



ASX

Activities Report

for three months ended
30 September 2007

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

- Project feasibility study upgraded, “Accelerated Case” adopted—delivers 100,000 ounces per annum plus for project years 3 and 4.
- Ten year LOM cash cost US\$309 per ounce.
- IRR of 49% at US\$650 per ounce.
- Three project enhancement cases identified.
- Preliminary metallurgical test work achieves 90% zinc recovery for zinc rich ore below 250 metres vertical.
- Five holes of eleven hole diamond programme to upgrade the underground resource completed; first results pending.

Mapawa MPSA and JV

- Revised Mines Department requirements completed and submitted, progress to grant closely monitored.

Finance and Corporate

- \$1.2M equity raise to finance underground resource upgrade programme completed.
- Siana Project senior debt finance mandate (US\$42M) awarded to Société Générale Corporate and Investment Banking Australia.
- Siana Project equity finance (\$28M—\$35M) awarded to Southern Cross Equities.
- Siana Project subordinated debt offers received and subject to on-going review.
- Cash position at period end \$1.48M.
- Annual General Meeting set for 28 November 2007.

Greg Edwards
Managing Director
31 October 2007

CHAIRMAN'S REVIEW

A busy quarter for the Company with deliverables including Board adoption of the “Accelerated” feasibility study, the recommencement of deeper drilling, preliminary conclusions on a flow sheet to recover zinc concentrate, and awards of Siana Project senior debt and equity mandates.

The Siana development will be based on the designated “Accelerated Case” based on a ten year mine life down to 400 metres vertical. The open pit will operate for a four and half year period with concurrent production from underground commencing in project year three. In this scenario, production peaks at 129,000 ounces at a cash cost of US\$249 per ounce in project year four.

The Company has also identified three enhancement cases, two of which are subject to active on-going review in the next six months.

The first review contemplates a doubling of the conservative underground mining rate (300,000 tonnes per annum or only 20 vertical metres of development per annum) assumed in the Accelerated Case. The current eleven hole drill programme, targeted at the 220 to 350 metre vertical horizon to upgrade the resource category, will also provide additional geotechnical data which will be integral to any decision to increase the mining rate. A positive outcome would result in the Siana production profile remaining above 100,000 ounces per annum after year three.

The second review focuses on the co-production of zinc concentrate from project year five onwards. The preliminary outcome results in significant zinc revenues that can be credited against gold recovery costs.

A third enhancement case relates to potential mining and processing of soft near surface satellite ore from Mapawa (MPSA grant awaited).

Project financing has advanced with Société Générale Corporate and Investment Banking, as Arranger, providing an indicative term sheet comprised of Project Development and Working Capital Facilities (US\$42M) and Capital Overrun Facility (US\$5M). Draw down is subject to normal credit approvals and completion of various conditions precedent.

With the project development definition complete the Company made presentations to over twenty financial investment institutions in Melbourne, Sydney, Perth, Paris, London, Hong Kong and Singapore, and to a number of broker dealing desks. With significant positive interest Southern Cross Equities were mandated to effectively recapitalise the Company by raising a minimum \$28 million in equity.

Two significant convertible note offers have also been received and these will be considered in due course .

And finally, the AGM will be held on 28 November 2007. Shareholders who are unable to attend are urged to vote by proxy and may contact any member of the Board should they require an explanation of the Meeting resolutions.

Colin G Jackson
Chairman

**Project enhancement case
- zinc concentrate co-production**

Moderate zinc grades are noted in the drill core from approx. 250 metres vertical with material likely to be mined during project five of the Accelerated Case.

Preliminary test work has been completed at Optimet Laboratories in South Australia on a composite sample assaying 2.6% zinc.

The flow sheet design comprises zinc concentrate flotation post the gold gravity circuit with the concentrate intensively cyanided to recover high levels of precious metals as zinc smelter concentrate terms seldom result in payment for gold and silver.

The flotation tailings will also be cyanided in a leach circuit to further increase gold recovery.

**Project enhancement case
- underground resource upgrade
and potential mining rate increase**

Three diamond drill rigs commenced an eleven hole (+3,500 metre) programme to in-fill the upper 130 metres of the underground Inferred Resource with the objective of upgrading the classification to an Indicated Resource and conversion to a Mining Reserve (consistent with JORC standards).

The core will provide additional detailed geotechnical data for use in determining the final underground mine design parameters, and material for further metallurgical test work required to confirm the recovery characteristics of the deeper gold mineralisation.

In addition, where zinc grades are of sufficient tenor, further tests would be completed on flotation recovery to augment preliminary results.

Five holes have been completed with results imminent for SMDD112 and 113 pending receipt of quality control assays. A further three holes are in progress.

The programme is proceeding on target and to date lithological contacts and observed mineralised zones accurately reflect predictions derived from the current geological model.

Deep exploration planning

Subject to the outcome of equity funding a programme of diamond drilling to test depth extensions from 500m to 1,000m below surface may commence immediately following completion of the underground resource upgrade programme scheduled to be December 2007.

Previous intersections of altered and modestly mineralised diorite porphyries indicate potential for deeper copper-gold mineralisation that could occur within the anticipated depth range of the proposed drill programme.

Mapawa MPSA

Additional requirements of the Mines and Geosciences Bureau in relation to the grant of the Mapawa MPSA have been met and relevant documentation resubmitted for final processing.

Company staff are closely monitoring progress in Manila.

Production schedule – Accelerated Case (the first four years)

Calendar Year		2009	2010	2011	2012	LOM
Open Pit	('000t)	727,500	749,100	757,500	750,000	3,157,415
Grade	(g/t)	3.31	3.28	3.61	3.47	3.35
Gold ounces		65,866	67,159	75,910	71,923	290,069
Underground	('000t)	-	12,900	247,500	300,000	2,268,074
Grade	(g/t)		6.50	5.68	6.42	6.35
Gold ounces			2,491	41,274	57,219	427,344
Total	('000t)	727,500	762,000	1,005,000	1,050,000	5,425,489
Gold ounces		65,866	69,650	117,184	129,142	717,413
Cash cost	(US\$/oz)	368	330	265	249	309
Total cost	(US\$/oz)	444	406	341	325	384

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

Colin Jackson (Chairman)
 Greg Edwards (Managing Director)
 Lance Govey (Exploration Director)
 Peter Rowe (Non-executive Director)
 Gary Scanlan (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 309,288,043 shares.

Substantial Shareholders

Mathews Capital Partners 17.8%
 AngloGold Ashanti Australia Limited 13.0%

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
 Facsimile.....+61 8 9315 2233