



ASX ACTIVITIES REPORT
3 months ended
30 September 2014

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

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OVERVIEW

Siana Gold Project, Philippines

Operations

- Good progress has been made during the quarter on the construction activities required before the Cease and Desist Order can be lifted.
- These construction activities are expected to be completed by the end of November 2014 at a cost below budget.
- Amendment to the Environmental Compliance Certificate to allow construction of the HDPE tailings facility was received in early October 2014.
- Tailings storage facility 4 (TSF 4) stage 1 civil construction earth works was completed. Sign off from Knight Piésold that construction was to the approved design and technical standard was received on 20 October 2014.
- Tailings storage facility 3 (TSF 3) stage 1 civil construction earth works is expected to be completed and signed off by Knight Piésold in early November 2014.
- Tailings facilities construction overall estimated at 80% completed as at 26 October 2014.
- Thickener and cement addition plant expected to be completed by 31 October 2014 and ready for commissioning.

Finance

- A\$31.7 million cash balance at 30 September 2014.

Mark Williams
Managing Director
31 October 2014

MANAGING DIRECTOR'S REVIEW

CEASE AND DESIST ORDER

Good progress has been made during the quarter on the construction activities required before the Cease and Desist Order can be lifted. All construction activities are on schedule to be completed and ready for inspection by the regulatory authorities before the end of November 2014.

Environmental Compliance Certificate amendment

In early October 2014, the Company received from the Environmental Management Bureau, under the Department of Environment and Natural Resources, the required amendment to the Environmental Compliance Certificate. With the amendment approved, the Company can now finalise the construction of the HDPE tailings facility.

Tailing storage facilities (TSFs)

Construction on all the TSF facilities is estimated at 80% complete, with the following major milestones reached as at 26 October 2014:

- TSF 4 stage 1 civil construction earth works was completed to the approved design and technical standards and sign off received from Knight Piésold on 20 October 2014.
- TSF 3 stage 1 civil construction earth works is expected to be completed and signed off by Knight Piésold in early November 2014.
- 100% of the HDPE liner is on site with over 20% laid, sealed and tested.
- 85% of the drainage is completed.
- 90,000 BCM, or 55% of the HDPE tailings facility embankment wall has been constructed.



Thickener

Construction of the thickener and cement addition plant is expected to be completed by the end of October 2014, ready for commissioning, with the following major milestones reached as at 26 October 2014:

- Civil foundation work 100% complete.
- Erection of the main thickener tank completed including the installation of the central, outer columns, radial beams, fit up and full welding of floor plates, shell plates and launder.
- Thickener rake mechanism and drive shaft including feed well and bridge-way installed on top of tank.
- Cement silo structure - columns, beams and braces, handrails and the pipe supports on platform completed.
- The cement silo and the bag breaker structure will be completed by end October 2014.
- Installation and pre-commissioning inspections were carried out by Outotec during October 2014. Outotec will return to site early November 2014 to assist with the fine tuning ready for commissioning and to complete warranty sign-off activities.



Mining restart activities

Total material movement from the open pit for the quarter is approximately 508,000 BCM. Since restart of mining operations until 26 October 2014 the total movement has been approximately 745,000 BCM with approximately 53% used in TSF construction, 21% used for the RoM Pad expansion and the remainder delivered to various stockpiles and other project related works.

In addition, considerable effort continues to be spent cleaning up sections of the pit which had deteriorated during the care and maintenance period.

During the quarter approximately 19,000 tonnes of ore has been added to the existing stockpile which now totals approximately 70,000 tonnes. This additional ore is being stockpiled to ensure that the mill has sufficient feed to last through the wet season.



Other activities

Work on the installation of additional dewatering bore pumps and the rehabilitation of existing bore pumps continued during the quarter. The Company aims to have 5 from 8 bore pumps installed and operational before the end of October 2014.

With the connection to the external mains power remaining stable, the Company expects the overhauling of the existing three generators together with the installation of the additional 2MW genset to be completed before the end of November 2014.

FINANCIAL SUMMARY

Cash expenditure for the quarter was A\$7.0 million with the majority spent on construction and mining activities, recommissioning works on the process plant in preparation for the restart of production, site administration costs and corporate costs.

Forecast expenditure for the completion of all capital works required for the lifting of the CDO is expected to be below budget forecasts. Approximately A\$15.0 million is expected to be spent or committed on construction activities for the tailings storage facilities, thickener and mine development. The balance of the expenditure is expected to be used for installation of the additional dewatering bores, process plant works ready for recommissioning, site administration costs and corporate costs.

The cash balance for the company at 30 September 2014, was A\$31.7 million.

Financial Summary

	<i>Quarter ending</i>			
	<i>Dec 2013</i> A\$m	<i>Mar 2014</i> A\$m	<i>Jun 2014</i> A\$m	<i>Sep 2014</i> A\$m
Sales Proceeds	0.0	0.0	0.1	0.0
Operating Costs/ Care and Maintenance	(1.9)	(1.7)	(1.8)	(1.5)
Philippine and Australian corporate costs	(1.1)	(1.2)	(1.3)	(1.0)
EBITDA	(3.0)	(2.9)	(3.0)	(2.5)
Depreciation and Amortisation	(0.1)	(0.2)	(0.2)	(0.1)
Net Earnings/(Loss)	(3.1)	(3.1)	(3.2)	(2.6)
Capital Expenditure				
Plant/Equipment/Development	1.18	0.20	1.51	5.22
Exploration	0.07	0.07	0.13	0.10

Tenement directory

Project	Tenement number	Registered holder	Equity interest	
			Red 5 Group	Other
Philippines				
Siana gold project	MPSA 184-2002-XIII	Greenstone	40%	SHIC 60%
	APSA 46-XIII	Greenstone	40%	SHIC 60%
Mapawa gold project	MPSA 280-2009-XIII	Greenstone	40%	SHIC 60%
Western Australia				
Montague	ML 57/429, ML 57/485, EL57/793		25% free carried	
No interests in mining tenements or farm-in or farm-out agreements were acquired or disposed of during the quarter.				
Abbreviations: Greenstone: Greenstone Resources Corporation; SHIC: Surigao Holdings and Investments Corporation; MPSA: Mineral Production Sharing Agreement; APSA: Application for MPSA; ML: Mining Lease; EL: Exploration Licence				