



## ASX Activities Report

for three months ended  
31 December 2003

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

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or  
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Exploration Director

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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  
and divest remaining non-core  
assets.*

## OVERVIEW

### Siana Open Pit

- New resource model completed
- Resource inventory increases to 1.1 million ounces
- Subsequent hole at 160 metres vertical intersects 19 metres at 7.9 g/t
- Dayano IP target potential confirmed by initial drill hole.

### Boyongan Corridor

- Crackerjack potential confirmed (10 metres at 5.6 g/t)
- Soil auger geochemistry confirms strong target north-west of Fritz Weber
- Cawilan new target drilling in progress

### Anglo American Group

- Two copper-gold targets identified on southern portion of Siana MPSA
- Red 5 to sole fund initial drilling

### Mapawa Joint Venture

- Procedures for grant of MPSA commence

### Corporate

- Bonus 2005 option declared
- Non-core asset realisation (\$0.35 million)

**Greg Edwards**  
Managing Director

22 January 2004



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## CHAIRMAN'S REVIEW

**A growing inventory of drill ready targets combined with a disciplined financing strategy has generated an intense level of exploration activity at Siana, with four rigs currently on-site.**

**Early results from the \$3.3 million fully funded exploration programme indicate potential for progressive upgrades to the resource inventory.**

To complement and facilitate rapid evaluation of results from the current 15 hole deep drill programme below the Siana open pit, a new resource model was completed and independently validated. The model benefits from our improved knowledge of the deposit, structural control interpretation and superior data application.

As a consequence of the new model, and incorporation of two holes drilled last calendar year, the resource estimate increased to 1.1 million ounces. This does not include the result from the first hole in the current programme, which recorded an intersection of 19 metres at 7.9 g/t at a vertical depth of only 160 metres below surface (60 metres below the pit bottom).

The new resource inventory does not include discoveries at Crackerjack, Fritz Weber and Alegria which are also the subject of current exploration.

A new dimension to the exploration potential was highlighted by Anglo American Group investigations conducted under a Confidentiality Agreement on the southern portion of the Siana JV MPSA. After discussions with Anglo, and in the interests of maintaining exploration momentum, a decision was made in the initial phase for Red 5 to sole fund drill one of the two copper-gold porphyry targets.

Post period end a particularly strong soil auger geochemical anomaly was identified as a new priority target west and north west of Fritz Weber along the Boyongan Corridor.

Our financial position to maintain active and expanding exploration programmes has been supplemented by the realisation of an additional non-core asset and the early exercise of a portion of the unlisted options.

Holders of the listed options expiring on 31 January 2004 are encouraged to contact Mr Greg Edwards, our Managing Director or Mr Lance Govey, our Exploration Director on any aspects of the company business.

**Nicholas Smith**  
**Chairman**



## **SIANA GOLD PROJECT**

(RED 5 Limited 80%,  
JCG Resources Corporation)

### **Resource upgrade**

Independent Resource modelling and estimation announced post period resulted in an upgrade to 1.1 million ounces of gold (Indicated and Inferred) from a total of 18.8 million tonnes at 1.9 g/t Au (0.5 g/t cut-off).

In the new Resource model, Indicated Resources are quoted as previously to 250m below surface, Inferred Resources to 350m below surface are included for the first time.

New data includes the results of two diamond holes directed below the pit in calendar 2003 (intersections of 78 metres at 1.2 g/t and 128 metres at 2.3 g/t) and mineralised backfill (estimated to contain 45,000 ounces at 2.7 g/t to a depth of 110 metres below the pit floor) following confirmed void/past production reconciliation.

The new Resource also benefits from improved knowledge of the deposit, improved structural control interpretation and a superior specific gravity block model.

Not included in the new Resource estimate are substantial low-grade stockpiles and mineralised tailings from previous mining activity that will be evaluated during scoping and feasibility studies.

Mineralisation at Crakerjack, Fritz Weber, Alegria and Madia Prospects along the Boyongan Corridor are also excluded.

### **Drill and evaluation programme**

A fully funded \$3.3 million exploration programme, commenced in November 2003 to accelerate the evaluation of the Siana deposit and surrounding project area.

The programme is planned to include metallurgical testing, engineering studies, and continuation of environmental baseline surveys.

At the minesite a major drill programme will comprise up to fifteen diamond holes for a total in excess of 6,000 metres that will seek to upgrade and extend the current Resource.

Additional exploration targets in the near mine environs and elsewhere within the project area will be tested by reverse circulation (RC) drilling (in excess of 3,000 metres) and diamond drilling.

### **Resource drilling**

Results for the first hole of the programme below the open pit recorded a high grade intersection of 19 metres at 7.9 g/t Au from 275m downhole (160m below surface) in the northern Main Zone.

Additional intersections include 9m at 1.0 g/t from 306m, 11m at 1.5 g/t from 344m, 5m at 2.1 g/t from 465m and 8m at 2.5 g/t from 507m downhole.

A hole testing the earlier identified Dayano IP geophysical anomaly in the East Zone intersected an intensely altered, strongly sulphidic



zone adjacent to a feldspar porphyry contact 250 vertical metres below surface.

The alteration zone extends over 25 metres and includes 10m at 2.5 g/t from 300m downhole. The intersection is open, allowing considerable scope for extensions up dip and along strike. Further drilling is scheduled.

### **Near mine drilling**

The Mango IP target yielded strongly sulphidic zones in lithologies now thought to be a faulted off-set of the eastern footwall sequence to the Main Zone. Additional drilling will target the sequence immediately west of the IP anomaly.

Testing of the Cawilan IP target is currently in progress with completion expected this month.

At Crackerjack results from angled follow-up RC drilling in hole SMRC010 returned a downhole intersection of 10 metres at 5.6 g/t gold (one metre resplits) from 55 metres depth. The intersection includes modest silver, lead and zinc credits.

SMRC013, drilled below SMRC010 intersected three low grade gold zones that indicate the system may have a sub-horizontal attitude open to the north-east. More drilling is required to establish the orientation and thickness of the system, particularly in relation to the Fritz Weber gold geochemical anomaly discussed below.

### **Auger geochemistry**

Soil auger geochemistry was completed over the IP targets at Mango and Dayano, as well as a substantial area north west of Crackerjack-Fritz Weber.

A very strong gold target has been defined west and north-west of Fritz Weber coinciding with siliceous alteration along a palaeo-ridgeline. The zone is favourably located at the intersection of primary and secondary structures along the Boyongan Corridor.

Gold values averaging more than 200 ppb are present over an area 400 metres by 200 metres (similar dimensions to the main Siana orebody) and the anomaly is open to the west. The gold values are supported by the associated multielements silver, zinc, lead, antimony and arsenic.

This anomaly will be drill tested as soon as practicable.

### **Copper-gold target**

Following the delineation in the September quarter of six new gold target areas from stream sediments to the west and south of Siana, two outstanding, drill ready copper-gold targets up to 1.5 km in diameter and one copper zone, 2.0 km in diameter, were defined from soil sampling by the Anglo American Group.



Follow-up rock chip assays to 6.1 g/t gold and 2.1% copper in stream float, and 0.74 g/t gold with 1,740ppm copper in outcrop, demonstrate the porphyry copper-gold potential of these substantial areas associated with the Boyongan Corridor.

Red 5 is sole funding initial drill testing, just commenced, at the first of these targets at Madia located 7.5 km south of Siana.

### **Mapawa Joint Venture**

Initial ground clearances have been acquired from local authorities in the first stage of the progression of grant of the MPSA.

A Resource estimate will commence next quarter.

### **NON-CORE ASSET**

Option holder Traka Resources Limited exercised the option to purchase the Ravensthorpe Nickel project tenements for a cash consideration of \$350,000.

### **CORPORATE**

A Bonus Option was declared, exercisable in early 2005 under the capital management strategy plan to provide for future funds to complete the Siana Gold project feasibility study.

The Bonus Option will be allotted on the basis of one option for every four shares held at the record date 23 February 2004 and is exercisable at 35 cents on or before 31 January 2005.

Mr Colin Jackson was appointed to the Board in November 2003.

*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.*



## **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)

### **COMPANY SECRETARY**

Frank J Campagna

### **ISSUED CAPITAL**

As at 22 January 2004

Ordinary shares 193,888,976  
Options (31.01.04) 54,406,620  
Options (various) 7,350,000

### **REGISTERED OFFICE**

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### **SHARE REGISTRY**

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

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