



## ASX

### Activities Report

for three months ended  
31 December 2005

*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:  
[info@red5limited.com](mailto:info@red5limited.com)

## OVERVIEW

### Siana Gold Project, Philippines

- Project proceeding to bankable feasibility (est. IRR 14 percent at US\$475 per ounce)
- Internet Engineering appointed to deliver process plant bankable feasibility study
- Process plant capital cost estimate - US\$17.9 million to first gold pour
- De-watering, mine and infrastructure capital and operating estimates under final review
- Project management changes imminent
- Approach received to drill test 800 metre plus porphyry target below the pit

### Copper-gold porphyry exploration

- One rig operating at Madja
- ALDD4 and ALDD5 (Vein 12) and ALDD6 (Bacuag) results confirm porphyry geology

### Mapawa MPSA application

- Technical data compilations near completion ahead of tenement grant, with immediate drill targets identified

### Exploration - Montague JV, Australia

- Placer Dome (now Barrick Gold) farm-in - \$4 million to earn 70 percent
- Red 5 retains a 20 percent free carry

### Finance

- Net cash position \$5.6 million

**Greg Edwards**  
Managing Director

31 January 2006

## CHAIRMAN'S REVIEW

**Preliminary financial analysis (unaudited) of a nominal 750,000 tonne per annum operation has concluded a development at Siana to be technically and financially viable.**

**Accordingly the commencement of the bankable feasibility study has been authorised, with some elements in progress.**

Frustration with project management and the timely delivery of verifiable capital and operating data continued for some elements of the project during the period under review . Accordingly, the preliminary financial analysis adopts conservative data where final audit is outstanding. Changes to the project management are imminent and include recourse to the AngloGold Ashanti Technical Assistance Agreement.

Internet Engineering has been mandated to complete the process plant and associated infrastructure. Elements of this study have commenced, in particular minor additional metallurgical test work to optimise the crusher selection and grind size, and to establish ore domain variability for design battery limits. The process plant capital cost estimate is US\$10 million lower (without compromising the project integrity) than the previous estimate by an international engineering group. Internet have confirmed completion to bankable feasibility standard by June 2006.

Estimates for the four month 8 giga litre pit de-watering programme are subject to final power cost negotiations that should result in cheaper reliable power, impacting favourably on the de-watering and infrastructure strategy and processing costs .

On the mining side, additional estimates from local Philippine contractors are awaited which may have implications for pit optimisation. Once final ore and waste movement tonnages are confirmed (and with the process plant footprint identified and the initial tailings storage strategy to use the existing dam facilities) the Environmental Impact Assessment can proceed to completion.

An approach has been received from a major international mining house to drill test porphyry copper-gold targets to depths of approximately 800 metres below the Siana deposit. Discussion is in progress.

On the exploration front, initial results from the new copper-gold porphyry targets at Vein 12 and Bacuag are being assessed and the drill rig is currently being re-positioned to Madja. Preliminary work at Mapawa is in progress.

Agreement was also reached with Barrick Gold (formerly Placer Dome) to farm-in to the Montague JV Gidgee area, the only major non-Philippine project in the portfolio. Barrick is targeting a large sediment hosted deposit similar to Wallaby (annual production exceeds 300,000 ounces). Placer proprietary interpretive analysis suggests strong potential for a 5 million ounce deposit under cover.

Red 5 will retain a 20 percent free carry post the \$4 million farm-in.

## SIANA MPSA EXPLORATION

Mapping, rock chip sampling and drilling continued in the Madja-Alegria portion of the southern MPSA area.

Results were received for angled core holes ALDD 4 and ALDD 5 targeted on IP anomalies west and south of ALDD 3 in the Vein 12 prospect area. Both holes intersected disseminated pyrite mineralisation with intermittent elevated copper and gold intervals.

ALDD 4 (total depth 326.1m) was essentially barren to 120m depth but thereafter contained numerous narrow copper zones greater than 0.1% Cu, often with coincident elevated gold to greater than 0.1g/t. Maximum assays were 10m from 288m at 0.17% Cu (including 4m at 0.24% Cu) and 2m from 120m at 0.43g/t Au.

ALDD 5 (total depth 162.3m) was drilled to the west from the collar of ALDD3 to test a shallow IP anomaly. Maximum results were 2m from 72m at 0.28% Cu and 6m from 84m at 0.20% Cu, with no anomalous gold.

Drilling commenced at ALDD 6 to test the "Bacuag" IP anomaly located 2.5 km east of the Vein 12 prospect and some 500m higher in elevation, in rugged terrain. The hole was completed post period at 455m, having intersected a massive hornblende diorite porphyry and minor sediments and limestone. Whilst altered, the porphyry hosts only minor disseminated sulphide. Results are pending.

Drill set-up at ALDD7 is in progress on a strong IP target south of ALDD 1 and ALDD 2 (the first mineralised holes drilled at the Madja Prospect prior to the IP survey).

ALDD1 included seven intersections at a nominal 0.2% copper cut-off between 41 metres and 361 metres that aggregated to 162 metres at a weighted average grade of 0.32% Cu, 0.26 g/t Au and 1.5 g/t Ag.

## MAPAWA PROJECT (Red 5 80%, Merrill Crowe 20%)

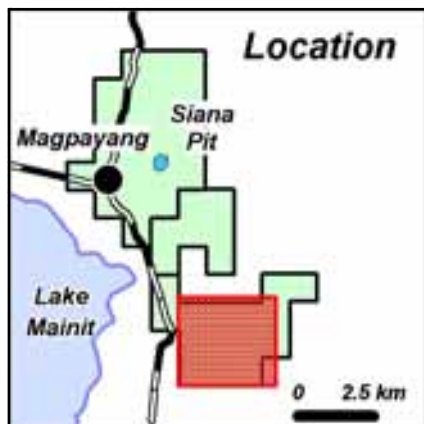
Detailed compilations of historic technical data including drilling, geological mapping, geochemical and geophysical data are in progress ahead of imminent finalisation of the MPSA application process.

Former operator Suricon mined a parcel of open pit ore from Mapawa in the early 1990s revealing the "LSY" stockwork vein system hosted in an altered intrusive complex.

Priority exploration immediately on grant of the MPSA will include a detailed ground geophysical survey and diamond drilling, focused around LSY.



*Portion of LSY pit*



## MONTAGUE JV

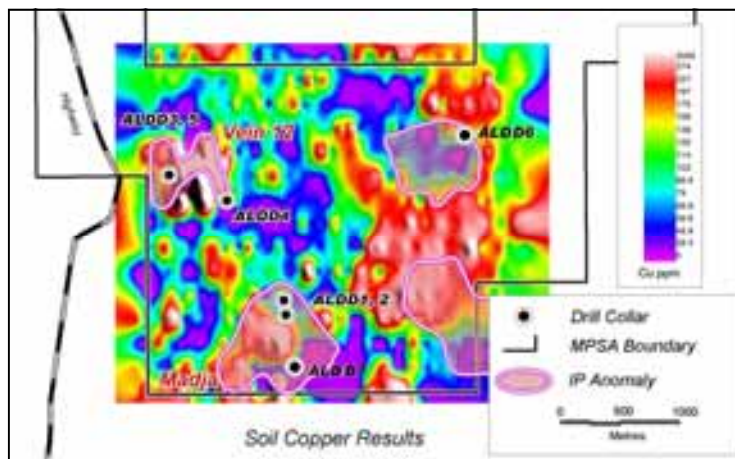
(Red 5 25%, Gateway Mining NL)

Barrick (Placer Dome) has farmed-in to the Montague JV and may earn a 60 percent interest by spending \$2.5 million in the first three years (subject to a minimum \$400,000 in the first year) and an additional 10 percent interest by a further expenditure of \$1.5 million by the fifth year.

Barrick is targeting a large sediment hosted deposit similar to the nearby Wallaby deposit discovered in 1997 and with current production in excess of 300,000 ounces per annum.

Detailed Placer proprietary interpretive analysis suggests strong potential for a 5 million ounce deposit under cover.

Red 5 will retain a minimum 20 percent free carry interest.



## Alegria-Madja diamond drill location plan

*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

Level 2, 35 Ventnor Avenue  
West Perth WA 6005  
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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 268,903,428 shares.

### Substantial Shareholders

AngloGold Ashanti Australia Limited	14.1%
Mathews Capital Partners	5.6%

### 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