



**ASX REPORT TO
SHAREHOLDERS**

31 March 2009

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 Ore Reserve doubles with
completion of underground mine study**

- Combined surface stockpile, open cut and underground Probable Ore Reserve now 5.1 million tonnes at 4.3 g/t gold (708,000 ounces) and 8.9 g/t silver (1.46 million ounces) an increase of 105% by gold ounces over the previous Reserve estimate
- Combined Probable Reserve represents an aggregate 92% conversion of the total Indicated Resource (by gold ounces)
- The open pit Probable Reserve, 3.1 million tonnes at 3.4 g/t gold, is planned to be mined by conventional methods
- The underground Probable Reserve, 1.9 million tonnes at 5.8 g/t gold, is planned to be mined by an underhand cut and fill technique
- Potential for future upgrade and conversion of a portion of the remaining predominantly Inferred underground Resources of 1.5 million tonnes at 7.1 g/t gold (350,000 ounces)
- Ore Reserves extend to approximately 400 metres below surface and the Mineral Resource is open to the north, south and at depth below 500 metres
- Ore Reserve estimates have been prepared consistent with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 (the JORC Code) guidelines.

**Compilation of the project feasibility study is near completion.
Ongoing priority activities include permitting and funding.**

Greg Edwards

Managing Director

ORE RESERVE STATEMENT

Siana Ore Reserve Statement

Ore Reserve estimates have been completed consistent with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (the JORC Code).

In this report where Indicated Resources (Table 1) have had Modifying Factors applied the resultant analysis is reported as a Probable Ore Reserve (Table 2).

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It may include diluting materials and allowances for losses, which can occur when the material is mined.

Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors.

The Probable Ore Reserve extends to approximately 400 metres below surface (-360m RL). The Mineral Resource remains open to the north, south and at depth below 500 metres.

Table 1. Mineral Resource by Category

Category	Tonnes M (million)	Au g/t	Au '000 oz	Ag g/t	Ag '000 oz
Indicated Resource					
Open Pit	3.07	3.4	336	8.5	839
Stockpiles	0.08	1.3	3	10.7	29
Underground	2.00	6.7	430	10.2	655
Total Indicated Resource	5.15	4.6	769	9.5	1,523
Inferred Resource					
Open Pit	0.16	2.9	15	13.6	70
Underground	1.38	7.6	338	11.3	503
Total Inferred Resource	1.54	7.1	353	11.5	573
Total Mineral Resource	6.69	5.2	1,122	9.7	2,095
Indicated/Total Resource	77%		69%		73%

Note: - reported February 2009

- contains minor rounding errors

- Open pit cut-off grade 1.1g/t Au

- Underground Resources are defined as the region below the designed Open Pit (nominally below -170mRL) and nominal +2g/t Au model

UNDERGROUND RESERVE

Open Pit Ore Reserve

Apart from small increases in contained gold and silver that are attributed to minor modifications to the pit design there is no material difference from the open pit Ore Reserve reported in April 2007 (3.07 million tonnes at 3.4 g/t gold (336,200 ounces) and 8.5 g/t silver (839,900 ounces).

Pit design modifications include widening of the main pit ramp and reduction of bench heights from six metres to five metres.

The waste to ore ratio by volume increased marginally to 7.0:1 with total material movement of 25.7 million tonnes.

Within the open-pit design there are additional Inferred Resources amounting to 156,000 t at 2.9 g/t Au and 13.6 g/t Ag containing 14,500 ounces Au and 68,200 ounces Ag that under JORC Code guidelines cannot be included in the Ore Reserve and are summarily classified as waste.

High grade ore is treated as it is mined, and hence bears the full cost of production. However, there is also low grade mineralisation which does not bear the full cost of production and will be stockpiled for treatment at the end of the mine life. Within the mine design the high and low grade cut-off grades are 1.25g/t Au and 1.1g/t Au respectively.

The combined tonnage constitutes the Open Pit Mining Reserve stated in Table 2.

Underground Ore Reserve

The underground Mineral Resource reported on 19 February 2009 was used as the basis for an underground mine design, scheduling and costing analysis by Red Rock Engineering, to derive both a Probable Reserve (Indicated portion of the Resource) and a target mine extraction plan incorporating a proportion of the adjacent Inferred Resource. For clarity, the latter does not relate to the Ore Reserve statement in Table 2.

A range of six production scenarios were considered, ranging from 250,000 to 500,000 tonnes per annum, using either conventional jumbo drill and blast or road headers for waste and ore breakage. All production scenarios indicated the exploitation of the underground Resource is viable.

The preferred option utilizes road headers with targeted annual production of 300,000 tonnes from the Probable Reserve of 1.94 million tonnes at 5.8 g/t Au and 9.1 g/t Ag (Table 2).

The underground Probable Reserve accounts for approximately 84% of the contained gold within the underground Indicated Resource.

In deriving the Ore Reserve estimates Red Rock Engineering relied on the Mineral Resource estimation by Cube Consulting, and supporting underground studies comprising geotechnical appraisal (Peter O'Bryan and Associates), abrasivity and cuttability testing (Sandvik Mining and Construction), hydrology (Meyer Water and Environmental Solutions), metallurgy and process design refinements (Intermet Engineering and Amdel Mineral Laboratory) and a mine paste fill evaluation (Revell Resources Pty Ltd).

Table 2. Probable Ore Reserve

	Stockpile	Open Pit	Underground*	Total^
Tonnes	83,000	3,109,000	1,938,000	5,130,000
Grade g/t Au	1.33	3.42	5.82	4.3
Grade g/t Ag	10.67	8.71	9.08	8.9
Ounces Au	3,500	341,400	362,800	708,000
Ounces Ag	28,500	870,000	566,000	1,465,000

Note: * 300ktpa road header option

^ contains minor rounding errors

UNDERGROUND RESERVE (CONT.)

Mining method

Critically, the geotechnical assessment of the underground rock mass quality has influenced the selection of an underhand cut and fill method (ie top down mining) utilising small open spans during the development cycle and cemented paste fill in voids created during the production cycle in order to support the rock mass.

While costs and schedules have been estimated for either drill and blast, or road header options, the latter is preferred on the basis of efficiency, cost and diminished impact on the stability of the wall rocks.

Initial access would be via a decline commencing from a portal off the new open pit approximately 125 metres below surface (Figure 1). The decline is scheduled to commence during the open pit mining phase in time to allow establishment of sufficient underground development for approx. two years of overlapping ore production prior to exhaustion of the open pit Ore Reserve.

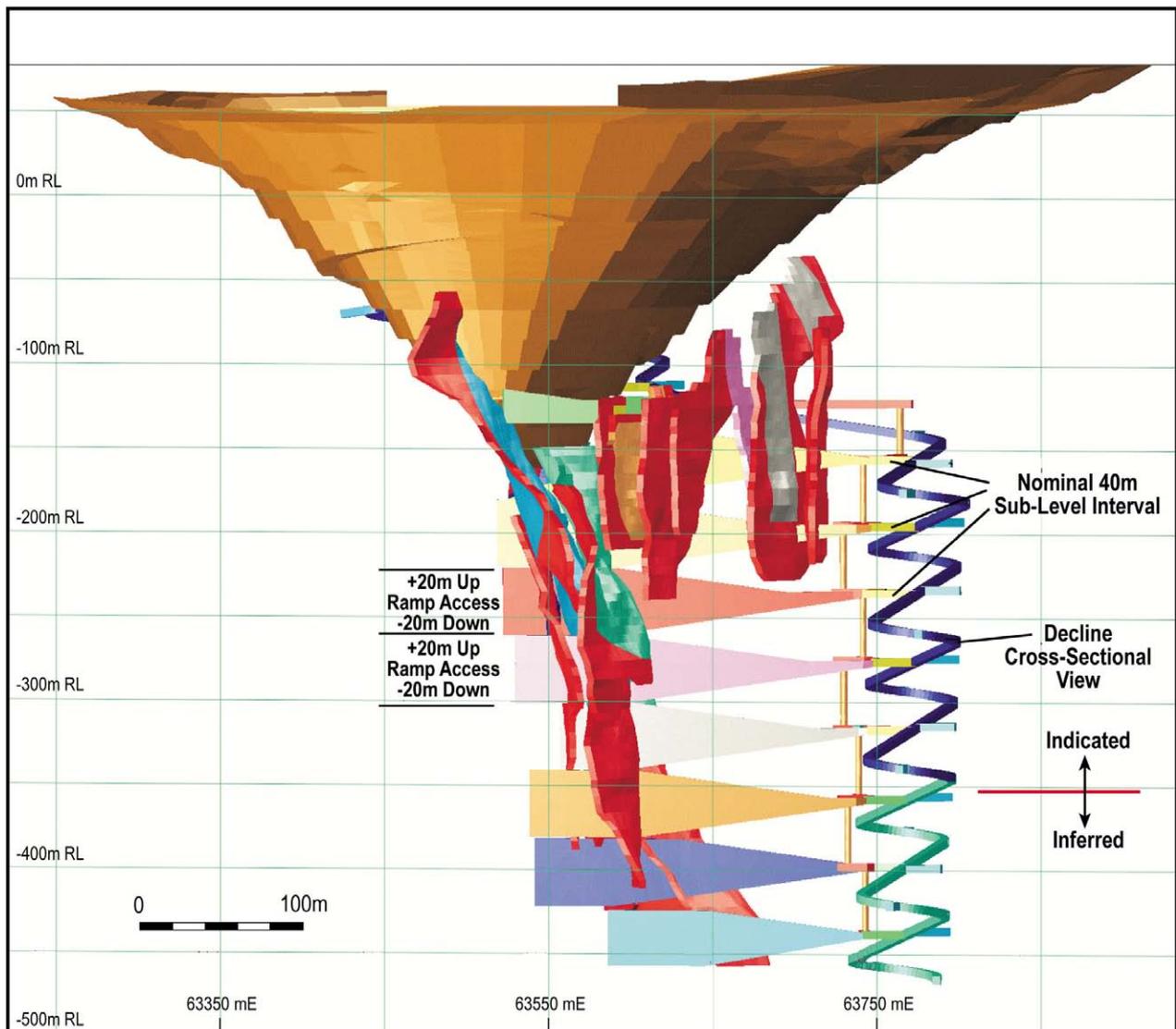


Figure 1. Siana open pit and underground mine design (view NNW)

UNDERGROUND RESERVE (CONT.)

Cut-off grade, stope design and dilution

A lower cut-off grade of 3.0 g/t gold was applied to the Mineral Resource block model to define stoping limits.

Stope designs are based on a minimum mining width of 4m allowing twin boom jumbos or smaller road headers to be utilised. Designs were applied to the ten Resource panels defined in the Mineral Resource model, and attributed for Indicated or Inferred status.

Where the Mineral Resource panels were less than 4 metres wide the dilution out to the stope margin was assigned zero gold grade. In reality this material is mineralised and therefore the approach used is conservative.

Long term mine plan

It is likely that with additional detailed underground drilling a portion of the current Inferred Resource would be upgraded to Indicated Resource status and ultimately, conversion to a reserve category.

To estimate the potential for eventual extraction similar modifying factors to those used in the current Ore Reserve estimate were applied to the known Inferred mineralisation. A mine design using road headers and an annual production rate of 400,000 tonnes would yield an additional 1.4 million tonnes at 5.8 g/t gold (267,000 ounces) and 9.2 g/t Ag (420,000 ounces) from underground.

If this plan was to eventuate the total mine extraction including surface stockpiles and the open pit mineralization is estimated as 6.5 million tonnes at 4.6 g/t gold (975,000 ounces) and 8.9 g/t Ag (1.9 million ounces), or approximately 87% of the current total Mineral Resource of 1.12 million ounces gold (Table 3).

For the avoidance of doubt, this target mine extraction plan does not constitute an Ore Reserve according to the JORC guidelines but is estimated for long term mine planning purposes.

Process recovery

Metallurgical testing during the open pit feasibility study established that a standard gravity and CIL process flowsheet would yield average metal recoveries of 85.4% Au and 76.0% Ag.

Diagnostic tests to identify the gold association in the open pit tails indicated that 69% to 79% occurs with sulphides.

Testing of representative underground mineralisation using the same process confirmed gold recoveries ranging from 87.5% (upper level 'low zinc' domain) to 84.1% (lower level 'high zinc' domain). Silver recoveries ranged from 52.7% (upper level 'low zinc' domain) to 61.6% (lower level 'high zinc' domain).

Diagnostic tests on the underground tailings indicated 52% to 64% of the gold occurs with sulphides.

Table 3. Target Mine Extraction Plan

	Stockpile	Open Pit	Underground*	Total [^]
Tonnes	83,000	3,109,000	3,362,000	6,554,000
Grade g/t Au	1.33	3.42	5.83	4.6
Grade g/t Ag	10.67	8.71	9.12	8.9
Ounces Au	3,500	341,400	630,000	975,000
Ounces Ag	28,500	870,000	986,000	1,885,000

Note: [^] 400ktpa road header option

* contains minor rounding errors

UNDERGROUND RESERVE (CONT.)

The deeper level underground ore is defined as a 'high zinc' domain with frequent grades in excess of 2% zinc accompanying gold mineralization.

Flotation test work showed that a saleable zinc concentrate can be produced from 'high zinc' gold ore at high recovery. Typical flotation performance produced zinc concentrate grades of 45% to 50% with recoveries in the range 93% to 96%.

With current low zinc metal prices there is no initial plan to produce zinc concentrate from the gold processing plant.

However a preliminary flotation circuit design has been included within the overall plant design to facilitate later addition should zinc prices return to viable levels.

Feasibility study

Compilation of the Feasibility Study is in progress and will be made available to potential financiers upon formal acceptance by the Board of Directors.

COMPLIANCE

Competent Person Declarations

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 G C Edwards, Mr A L Govey and Mr W Darcey who are full-time employees of Red 5 Limited and who are Members of The Australasian Institute of Mining and Metallurgy.

Mr Edwards, Mr Govey and Mr Darcey 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 (the JORC Code). Mr Edwards, Mr Govey and Mr Darcey 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 (Executive Director - Tech)
Peter Rowe (Non-executive Director)
Gary Scanlan (Non-executive Director)
Raj Surendran (Chief Financial Officer)
Bill Darcey (Project Manager)
Frank Campagna (Company Secretary)
Lolot Manigsaca (Philippines-based)
Manny Ferrer (Philippines-based)
Attny E Panimogan (Philippines-based)

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Stock Exchange Listing

Australian Stock Exchange
Ticker Symbol: RED

Issued Capital

As at the date of this report,
issued capital –
659,288,043 shares
Unlisted options – 21,300,000

Substantial Shareholders

Mathews Capital Partners 19.0%
AngloGold Ashanti Australia 10.2%
Ross Stanley 8.0%

Shareholder Enquiries

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

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