



ASX

Activities Report

for three months ended
30 June 2006

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

Greg Edwards
Managing Director

or

Lance Govey
Exploration Director

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 .

Investor Inquiries:
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OVERVIEW

Siana Gold Project, Philippines

- Bankable feasibility study on schedule for October 2006 completion
- Pit expansion option, in year 3, under review
- Diamond hole (SMDD105) below the pit bottom design achieves record Intersection of 144 metres at 5.8g/t. Potential for large underground stoping option under review
- Long lead time items, rolls crusher and ball mill secured - refurbishment estimate and schedule determined, deposits paid

Mapawa MPSA application

- Regulatory documentation completed and submitted to Surigao Mines and Geosciences Bureau

Exploration—Montague JV, Australia

- Barrick Gold (manager) commences \$4 million earn-in with 2,500 m of air core drilling.

Finance

- Net cash position \$2.8 million
- Interim debt facility under consideration

Greg Edwards
Managing Director

31 July 2006

Momentum for the Company is high. Following announcement of the pre-feasibility study conclusions in early May, management is well advanced with the bankable study - including expansion options, securing suitable second hand long lead time equipment items for crushing and grinding, reporting a record intersection below the bottom of the pit design, and has lodged the Mapawa MPSA documentation with the Surigao MGB provincial office.

The Siana pre-feasibility indicated the project to be both technically and financially viable with an internal rate of return of 27% at a gold price of US\$600 per ounce and a cash operating cost estimate of US\$253 per ounce. The project was designed on an initial open pit and nominal 0.75 mtpa conventional process plant delivering 344,000 ounces of gold over an 86 month period. The initial capital cost to first gold pour was estimated at US\$44.5M based on new equipment and inclusive of early site infrastructure (US\$1.0M), strategic spares, first fill and commissioning (US\$1.5M), escalation and contingency (US\$4.7M) and the bankable feasibility study (US\$1.8M).

Siana last operated in 1990. At the time of closure, gold prices were low and mine expenditure on development ahead of exposing new faces in the pit had been deferred for some time. Also included in the capital cost is an 8 Giga litre de-water programme (US\$2.3M) and a pre-strip and cut-back totalling 2.9M bcm or approximately 7.1M tonnes (US\$5.4M) in order to access ore at the bottom of the pit.

The pre-feasibility study also identified a number of opportunities to improve the project economics. In particular, two long lead time process plant equipment items were secured, post a detailed engineering review and refurbishment estimate by Internet, the Company process design engineering consultants. The items, a rolls crusher located in Perth and a (one-owner) ball mill located in the Philippines have the capacity to handle throughputs 50 percent above the current mine plan.

A mine expansion to exploit the majority of the Indicated and Inferred Mineral Resource (11.46Mt at 2.4g/t), doubling the throughput and commencing in the third year of operations is also under active consideration. Whilst the waste dump footprint might have been a partial limiting factor the recent drill hole intersection SMDD105 below the pit design has dramatically changed the equation.

This hole passed through strong alteration and mineralisation with an estimated true horizontal width of 95 metres assaying an average 5.8 g/t. Included are two high grade intersections of 8 metres horizontal width at 25.5 g/t (15.4 g/t cut) and 28 metres horizontal width at 10.1 g/t (8.5 g/t cut).

These positions represent genuine large stope underground mine positions that could be exploited via a decline commencing in the competent porphyry rock unit near the pit bottom. A second hole is nearing the same target area.

The recent high grade intersection has also accelerated interest from the banking community which is timely given the bankable feasibility study is scheduled for completion in October 2006.

Siana bankable feasibility study

Multi-disciplinary studies are proceeding satisfactorily, with a target completion date of October 2006.

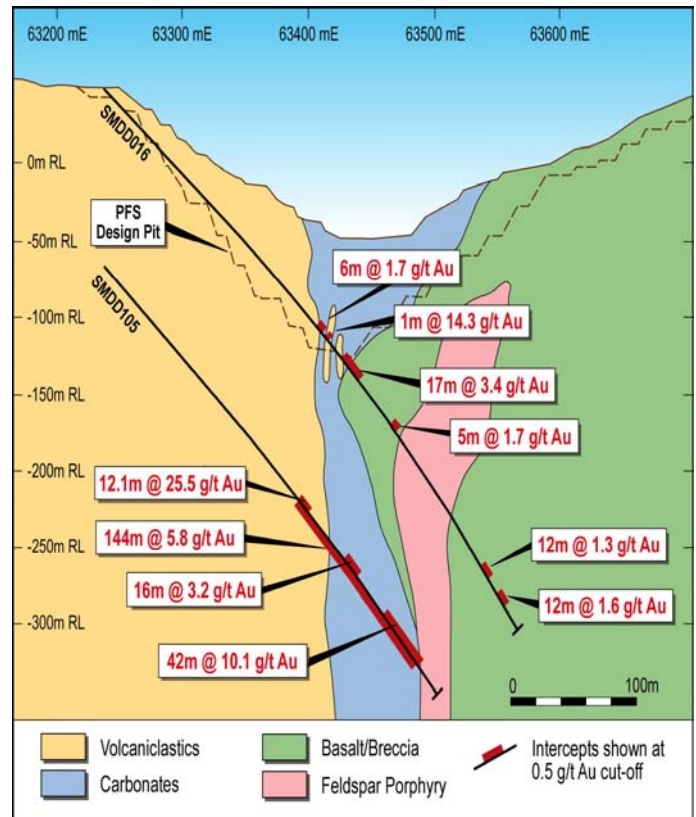
Tender documents for firm quotations have been issued to various contractors, mainly Philippine for mining and all aspects of the civil engineering and process plant construction. Expressions of interest and bid reviews will be completed by late August 2006.

The decision to secure a suitable ball mill (known history) with spares and located within the Philippines dramatically reduces the project construction lead time. Recent revisions to new ball mill construction and delivery estimates have extended from 66 weeks to 88 weeks. The mill was one of nine inspected over a three month period. A substantial deposit has been made and the unit is insured. Refurbishment and transport to site could be achieved inside four months.

Both the mill and the previously secured second hand rolls crusher (located in Perth) have the capacity to handle at least 50 percent more tonnage throughput than in the current mine plan.

A diamond step-out hole (SMDD105) designed to test the potential for large stope underground mine development intersected three gold zones within a strongly mineralised down hole interval of 144 metres at 5.8g/t Au and 10.4g/t Ag below the north end of the pre-feasibility design open pit pit.

The mineralized zone extended over a vertical range of 110 metres, from 95 metres to 205 metres below the pre-feasibility design open pit floor. The zone remains open to the north, and at depth.



SMDD105 results and cross section

With substantial estimated horizontal widths the potential for large stoping mining methods is being reviewed by RSG Global.

Follow-up drilling continues with hole SMDD106 near completion. A further two holes are under consideration.

While a pit expansion option is also at an advanced stage of review the underground mine concept is less dependent on waste dump storage.

Zone	SMDD105 From (m)	Downhole Interval (m)	Horizontal width (m)	Au (g/t)		Ag (g/t)
				Uncut	Cut*	
West	398.9	12.1	8	25.5	15.4	5.3
Central	452.0	16	10	3.2	3.2	8.7
East	501.0	42	28	10.1	8.5	26.1
Overall	398.9	144.1	95	5.8	4.8	10.4

* upper cut 75g/t

Exploration

Mapawa MPSA Application

All regulatory documentation has been submitted to the Surigao Mines and Geosciences Bureau (MGB) and awaits transmission to the Manila Central Office of the MGB.

Montague JV, Australia

(Red 5 25% free carry)

Barrick Gold has completed an air core drilling program consisting of 29 holes for 2,538m along the inferred trend of the Julia's Fault gold –arsenic anomaly.

Bottom of hole multi-element assays are awaited prior to a full assessment of the results.



Ball mill shell (r)-Philippines



Siana zinc sulphide-gold vein in pyritic limestone -SMDD105

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

Nicholas Smith	(Chairman)
Greg Edwards	(Managing Director)
Lance Govey	(Exploration Director)
Colin Jackson	(Non-executive Director)
Peter Rowe	(Non-executive Director)
Frank Campagna	(Company Secretary)
Manny Ferrer	(Philippines-based)
Attny E Panimogan	(Philippines-based)

Registered Office

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Stock Exchange Listing

Australian Stock Exchange
Ticker Symbol: RED

Issued Capital

As at the date of this report,
issued capital is 269,288,043 shares.

Substantial Shareholders

Mathews Capital Partners	17.3%
AngloGold Ashanti Australia Limited	14.1%

Shareholder Enquiries

**Matters related to shares held,
change of address and tax file
numbers should be directed to:**

Securities Transfer Registrar
770 Canning Highway
Applecross WA 6153
Telephone.....+61 8 9315 2333
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