



ASX ACTIVITIES REPORT
3 months ended
30 September 2012

Red5 Limited

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

*The Board strategy remains
the development of Siana.*

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OVERVIEW

Siana Gold Project, Philippines

- Gold-silver doré shipments to Metalor, Geneva, totalled 3,369 ounces of gold and 5,953 ounces of silver.
- Pit ore production severely restricted due to silt and pit bottom debris removal. Critical positioned silt now removed.
- Pre-strip and cut-back movement – 0.43 million bcm this period. Waste stripping rate reduced in-line with current lower ore extraction rate.
- Process plant running time dictated by lower ore extraction rate. Gravity circuit gold recovery rate improving.
- Personnel changes at site include the appointment of Nestor M Casas as mine manager, the imminent arrival of all four pit foremen and a maintenance manager and maintenance supervisor. The director of operations was released from his contract.
- The Renoir Group commenced a thorough review of all site procedures and reporting lines towards the close of the period.

Finance

- EBITDA from Operations of \$0.84 million (unaudited).
- Cash position \$5.08 million at quarter end (unaudited).
- Sprott Resource Lending Partnership US\$8 million drawn post period close.

Greg Edwards

Managing Director

31 October 2012

CHAIRMAN'S REVIEW

Mine operating issues dominate the quarter

As previously advised gold production for the quarter was severely restricted due to circumstances in the pit. The removal of a vast volume of silt and a large quantity of submerged pit wall slump material from the operations over twenty years ago, was significantly underestimated.

The silt, with a consistency akin to sloppy porridge was particularly difficult to excavate and transport out of the pit, leading to low materials movement statistics. Compounding this was continued poor availability of the mine contractor's mobile plant fleet.

The photographs below illustrate both these issues – note the excavator bucket totally disappearing into the liquefied silt and the equipment laid-up in just a portion of the contractor's yard.

Regrettably, gold production for the month of October has also disappointed, compromising the earlier management expectation of achieving 18,000 ounces for the three months to December 2012.

The principal culprit in this case has been equipment failure. The MMD Sizer, the principal crushing unit, was unserviceable for two periods of 6 days due, according to the manufacturer, to a very rare shaft coupling failure. By the month end, the Sizer was back in operation and the circuit modified with the installation of a jaw crusher to deliver greater flexibility and avoid double handling of oversize material.

The mine also suffered a pit dewatering pump failure. The spare Atlas 1,000 litre a second pump also failed on start-up. The net result was access to the recently exposed ore body on the pit floor was precluded for seven days.

Significant personnel changes have now been implemented in the mining department. Although the changes will naturally take some time to achieve acceptable sustainable improvements, mine fleet efficiency has increased in the latter part of October.

The new mine manager has been on site for just over six weeks, two of the four pit foreman have commenced duties and the maintenance manager and maintenance supervisor,

embedded with the mine mobile fleet contractor have just commenced duties. The Company is seeking a replacement for the position of director of operations.

The Renoir Group has provided a draft first review of site practices and procedures.

A number of recommendations have already been addressed with the communication and reporting interface between the Company and the mine contractor prioritised.

Due to delays in gold production, the Sprott US\$8 million loan was drawn down in full post the period close. It is non-revolving and matures in twelve months.

Colin Jackson
Chairman



OPERATIONS

During the period the base of the northern half of the pit was exposed and regular grade control and ore mark-ups are being made on a daily basis. The northern ore zone is approximately 80 metres wide on average enabling selective high-grade ore extraction with concurrent marginal to mid-grade ore removal to separate stockpiles. During the latter part of the period the operation concentrated on developing this part of the orebody to achieve sustained ore deliveries during the ramp-up.

Total material movement during the period of 428,000bcm was in line with the continued removal of silt from the southern portion of the pit and the selective extraction of materials for the on-going construction lift of TSF#4.

The appointment of a new mining manager and additional pit foremen during the period has paid dividends with production efficiencies at an all-time high at the end of October. Safety and environmental measures by the team have also notably improved during the period.

The contractors mining equipment availability has, however, come to a point where changes in the management of the contractor's maintenance program will have to be made. The Company has embedded a senior maintenance manager into the Contractor's team to improve equipment availability across their rental and owner-operated fleet.

The Process Plant has been starved of ore during the period whilst the remaining silt was removed and the orebody developed resulting in the plant operating on only 44 days in the quarter.

Expenditure for the quarter was in line with expectations however the cash costs per ounce were higher due to the impact of fixed costs and low levels of production.

FINANCIAL RESULTS (unaudited)

Although gold production in the period was severely impacted by the de-silting, the Siana operations still achieved a positive EBITDA of \$0.84 million.

After allowing for depreciation, amortization and corporate expenses in Australia and the Philippines the Company made a net loss of \$1.7 million (pre currency translation).

EXPLORATION

Exploration programmes in the vicinity of the mine and on other high quality regional targets have been temporarily postponed to focus on the ramp-up of the Siana operation.

During the period systematic analysis of the exploration and mine assay pulps using a type of portable infrared mineral analyser commenced. Results will be used to vector future exploration drilling programmes.

Quarterly Production Summary

Key Indicators	Units	Quarter ending September 2012
Mine Production		
Waste Mined	BCM '000s	428
Ore Mined	t	86,750
Mill Production		
Ore Processed	t	92,883
Head Grade - Gold	g/t	1.8
Head Grade - Silver	g/t	4.1
Recovery - Gold	%	72
Recovery - Silver	%	27
Gold Recovered	oz	3,862
Silver Recovered	oz	3,327
Gold Sold	oz	3,369
Silver Sold	oz	5,953
Average Gold Price received	US\$/oz	1,697
Cash Operating Costs (i)	A\$/oz	1,382
Total Operating Costs (ii)	A\$/oz	1,797

(i) Includes all site expenditure, royalties, dore shipping & refining costs, silver credits and inventory movement adjustments. Does not include actual waste stripping costs which are deferred and amortised over the life of the open pit.

(ii) Includes all cash operating costs plus plant & equipment depreciation and amortisation of waste stripping costs and capitalised pre production mining and exploration costs.

Financial Summary

	Quarter ending September 2012 A\$m
Sales Proceeds	5.50
Cost of Sales	(4.66)
EBITDA from Operations	0.84
Depreciation and Amortisation	(1.40)
Net Earnings from Operations	(0.56)
Philippine and Australian Corporate costs	(1.10)
Net Earnings/(Loss) (pre currency translation)	(1.66)
Capital Expenditure	
Waste Stripping Costs (i)	3.91
Plant and Equipment	0.68
Exploration	0.12

(i) All waste stripping costs for the period are capitalised and amortised over the life of pit.



Competent Person Declaration

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 Rohan D Williams who is a full-time employee of Red 5 Limited and is a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 (the JORC Code). Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE INFORMATION

Directors and Executive Management

Colin Jackson (Chairman)
Greg Edwards (Managing Director)
Gary Scanlan (Non-executive Director)
Kevin Dundo (Non-executive Director)
Mark Milazzo (Non-executive Director)
Joe Mobilia (Chief Financial Officer)
David Jerdin (Chief Operating Officer)
Rohan Williams (Group Exploration)
Frank Campagna (Company Secretary)
Lolot Manigsaca (Philippines Finance)

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Stock Exchange Listing

Australian Stock Exchange
Ticker Symbol: RED

Issued Capital

Issued capital – 135,488,008 shares
Unlisted options – 290,000

Share Price Range

\$1.09 to \$1.67 (\$1.43 close)

Substantial Shareholders

Baker Steel Capital Managers 8.7%
Franklin Resources Inc. 6.6%

Shareholder Enquiries

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

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