



ASX

Activity Report for three months ended 30 June 2003

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

Greg Edwards
Managing Director
or
Lance Govey
Exploration Director

Level 1
43 Ventnor Avenue
West Perth 6005
Western Australia
Tel: (+61) 8 9322 4455
Fax: (+61) 8 9481 5950

Web: www.red5limited.com

Investor Inquiries:
info@red5limited.com

*Red 5 Limited is a publicly listed
company on the ASX-ticker
symbol RED.*

*A new Board of Directors has
mandated the executive to
upgrade the gold focused
exploration portfolio through
rationalising existing properties
whilst acquiring advanced
properties.*

OVERVIEW

Successful deep drilling programme and regional sampling have further upgraded the potential at Siana:

Siana, Philippines

- Initial deep diamond drilling below open pit Resource (825,000 oz) completed.
- grades to 9g/t gold in broad intersection 130m below Resource
- Regional potential increased with high grade rock chip assays at Alegria, significantly extending the "Boyongan Corridor".
- Modern IP analysis identifies further targets

Indee, Western Australia

- Resource modeling and estimation incorporating the recent drill programme in progress.

Montague, Western Australia

- Drilling expands scope of mineralised zones at Victory Creek and Hypotenuse.

Corporate

- New capital raised post period end
- \$0.45 million before expenses

Follow-up drill programmes are planned at each of these projects.

**Greg Edwards
Managing Director**

31 July 2003

SIANA GOLD PROJECT

(RED 5 Limited earning 80%,
JCG Resources Corporation)

Preliminary exploration drill testing below and to the east of the open pit resource (7.7 million tonnes at 3.3g/t gold for 825,000 ounces) was completed.

The first hole, SMDD002, terminated at 512m depth, and the second, SMDD009, at 544m (post period). Both holes defined a clay altered breccia zone approximately 80 metres wide that hosts the Siana Main Zone mineralisation.

The deeper intersection in SMDD002 included 78 metres at 1.2 g/t Au, with narrow zones up to 9.3 g/t. These narrow higher grade zones are typical of the lodes exploited during the earlier underground mining phase at Siana.

Rock chip sampling in the Alegria area, six kilometres south of Siana open pit, highlighted the prospectivity of the Company's ground holdings with high grade results achieved for gold, silver and associated base metals.

The historic underground workings at the "Vein 12" deposit returned grades of up to 36 g/t gold and 4,183 g/t silver (or combined gold equivalent of 89 g/t) in epithermal style sulphide rich vein structures. One of the veins yielded an average 10.3g/t gold and 847 g/t silver over a strike length of 100 metres.

Reconnaissance geological traverses revealed the presence of several similar structures within close proximity.

Reprocessing of Induced Polarisation electrical geophysical data using state of the art modeling techniques is near completion. The data cover a four kilometre zone over the Siana Mine and environs.

The reprocessing has generated new drill targets in addition to more clearly defining anomalies recognised in the older data.

An Environmental Baseline Study was initiated with the objective of establishing current surface and groundwater quality preparatory to future mine development.

The Company has successfully extended the prospective Boyongan Corridor from one kilometre north west of the Siana open pit to six kilometres south. More than ten highly prospective exploration targets have been identified, some can be drill tested in the short term whilst others require ground follow-up programmes before prioritisation for drilling.

Planning continues for the next phase of drilling in the near mine environs, and for low cost regional reconnaissance to expand the project wide knowledge base.

INDEE GOLD PROJECT

(RED 5 Limited earning 51%,
Resolute Limited)

The project is located 85 kilometres south west of Port Hedland in Western Australia.

Resource modeling and re-estimation is in progress to incorporate the results of earlier drilling at Withnell prospect (17 holes for 2,413 metres).

Results confirmed the extension of a southern zone, and two holes in the main northern zone confirmed mineralisation in a previous gap between the western and eastern portions.

The current resource estimate is 8 m tonnes at 1.93 g/t Au (cut-off 0.8 g/t) for a contained 494,000 ounces.

MONTAGUE GOLD PROJECT

(RED 5 Limited, Free carried 25%;
Gateway Mining NL 75%)

Encouraging results continue to be announced by the joint venture operator, Gateway Mining NL. The project is located 80km NNE of Sandstone in Western Australia.

Thirty seven RAB holes for 1,854 metres were completed at the Victory Creek and Hypotenuse prospects.

At Victory Creek the drilling closed off the arsenic geochemical anomaly to the north and extended it 600 metres to the east.

At Hypotenuse, located 2 kilometres southwest of Victory Creek, limited drilling on 100 metre spaced lines tested an arsenic-gold geochemical corridor.

Results included widespread arsenic anomalism to 1,637ppm and gold to 0.11g/t, associated with ferruginous quartz veining within metavolcanic-sedimentary host rocks.

Hypotenuse is located in a five kilometre long shear zone that is up to 60 metres wide and concealed beneath 5-30 metres of cover. The zone has undergone minimal previous exploration.

Further RC drilling is planned at both Victory Creek and Hypotenuse.

RAVENSTHORPE NICKEL

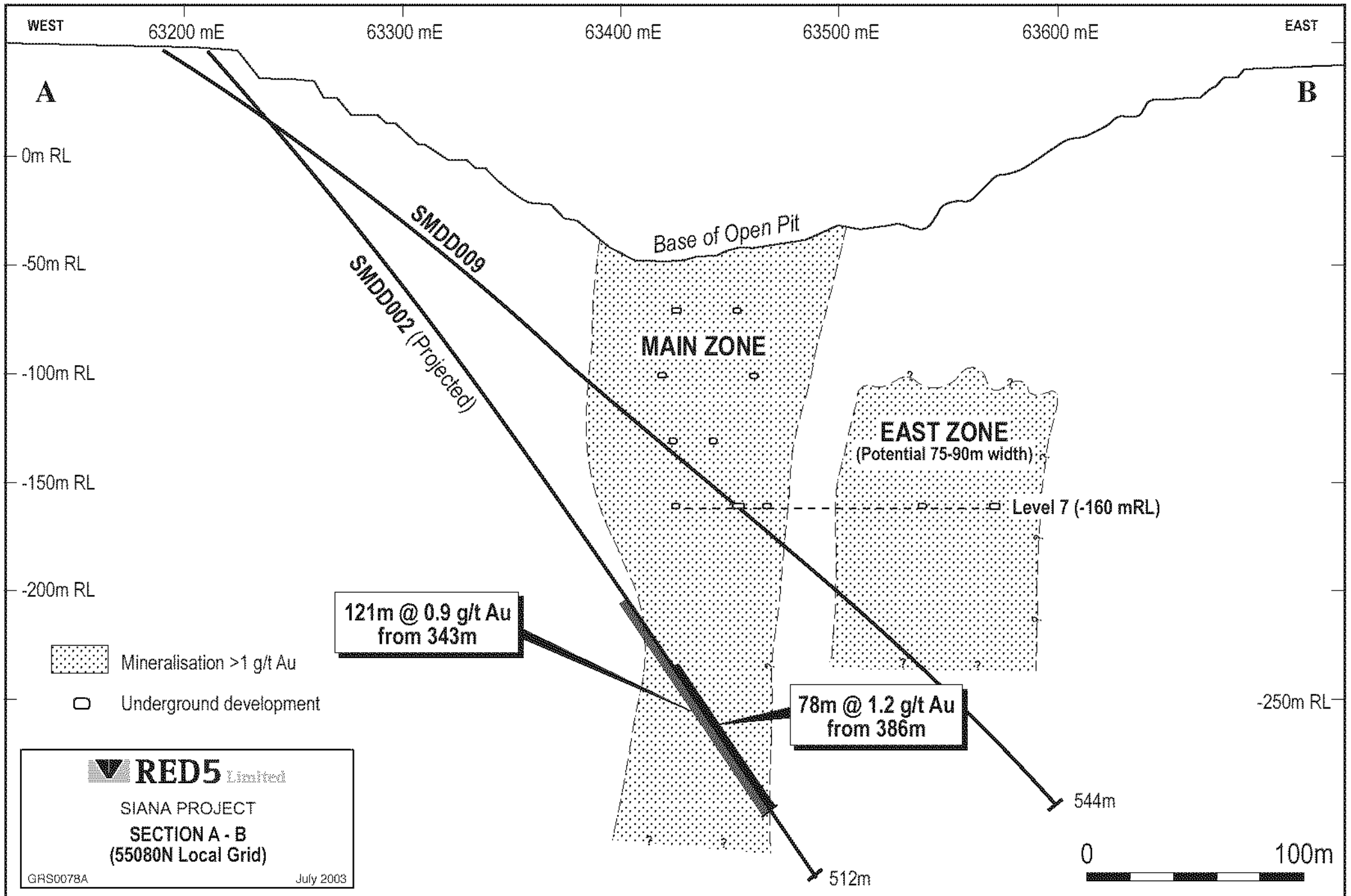
Option holder Traka Resources Limited continued with a compilation of regional databases, and field programmes that included an electrical geophysics survey. The initial option period was extended for a further six months.

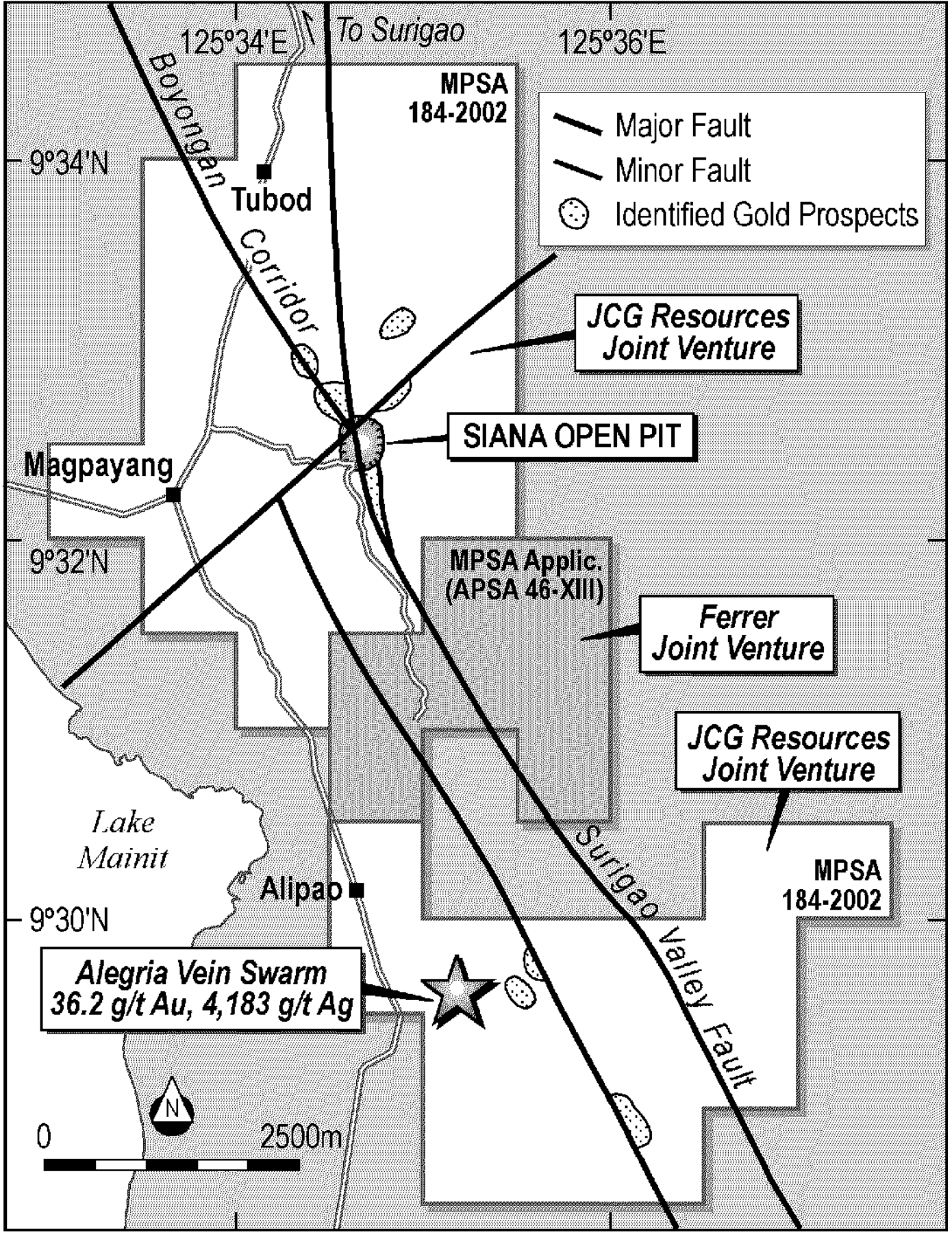
CORPORATE

Capital was raised post period end pursuant to a prospectus lodged with the ASX on 9 July 2003 to issue 9 million fully paid shares at five cents per share for \$0.45 million before expenses. A free unlisted option was attached to each share.

Funds will be allocated to drilling at Siana, and an Indee scoping study.

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Allen L Govey and Mr Gregory C Edwards, who are full-time employees of Red 5 Limited and are Members of The Australasian Institute of Mining and Metallurgy. Mr Govey and Mr Edwards have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Person(s) as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Govey and Mr Edwards consent to the inclusion in the report of the matters based on their information in the form and context in which it appears





Appendix 5B

Mining exploration entity quarterly report

Name of entity

Red 5 Limited

ACN or ARBN

068 647 610

Quarter ended ("current quarter")

30 June 2003

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(384)	(1,318)
(b) development	-	-
(c) production	-	-
(d) administration	(127)	(655)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other: net cash flow from goods and services tax	(11)	(52)
Net operating cash flows	(519)	(2,014)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(44)
(b) equity investments	-	-
(c) other fixed assets	-	(12)
1.9 Proceeds from sale of:		
(a) prospects	10	30
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	5	30
1.12 Other	-	-
Net investing cash flows	15	4
1.13 Total operating and investing cash flows (carried forward)	(504)	(2,010)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(504)	(2,010)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	1,698
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other: share issue expenses	-	(68)
Net financing cash flows		-	1,630
Net increase/(decrease) in cash held		(504)	(380)
1.20	Cash at beginning of quarter/year to date	872	748
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	368	368

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
<p>Payments to directors and director-related entities for directors fees and the provision of management, technical and legal services to the consolidated entity.</p>		

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	244	106
5.2 Deposits at call	124	766
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	368	872

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities				
Fully paid shares	127,558,467	123,058,467		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Options over fully paid shares	54,419,620	54,419,620	20 cents	31.01.04
	250,000	-	12 cents	31.10.03
	9,000,000	-	10 cents	16.11.03
	1,000,000	-	25 cents	31.12.03
	250,000	-	12 cents	31.07.04
	125,000	-	15 cents	31.07.04
	125,000	-	20 cents	31.07.04
	2,000,000	-	40 cents	31.12.04
	100,000	-	15 cents	08.01.05
	100,000	-	20 cents	17.06.05
	2,000,000	-	60 cents	31.12.05
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	1,000,000	-	20 cents	30.06.03
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
2. This statement does ~~not~~ ~~(delete one)~~ give a true and fair view of the matters disclosed.

Sign here: **Frank Campagna**
(~~Director~~/Company Secretary)

Date: 31 July 2003

Print name: FRANK CAMPAGNA

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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