



**ASX REPORT TO
SHAREHOLDERS**

4 October 2011

Red5 Limited
is a publicly listed company
on the ASX
- ticker symbol RED

*The Board strategy
is to focus on the
development of Siana.*

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Siana gold project – Mineral Resource increase

The imminent commencement of gold production, the earlier availability of the ultimate 1.1 million tonne per annum plant throughput and a higher sustained gold price have prompted a review of the Mineral Resource estimate previously calculated in February 2009.

Pit shells have been calculated for gold prices from US\$700 per ounce incrementally to US\$1,800 per ounce. At US\$1,200 per ounce, the entire Resource (known through drill testing to date) can be exploited by open-pit methods and delivers the highest net present valuation. However, the volume of waste generated under this scenario dominates the ground footprint held by the Company and is not deemed to be desirable given various social and topographical considerations.

The new Mineral Resource statement estimated within the guidelines and definitions of the 2004 Australasian Code for Reporting Mineral Resources and Ore Reserves (the JORC Code) is based on a US\$900 per ounce pit shell. The global resource of 13.2Mt at 3.2g/t gold and 5.7g/t silver for 1,357,000 ounces and 2,417,000 ounces respectively, represents an additional 231,000 ounces of contained gold, an increase of 21%.

A cut-off grade of 0.8g/t (1.1g/t previously) and 2.0g/t gold was used to define the Mineral Resource in the open-pit and underground portions of the deposit respectively. Significantly, 81% (60% previously) of the Mineral Resource is now within the Indicated confidence category. The open-pit Resource has been extended an additional 100 metres vertical and now accounts for 83% of the tonnes and 65% of the ounces (previously 48% and 31% respectively), an overall increase of 526,000 ounces.

The Ore Reserve, mine plan and production schedule are still being reviewed. The revised Resource offers the optionality to extend the open pit operating life and as a consequence delay commencement of the underground phase. The revised Resource also offers the potential to stockpile intermediate grade material for future processing.

Exploration activity continues at site but remains frustrated by an extremely slow assay turn-around time. Completion of the remaining process plant pipework and electrics will accelerate shortly as the prioritised stand-by power plant construction nears completion.

The construction of the Siana gold project is approximately 85% complete and on target for a first gold pour in November. The first mill feed will be from existing low grade stockpiles.

Greg Edwards
Managing Director

Mineral Resource (as at September 2011)

Category	Tonnes (million)	Gold Grade (g/t)	Contained Gold (‘000 oz)	Silver Grade (g/t)	Contained Silver (‘000 oz)
Indicated Resource					
Stockpiles	0.1	1.2	4	8.7	31
Open Pit	9.6	2.5	765	4.5	1,379
Underground	0.9	6.7	199	12.2	359
Total Indicated Resource	10.7	2.8	969	4.6	1,775
Inferred Resource					
Open Pit	1.4	2.6	112	4.8	209
Underground	1.1	7.6	276	11.9	433
Total Inferred Resource	2.5	4.8	388	8.0	642
Total Mineral Resource	13.2	3.2	1,357	5.7	2,417

Note: - contains minor rounding adjustments; - Open pit cut-off grade 0.8g/t Au; - Underground Resources are defined as the region below the optimised Open Pit at a US\$900 gold price (nominally below -270mRL) using a +2g/t Au cut-off

Mineral Resource estimate noted above is consistent with the guidelines and definitions of the 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code).

The Resource is assumed to have a reasonable prospect for eventual economic extraction according to the analysis of the known data, and from which Ore Reserves will be derived by the application of appropriate Modifying Factors including mining, metallurgical, economic, marketing, legal, environment, social and government considerations.

The open pit Mineral Resource was estimated by Hellman and Schofield using the method of Multiple Indicator Kriging with block support correction.

The underground portion of the Resource was estimated by Cube Consulting Pty Ltd (in March 2009 as previously reported).

- *The Siana Gold Project is a high sulphidation epithermal gold system of Tertiary age in the richly mineralised district of Surigao Del Norte in the Philippines. A series of discrete mineralized panels are hosted within clay-altered carbonate and basaltic lithological assemblages. A central carbonate-rich package (Panels 1 -3) host the main part of the Siana mineralisation composed of dominantly soft argillised breccias with disseminated pyrite. The basalt hosted mineralisation (Panels 4 – 10) to the east is composed of numerous discrete soft bleached horizons with accompanying pyrite hosted mineralisation.*
- *Drilling has been conducted by QED Drilling, a Philippine based company using predominately PQ and HQ diamond drilling techniques with skid mounted portable drill rigs.*
- *Drilling is conducted on a Local Mine Grid on nominal 20m Northing sections with varying dips to intersect the mineralized Panels at depth.*
- *Core recovery is measured at the drill site.*
- *The relative position of the drill collars has been recorded in a WGS84_51N coordinate system using either a Differential Global Positioning System or a Total Station survey instrument.*
- *The topography has been depleted to the June 30 2011 end of month mining surface.*
- *Drill holes have down-hole surveys taken approximately every 30m using a Reflex single shot downhole camera.*
- *Geological logging of drill core includes the recording of lithology, alteration, weathering, mineralisation and geotechnical parameters.*

SIANA MINERAL RESOURCE DEFINITION

- *Diamond core was cut, sampled and analysed for gold, silver, zinc, copper, lead and antimony by McPhar Laboratories in Makati and Alabang using a 50 gram fire assay with AAS finish for gold.*
- *Blind QA/QC certified standards and blanks were inserted every 20m down-hole for quality control of the assay laboratory analyses. Mineralised duplicates representing 5% - 10% of each drill hole were analysed by umpire assay laboratories as an additional QA/QC check on the validity of the assay database. All laboratory rejects have been kept in storage.*
- *Bulk densities have been collected from 14,908 samples for bulk density analysis and assigning of bulk densities to the various lithological domains.*
- *A total of 9 lithological domains were used for resource estimation.*
- *All down-hole samples have been composited to 2m intervals. Where gaps in the data exist a gold assay of 0.0g/t and a silver assay of 0.25g/t was assigned.*
- *Wireframed ore boundaries and lithological domains were constructed by Red5 Ltd personnel in Surpac Software. These domains were used as the basis for resource estimation work. Geostatistics, block modeling and grade interpolation for the open pit was completed by Hellman and Schofield using GS3 software and Micromine.*
- *Wireframed ore domain boundaries were extrapolated to half the length of drill spacing (10m) along strike.*
- *For resource estimation a block size of 10m East, 20m North and 5m has been used. The resource was estimated using Multiple Indicator Kriging with nugget and sill values based on statistical analysis of the domains. Estimation search ellipses were constructed to accurately reflect the geometry of the mineralized domains.*
- *Resource categorization was based on the geological confidence and the number of informing criteria which reflected the sample spacing and Kriging variance.*

COMPETENT PERSONS STATEMENT

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 (Project Director)
Ron Pyatt (Operations Director)
Rohan Williams (Group Exploration)
Frank Campagna (Company Secretary)
Lolot Manigsaca (Philippines Finance)

Red5 Limited

Stock Exchange Listing

ASX Ticker Symbol: RED

Substantial Shareholders

Baker Steel Capital Managers 8.6%
Mathews Capital Partners 6.6%
Sprott Asset Management 5.0%

Issued Capital

Issued capital – 1,283,674,237 shares
Unlisted options – 2,100,000

Shareholder Enquiries

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

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