



ASX ACTIVITIES REPORT
3 months ended
30 June 2014

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

Inquiries regarding
this report and company
business may be
directed to:

Mark Williams
Managing Director
(tel) +61 8 9322 4455

or

Joe Mobilia
Chief Financial Officer
(tel) +61 8 9322 4455

Investor Inquiries:
info@red5limited.com

Address:
Level 2, 35 Ventnor Avenue
West Perth 6005
Western Australia
Tel: **(+61) 8 9322 4455**
Fax: **(+61) 8 9481 5950**
Web: www.red5limited.com

OVERVIEW

Siana Gold Project, Philippines

Operations

- Key senior management personnel appointed and commenced.
- Principal contractors and consultants mobilised to site.
- Construction activities on tailings facilities and thickener commenced.
- Thickener 30% completed by July.
- Tailings facilities 20% completed by July.

Finance

- A\$ 36.5 Million cash balance at 28 July 2014.

Mark Williams
Managing Director
30 July 2014

MANAGING DIRECTOR'S REVIEW

Work undertaken at the Siana Gold Project transitioned from care and maintenance to construction.

CEASE AND DESIST ORDER (CDO)

On 9 June 2014, the Company commenced construction activities necessary for lifting of the CDO. To date, solid progress has been made and is in line with the expected completion date before the end of 2014.

Tailing storage facilities (TSFs)

The principal mining contractor, Galeo Equipment and Mining Company (Galeo), has been re engaged to provide the mining equipment needed for the capital works and for the restart of mining activities.

Knight Piesold, engineering tailings specialists, have been on site since early June, providing construction supervision and quality control review for the work on the new and existing tailings facilities. The design for the new HDPE lined tailings facility and upgrade to the existing tailings facilities was also completed by Knight Piesold.

To date, progress on TSF construction has included clearing, topsoil stripping, removal of existing utilities and construction of rock fill foundation blankets. The accumulated rainwater from the existing facilities has also been drained off to allow fill construction to proceed. Approximately 45,000 BCM has been placed as permanent fill into the TSFs.

60% of the precast concrete sections for the decant towers were completed. 35% of the filter materials were imported to site from local sand and gravel suppliers. The HDPE liner is scheduled to be on site in mid-August.

The TSF construction activity is estimated to be 20% completed.

The Company continues to liaise with the DENR in order for the necessary permit amendments to be processed before the HDPE tailing facility can be completed.



Seven 40T ADTs, one D8R dozer and a 14M grader mobilised by Galeo for mining and construction.



Overview of TSF3 with left edge showing completed rock-fill blanket on tailings beach. The trucks are parked on the RoM pad extension while waiting for a blast in the open pit.

Thickener

GR Engineering Services was engaged to do the detail design work for the new thickener.

The Company has made good progress on the thickener construction activities, with the civil foundation work being 90% complete and all major concrete pours were completed in July.

Major supply packages for steel, plate work, piping, electrical, instrumentation and pumping have been defined and tendered. Within July, contracts for steel supply and fabrication of major steel components have

been awarded. Orders for long lead time components have been placed and are all expected to arrive on site within the critical path timeframe.

Fabrication of the cement silo is well advanced and is due to be on site by end-August.

Erection of the main thickener tank is expected to commence in August.

The thickener construction activity is estimated to be 30% completed.



Stair Tower footing after concrete pouring.



Thickener Center Column footing before concrete pouring.



Thickener Center Column footing after concrete pouring.

Mining restart activities

Mining activities have successfully been restarted during the quarter, with the focus on mining waste material from the stage 3 west cut-back of the open pit, providing construction material for the TSF and RoM pad extension construction activities.

By the end of July, about 125,000 BCM of waste material is expected to have been excavated from within the open pit. Total material moved by the mining equipment fleet will be about 130,000 BCM.

Future mining focus will also include delivering sufficient ore to the RoM pad to ensure the mill has sufficient feed to last through the wet season.

Other activities

In addition to the activities directly related to the conditions precedent for the lifting of the CDO, the Company has also progressed the following:

- On 23 June 2014, the Siana Gold plant and infrastructure was successfully connected to the external mains power and is no longer reliant on in-house generated power.
- Installation of the additional 2MW genset is well advanced, including the extension of the power house building. Once installed and operating, the Company will have 8MW of generating capacity, enough to be self-sufficient for the processing plant and dewatering pumps, without having to rely on external mains power.
- In-pit dewatering has continued, with additional dewatering bores commissioned in both June and July. Upgrades to existing dewatering bores are expected to be completed by the end of October 2014.



Overview of the RL-25 bench with waste mining in foreground and drilling of next shot at upper centre right.



Loading out slope trimming at the ramp from RL-20 to RL-25.

FINANCIAL SUMMARY

Cash expenditure for the quarter was A\$3.49 million with the majority spent on the Thickener, care and maintenance of the processing plant, dewatering activities in the open pit and administration activities.

During the quarter, the company sold 50 ounces of gold which was produced prior to ceasing operations in April 2013.

Forecast expenditure for the completion of all capital works required for the lifting of the CDO and restarting operations is expected to be in the range of A\$25 to A\$30 million of which A\$15 million is expected to be spent on construction activities for the tailings storage facilities, thickener and mine development. The balance of the expenditure is expected to be used for mine production, installation of the additional dewatering bores, recommissioning works on the process plant in preparation for the restart of production, site administration costs and corporate costs.

The cash balance for the company at 30 June 2014, was A\$37.9 million of which A\$1.4 million was spent during July.

Financial Summary

	Quarter ending			
	Sep 2013 A\$m	Dec 2013 A\$m	Mar 2014 A\$m	Jun 2014 A\$m
Sales Proceeds	0.0	0.0	0.0	0.1
Operating Cost	(2.2)	(1.9)	(1.7)	(1.8)
Philippine and Australian corporate costs	(1.0)	(1.1)	(1.0)	(1.3)
EBITDA from Operations	(3.2)	(3.0)	(2.7)	(3.0)
Depreciation and Amortisation	(0.1)	(0.1)	(0.2)	(0.2)
Net Earnings/(Loss)	(3.3)	(3.1)	(3.1)	(3.2)
Capital Expenditure				
Plant and Equipment	0.06	1.18	0.20	1.51
Exploration	0.14	0.07	0.07	0.13

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		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				