



**ASX REPORT TO  
SHAREHOLDERS**

**26 June 2014**

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

Enquiries 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](mailto:info@red5limited.com)

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

**Siana Gold Project progress report**

- **Key management personnel appointed**
- **Principal contractors and consultants mobilised**
- **Construction activities on tailings facilities and thickener commenced**

As previously announced, the Company received confirmation from the Department of Environment and Natural Resources (DENR) that the Cease and Desist Order (CDO) on the Siana Gold Project shall be removed once the Company has completed the following three activities:

- i) Construction of a new HDPE lined tailings facility;
- ii) Upgrading of the two existing tailings facilities, so that they will be able to handle cement paste tails; and
- iii) Construction of a thickener plant and cement paste plant to remove moisture from tailings and create a tailings product which can be co-deposited with normal mine waste on the new and existing tailings facilities.

To enable completion of the above activities and to be in a position to restart operations by the end of December 2014, the Company has completed the following tasks.

**Key management personnel appointed**

Mr David Jerdin has been appointed to the position of General Manager, Siana Gold Project. David is responsible for all the capital works and for the re-start of operations. David is well known to Siana, having being previously responsible for the successful construction of the processing plant and associated infrastructure.

Following a complete organisational review, key experienced senior management personnel have been appointed and have commenced work at Siana, including:

- i) Mine Manager with extensive open pit, hydrology, and geotechnical experience gained in a number of countries, with a proven ability to train and develop national mining professionals;
- ii) Maintenance Manager with substantial on site experience involved in process plant construction, management of the pit dewatering program and power plant operations; and
- iii) Senior Mining Engineer with a mix of site-based production experience and office-based planning roles.

*continued overleaf*

The remaining member of the senior management team, the Health, Safety, Environmental and Community Manager, will commence in mid-July. He is a business professional with experience in mining across the Philippines, including Northern Mindanao, managed all aspects of HR, and also has extensive capability with community project work and relations.

### **Principal contractors and consultants mobilised**

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. Galeo provided the majority of the mining equipment to the Company prior to ceasing operations. Approximately 70% of the required equipment has now been mobilised to site.

GR Engineering Services has been engaged to do the detail design work for the new thickener. 70% of the detail drawings are now complete and civil works for the foundations were commenced in mid-June 2014.

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 were also completed by Knight Piesold.

### **Construction activities on tailings facilities and thickener commenced**

On 9 June 2014, the Company commenced preliminary earthworks on the existing tailings facilities including; clearing, grubbing, stripping, and removal of existing utilities. Waste mining from the western wall of the open pit commenced on 12 June 2014 with over 10,000 BCM moved so far.

The Company continues to liaise with the DENR in order for the necessary permit amendments to be processed.



*Durable rock fill, being loaded for TSF3 construction.*



*South embankment upstream face stripped of grass and topsoil to prepare for fill placement on the beach.*



*First lift of rockfill after 3 full shifts of fill placement, ~8,000m<sup>3</sup> of rockfill to date.*



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

- i) 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.
- ii) 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.
- iii) In-pit dewatering has continued, with an additional dewatering bore expected to be commissioned by the end of June 2014. Upgrades to existing dewatering bores are expected to be completed by the end of October 2014.

### Cash Position

The Company currently has A\$38.7 million in available cash which is sufficient to fund the required capital works and associated costs for reinstating the Siana gold mine within the 6 to 8 month time frame, as previously announced in May 2014.

**Mark Williams**  
Managing Director



*Foundations for the thickener plant.*



*New 2MW Genset in position ready for connection.*