compliant project resource of 12.0 million tonnes at 2.5 g/t (at 1.25 g/t cut-off) for 0.946 million ounces, or 35.4 million tonnes at 1.3 g/t (0.5 g/t cut-off) for 1.545 million contained ounces.

The lithological model used is based on all available drill data (historic and Red 5) but the grade estimate (using top cut ordinary Kriging) is based predominantly on thirty seven of the diamond holes drilled by Red 5 during the 2004 campaign. The model incorporates detailed evaluation of the Main Zone caved portion caused by previous mining.

A separate estimate for East Zone, which remains open to the north, east and at depth, was included.

Hardrock Mining Consultants estimated a tailings resource of 2.0 million tonnes at 0.8 g/t for 50,000 contained ounces, with 1.6 million tonnes still to be drilled.

The Siana gold project resource has increased 42 percent to 1.6 million ounces compared with the 2004 estimate and is scheduled to be updated in April 2005 incorporating the final nine holes of the 2004 drill campaign (yet to be reported).

Resource drilling

Diamond drilling (17 holes for 5,962 metres) continued with 12 holes completed in the pit area in addition to 5 near mine exploration holes in the Boyongan Corridor.

Drilling below the open pit, was predominantly from the east side. The presence of an extensive mineralised system over a strike of at least 120 metres is indicated for the northern East Zone within a complex of basalts, basalt breccias, and coarse clastic sediments, adjacent and east of the carbonate hosted Main Zone.

Results were received for holes SMDD61 to 65 (Table 1). Gold intersections in the East Zone included 3 metres at 19.7 g/t, 20 metres at 3.9 g/t, 19 metres at 3.2 g/t, 29 metres at 2.1 g/t and 8 metres at 5.6 g/t - at depths 90 metres to 235 metres below surface. Some lodes carry silver, lead zinc mineralisation.

Promising Main Zone depth extensions to 280m below surface, (100 metres below the Pre-feasibility design pit floor) include 29 metres at 3.3 g/t Au, 14 metres at 4.0 g/t, 28 metres at 9.3 g/t, 13 metres at 7.5g/t and 26 metres at 6.9g/t.

As for East Zone these intersections occur over a strike of approximately 120 metres.



Boyongan Corridor

Four diamond holes were completed in the Crackerjack area north-west of the current Resource. Alteration was observed in all holes with results pending.

A fifth hole was drilled to test a basalt target located 500m NNE of the pit, with results pending.

Copper-gold porphyry

Surveyed gridding and soil sampling commenced in preparation for a 48 line kilometre Induced Polarisation and ground magnetic geophysical survey in the Madja area, covering approximately 10 square kilometres.

The geophysics is expected to be complete by the end of March, with drilling scheduled for the June 2005 quarter.

Mapawa Joint Venture

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

DEVELOPMENT STUDIES

Pre-feasibility technical studies commenced, with a focus on key elements identified in the Scoping Study, including:

- Metallurgical samples (9 tonnes) sent to Australia for gravity and leach test work - initial work is complete with more detailed studies now in progress.

- Additional 4 tonne sample committed to comminution tests (crushing, grinding, power usage).
- Tailings air core drilling (64 holes completed)
- Mill site sterilisation air core drilling completed (64 shallow holes).
- Hydrological test work commenced, three new permanent monitoring holes drilled.
- Ground survey of surface topography completed
- Environmental Impact Statement commenced via Philippine consultants BMP Inc
- Initial geotechnical investigation completed by BFP Consultants P/L
- Initial evaluation of low grade stockpiles in progress

NM Rothschild and Sons was appointed financial adviser and arranger to provide in particular technical and legal audit to deliver a smooth bank consortium due-diligence process.

Rothschild has extensive cross border project finance experience, has been transacting in the Philippines since 1996, and has detailed knowledge of the Mining Act and strong relationships with Philippine lawyers, consultants and contractors.

Rothschild successfully Lead Managed the first greenfield mining project for thirty years in the Philippines in 2004. With the Supreme Court recently confirming the validity of FTAA title, the demand for these specialist skills will no doubt accelerate.



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.

Regional RAB drilling continues to test magnetic and geochemical targets within the Victory Creek - Hypotenuse project area.

During the quarter 26 shallow RAB holes for 1,048 metres tested targets at Two Dogs, NE Cup and Julia's Fault. At Two Dogs, drilling again intersected altered sediments with strong arsenic and anomalous gold with the gold-arsenic trend open along strike to the north east.

At NE CUP wide spaced RAB drilling also located a gold-arsenic anomaly in sediments that is open to the north and south and warrants follow up drilling.

At Julia's Fault drilling showed an arsenic-antimony-gold association strongly suggestive of the same structure that hosts significant mineralisation 3.5 kilometres to the NE at Victory Creek, and should be further tested.

ASIA GOLD LIMITED

Red 5 is a founding shareholder and seed capital provider to Asia Gold, a company incorporated in the United Kingdom in May 2004.

The company mandate is to acquire exploration and mining tenements in the Tien Shan gold belt which stretches from the Ural Mountains in Russia, through Central Asia and China to Mongolia. The belt includes numerous world class gold mines including Murantau (140 million ounces).

Red 5 partner, Midland Minerals Limited of Scotland, (world renowned for their 3 D computer modelling) will use their unique expertise to analyse systematic spatial coincidence of key geological components over vast areas to identify highly prospective target areas.

Partners Davis Exploration and Orlov have extensive field experience and government relationships in Central Asia.

Red 5 has committed US\$200,000 to support and earn a 50% interest.

CORPORATE

The placement of 31 million shares at 17.7 cents each to AngloGold Ashanti Australia Limited was completed pursuant to a strategic alliance formed in October 2004.

The Head of AngloGold Ashanti Australia Limited, Mr Peter Rowe, was appointed as a non-executive director of the Company.

FINANCE

The net cash position of the Company at the period end is \$10.2 million.



**TABLE 1 Siana Open Pit Diamond Drill Results
(0.5 g/t Au cut-off)**

Hole ID	Easting UTM WGS84	Northing UTM WGS84	Az (mag)	Dip (deg)	From (m)	Interv al (m)	Au (g/t)	Zone
SMDD 61	783435	1055752	270	-25	185	3	19.7	East
(55180N)*			<i>(incl 2m at 12 g/t Ag, 4.9% Zn, 1.2% Pb)</i>					
					344	29	3.3	Main
					411	6	1.7	West**
					426	1	19.1	West
SMDD 62	783406	1055670	270	-45	172	20	3.9	East
(55100N)*					251	5	4.3	East
					261	19	3.2	East
					324	29	2.1	East
					376	14	4.0	Main
SMDD 63	783415	1055631	270	-45	270	18	1.3	East
(55060N)*					294	8	5.6	East
					351	6	2.6	East
					367	28	9.3	Main
					<i>Incl. 367</i>	6	13.2	Main
					377	8	16.5	Main
					388	7	7.1	Main
SMDD 64	783419	1055587	270	-35	332	19	1.5	Main
(55020N)*								
SMDD 65	783435	1055752	270	-37	41	9	1.1	East
(55180N)*					195	10	2.9	East
					211	7	1.9	East
					391	18	1.1	East
					416	13	7.5	Main
					438	26	6.9	Main

* Local mine grid. All drill hole collar coordinates are rounded to the nearest metre.

** Denotes hosted within western volcanoclastic domain.

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 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 31 January 2005

Ordinary shares 251,304,333
Options (31 January 05)... 55,076,020
Options (various dates)... 2,100,000

REGISTERED OFFICE

Level 1
43 Ventnor Avenue
West Perth
Western Australia 6005

Telephone: (61 8) 9322 4455
Facsimile: (61 8) 9481 5950
E-mail: info@red5limited.com
Web-site: www.red5limited.com

SHARE REGISTRY

Enquiries relating to shareholding
and notification of change of address
should be directed to:

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone:(61 8) 9315 0933
Facsimile: (61 8) 9315 2233
E-mail: registrar@securitytransfer.com.au