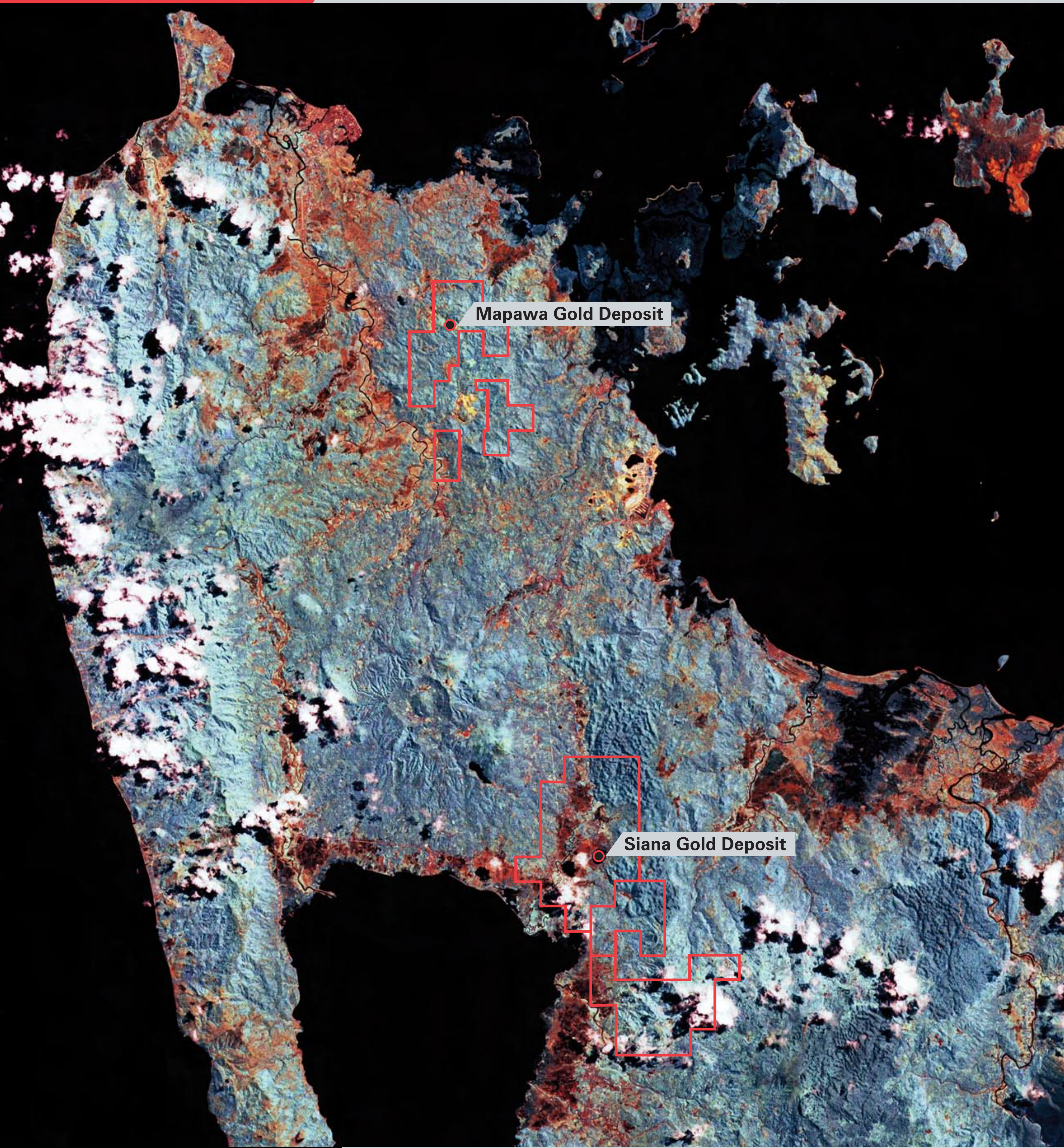
Red5Limited



Annual Report 2009

Corporate Profile

Red 5 Limited (ABN 73 068 647 610) is listed on the Australian Securities Exchange (ticker RED) with over 1,700 shareholders. The largest shareholders are Mathews Capital with a 19% interest, AngloGold Ashanti Australia Limited with a 10% interest and Mr Ross Stanley with a 9% interest.

The Company's principal asset is a 90 percent beneficial interest in the Siana Gold Project in the Philippines held under a Mineral Production Sharing Agreement.

A bankable study (open pit followed by an underground mine, and modern gravity and carbon-in-leach treatment plant) was completed and the Environmental Compliance Certificate approved during the 2008-09 financial year.

The project, over a ten year operating life is expected to deliver 849,000 ounces of production at a cash cost of US$351 per ounce. The capital cost to first gold pour is US$62.5 million including contingencies.

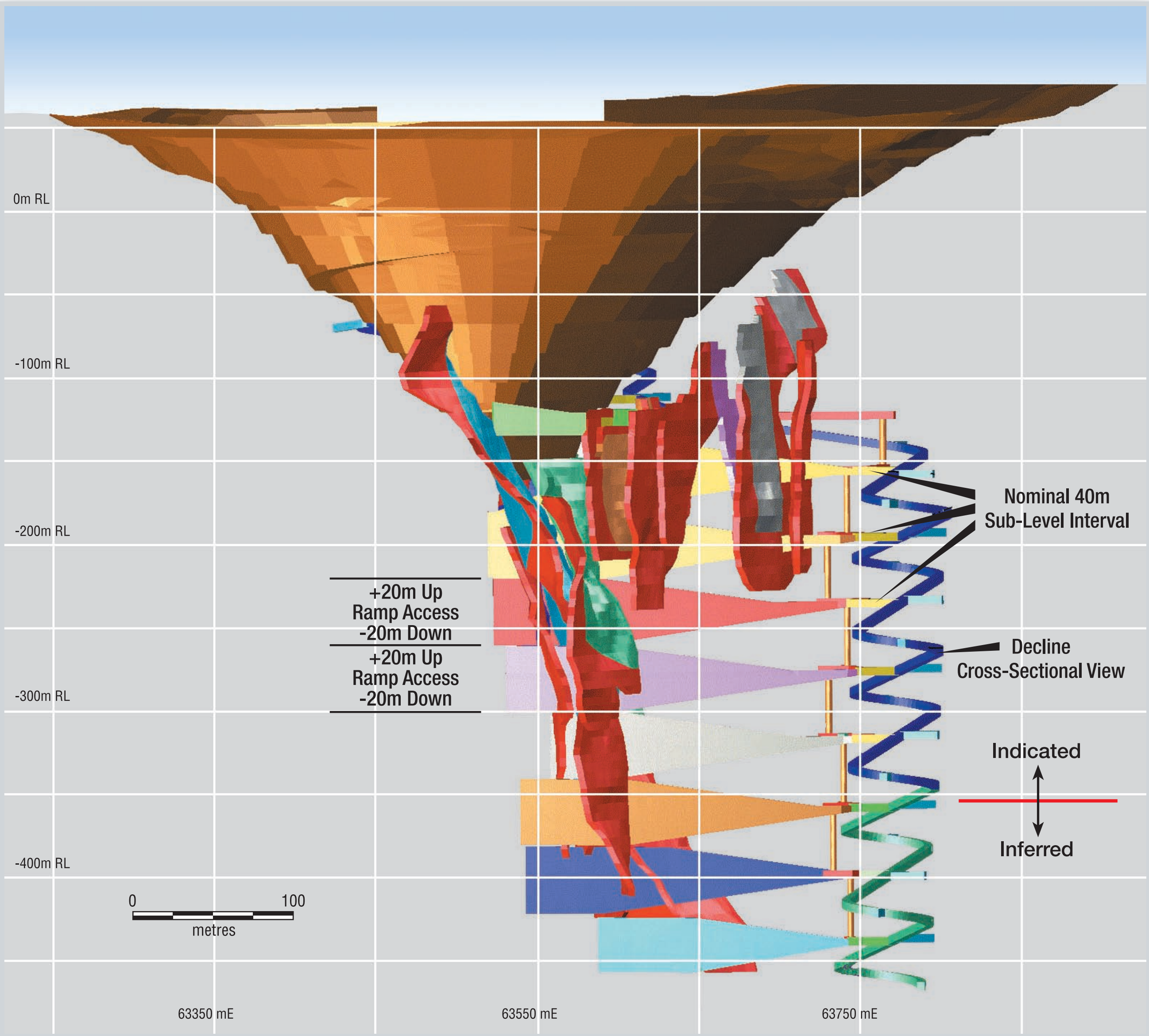
At the date of this report the Company is seeking its share of the capital development cost to supplement treasury funds which stood at $22.4 million at the year end balance date.

The Mapawa MPSA, 30km north of Siana, was granted in May 2009. The project has the potential to provide satellite ore to the Siana development.

Contents

Cover photograph:
Brovey satellite image of the Red 5 tenement areas on the island of Mindanao in the Philippines.

Production from known resources is forecast to reach 849,000 ounces over a ten year operating mine life at a cash cost of US$351 per ounce



Summary production schedule

	Year 1	Year 2	Year 3	Year 4	Year 5 to Year 10	Total
Ore Milled (tonnes)	594,000	750,000	921,000	1,092,000	3,199,000	**6,556,000**
Grade (g/t) - Gold	2.88	3.48	3.56	4.21	5.90	**4.63**
Grade (g/t) - Silver	15.0	10.1	6.2	5.9	10.0	**9.0**
Plant Recovery - Gold (%)	83.0	85.9	85.7	86.1	88.3	**87.1**
Gold Produced (ounces)	45,700	72,200	90,300	127,100	513,600	**849,000**
Silver Produced (ounces)	245,800	191,900	120,000	134,600	750,300	**1,443,000**

Chairman's Address

Dear Shareholder,

After more than a six year and $24 million investment, Red 5 is now approaching the defining moment for the development of the one million ounce Siana deposit.

As the financial year came to a close, the Company delivered a feasibility study to bankable standard, demonstrating a technically viable and financially robust project at a conservative gold price of US$800 per ounce.

Following the declaration of an inaugural underground reserve, a mine plan was formulated to recover 849,000 ounces of gold over a ten year operating life at a cash cost of US$351 per ounce. In particular, the underground mine method was modified to take advantage of rock strength data established through extensive geotech logging. The net result, which was the subject of extensive manufacture equipment testing in Europe, was high ore extraction rate forecasts for minimum consumption of explosive consumables.

The capital costs of the project were refreshed with particular emphasis on sourcing construction materials and services in-country minimizing freight charges, freight transit times and import taxes. In-house specialist professionals were also appointed minimising outsourcing expenses. Appointments to the in-house team continue in the disciplines of legal and commerce for the next phase of the project.

The net result of these various initiatives is a reduced capital cost (including contingencies) to first gold pour of US$62.5 million. Together with a working capital facility and capital cost overrun account, the Company will ultimately be seeking financing arrangements, inclusive of standby facilities of US$80 million, noting that existing treasury funds total A$22 million.

At the date of the report, the Company is in discussions with various financing parties, but as yet has not awarded a mandate. Consideration across the range of alternatives is under review – bank debt versus gold financing and secured versus unsecured noting the associated impact on default risks, fees, margins, documentation, due diligence costs and time lines. The Company's objective will be to keep the financing simple and to preserve maximum share price integrity for existing shareholders.

Reaching our current position would not have been possible without the dedicated attention of management in securing community and regulatory authority support.

Earlier in the year, the Company received the Environmental Compliance Certificate, the culmination of extensive environmental monitoring, design and forward planning, community facility support programs and community participation discussions from our very first days in Surigao del Norte.

More recently, the Social Development Management Program, the Environmental Protection and Enhancement Program, The Final Mine Rehabilitation and Decommissioning Plan and The Three Year Development and Utilization Work Program have been submitted to the Mines and Geosciences Bureau. The three municipalities (Mainit, Turbod and Alegria) and six barangays (Siana, Dayano, Magpayang, Cawilan, Del Rosario and Pongtod) have overwhelmingly endorsed the project completing all the formalities necessary for the 'Notice to Proceed' consent form to be considered by the Director of the MGB.

Our successful consultation process will be replicated at Mapawa, 20km north of Siana, where a Mineral Production and Sharing Agreement was granted as the year came to a close.

As the Siana project is de-risked, the Company would expect the share price to achieve the higher multiples consistent with development and production companies. Whilst the popularity of ETFs (exchange traded funds – holding physical gold) continued, the opportunities to successfully invest in gold equities remains for the discerning investor.

Colin G Jackson
Chairman

Mine design

Open pit

The deposit will be initially exploited using conventional open-pit mining techniques. Benches will be blasted in 5m lifts but excavated at 2.5m intervals using a hydraulic excavator loading 6WD articulated trucks.

The operating conditions at site are subject to heavy rain and potential flooding. The selection of 6WD articulated trucks will match the operating environment and allows the pit ramp gradient to be steepened to 1:8 extending to a maximum depth of 215 metres below surface. The upper section of the ramp is located wholly on the west side of the pit due to superior geotechnical conditions and exits in the north-western corner to minimise haul distances to the ROM (run of mine) stockpile and waste dumps.

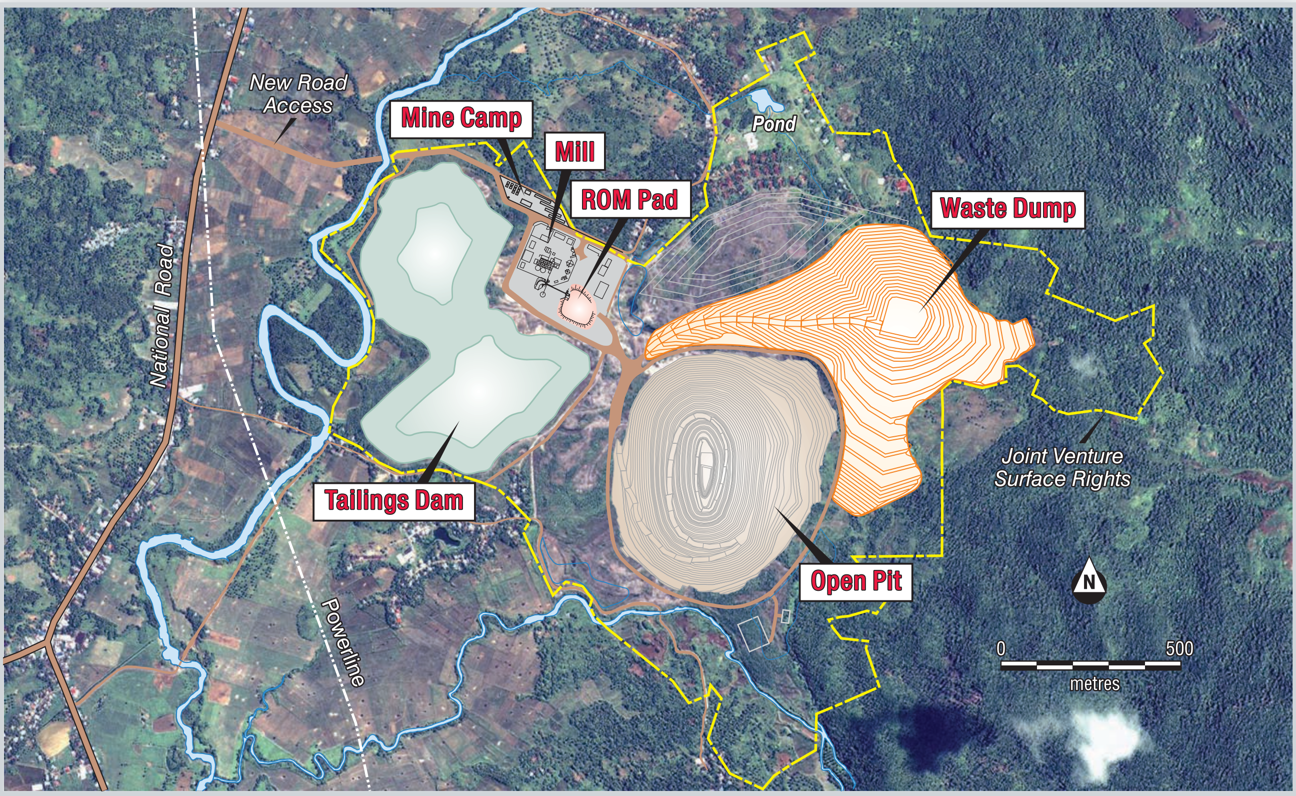
The main waste dump will be located north and east of the pit on the site of an existing dump. The waste dumps and site layout have been specifically planned to minimize the environmental impact and do not substantially increase the existing waste dump footprint. The mine plan includes progressive rehabilitation with stockpiled topsoil to reduce the requirement for major works at mine closure. Particular attention has been paid to site drainage and strict control of surface run-off.

The capital and operating cost assumes contract mining with heavy equipment prices quoted by an in-country supplier. In addition, it will be necessary to augment the fleet during the pre-strip period with an additional excavator and trucks on a lease basis.

Pit de-watering

The existing flooded pit is estimated to contain 8.2 gigalitres (GL) of water. Groundwater inflows and rainfall will total an estimated 6.8 GL/yr, based on data recorded during the previous mining operations and from three monitoring boreholes.

The pit will be dewatered using in-pit pumps and external bores. Stage one is to progressively dewater the pit ahead of the pre-production waste cut-back using pontoon mounted electric drive pumps, with power from the main grid. Bores abstracting 3.2GL/yr will be located at the southern end of the pit to dewater the southern limestone which historically was a major source of groundwater inflow. Smaller bores will also be installed to depressurise and stabilise the eastern pit wall.



Underground mine

Initial access would be via a 5m x 5m decline at 1:7 gradient commencing from a portal off the new open pit approximately 125 metres below surface. 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 reserve.

Underground stope designs are based on a minimum mining width of 4m allowing twin boom jumbos or small road headers to be utilised.

A cut-off grade of 3.0 g/t gold was applied to the Mineral Resource block model to define stoping limits. Where the Mineral Resource panels are less than 4 metres wide the dilution out to the stope margin was assigned zero gold grade. The approach used is conservative, as in reality this material is mineralised.

Detailed geotechnical investigations by Peter O'Bryan and Associates identified a large proportion of the underground rock mass as having low strength. In order to take advantage of this low strength, Red Rock Engineering recommended tunnel boring road headers for rock breakage over conventional drill and blast methods.

The road header option was preferred on the basis of efficiency, cost, and diminished impact on the stability of the wall rocks.

The geotechnical assessment also influenced the selection of an underhand cut and fill method (i.e. top down mining) utilising small open spans during the development cycle with cemented paste fill in voids created during the production cycle in order to support the rock mass.

The cut and fill method offers the opportunity of minimising the unsupported span widths and maximising ore recovery.

Disposing of mill tailings in the underground paste fill also has an environmental benefit in that it reduces the size of the surface tailings dam required.

Harder material in the decline development will be mined utilising jumbo drill and blast while remaining development and ore production will utilise a road header.

Cross cuts from the decline provide ramps up and down to levels spaced at 40m intervals, and access for detailed underground diamond drilling.

Hand held stoping methods may be more applicable in narrow sections of the mineralisation (less than 4 metres) and would add to the current mine plan inventory.

Long term mine plan

It is likely that with additional detailed underground drilling a portion of the current underground 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 underground Ore Reserve estimate were applied to the known Inferred mineralisaton. A mine design using road headers and an annual production rate of 400,000 tonnes would yield up to 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.

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.

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	10.7	8.7	9.1	8.9
Ounces Au	3,500	341,400	630,000	975,000
Ounces Ag	28,500	870,000	986,000	1,885,000

** 400ktpa road header option   ^ contains minor rounding adjustments*

Process design

Metallurgical studies

Comprehensive metallurgical testing of the open pit ores has been completed encompassing comminution, gravity concentration, flotation, cyanide leaching, carbon kinetics, thickening and slurry viscosity measurements, and cyanide detoxification testing.

Testing of underground ores included verification of gravity and leaching characteristics, tailings diagnostics, recovery variability and zinc sulphide flotation optimisation.

Mineralogical analysis and core logging indicated that the major mineral present is pyrite as euhedral crystals ranging from very fine to greater than 2mm in size. Sphalerite, galena and to a lesser extent chalcopyrite are also present, either as discrete aggregates, or as inclusions within the pyrite. Native carbon is also present.

Visible gold occurrence within drill core was found to be low. Gold down to several microns grainsize is present in metallurgical concentrates.

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 from ore milled to (P80) 75μm. Sodium cyanide consumption averaged 1.2 kg/t of open pit ore milled.

Gold association in the tails indicated that 69% to 79% occurs with sulphides and is not economically recoverable.

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). Sodium cyanide consumption averaged 2.2 kg/t for low zinc underground ore and 2.4 kg/t for the high zinc ore.

Diagnostic tests on the underground tailings indicated 52% to 64% of the gold occurs with sulphides and is not economically recoverable.

The deeper level underground ore is defined as a 'high zinc' domain with frequent grades in excess of 2% zinc accompanying gold mineralisation. Flotation test work showed that a saleable zinc concentrate can be produced with zinc concentrate grades up to 50% with recoveries up to 96% using a simple flotation flowsheet.

The zinc concentrate can be produced with no significant reduction in gold recovery. After the gravity separation and zinc flotation, leaching of the concentrate and tailings yielded 83.4% Au recovery with sodium cyanide consumption of 2.45 kg/t.

At zinc metal prices below US$1.00/lb there is no plan to produce zinc concentrate. However, a preliminary flotation circuit design has been included within the overall plant design to facilitate later addition should zinc prices achieve viable levels.

Process flowsheet

The standard design flowsheet comprises single stage crushing, SAG milling, gravity concentration and high intensity cyanidation, leaching and adsorption (CIL), followed by carbon elution and electrowinning to produce combined gold and silver doré.

The tailings from the cyanide leach area will be treated in a detoxification circuit to minimise cyanide concentration prior to discharge to the tailings storage facility.

Infrastructure design

The main infrastructure requirements of the site are:

- construction of a 1.0 km access road and causeway from the National Highway
- power distribution from the National 138KV line 1.2km from the site
- tailings storage facility
- a 50 man permanent camp
- administration building and permanent medical facilities on site
- relocation housing
- site drainage and run-off mitigation
- potable water and site waste disposal facilities

Approvals

The Environmental Impact Statement (EIS) was prepared by BMP Environment & Community Care, Inc., Philippines, and included detailed baseline studies on both the natural and socio-economic environment, prepared to Philippine and Equator Principles standards. The report identified and ranked potential impacts, and presented key elements of the Environmental Management Plan.

Following a Public Open Forum in December 2008, the EIS was approved by the Environmental Management Bureau and an Environmental Compliance Certificate was issued by the Department of Environment and Natural Resources in April 2009.

Additional statutory documentation including; SDMP (Social Development Management Programme), EPEP (Environmental Protection and Enhancement Programme), FMRDP (Final Mine Rehabilitation and Decommissioning Plan) and Three Year Mine Plan, were submitted in August/September 2009. At the date of this report, the final approval, 'Notice to Proceed', was awaited.

In terms of the natural environment there are no major risks identified and the planning for progressive rehabilitation and eventual closure will ensure that this former mine-site can be fully utilised to benefit future generations from the local communities.

Since project inception in 2002 the Joint Venture partners have maintained close communication with the host communities and implemented a number of social development projects well in advance of mine development. The aim is to expand on these initiatives via operational funding through the SDMP.

The host communities remain supportive and enthusiastic about the proposed development and the economic benefits that would flow to the region.

Greg Edwards, Managing Director, addresses the Public Hearing in December 2008.

Standing: DENR Assistant Secretary for Mining, Jeremias Dolino

Seated: MGB Region XIII Regional Director, Alilo C. Ensomo Jun

Capital Cost Estimate

The capital cost estimate for the open pit and underground phases of the operation are based on written quotes for equipment, labour, services and consumables provided to the various consultants by reputable suppliers in the Philippines, Australia and elsewhere in the Asia-Pacific region.

These estimates have been consolidated and variable contingencies (5-20%) added to the total capital budget.

The capital expenditure estimate is based on supply of new equipment, as normally required in Bankable Feasibility Studies, with the exception of the SAG mill that is already purchased and to be refurbished. Opportunities exist to reduce the capital costs via prudent purchase of selected used equipment and heavy earth moving machinery.

Capital to first gold production

Capital Item	US$m*
Mining Open Cut	
Dewatering	2.5
Equipment & pre-strip	17.3
Total Mining Open Cut	19.8
Process Plant	35.0
Infrastructure	4.3
Misc Capital	3.4
Total	**62.5**

** including contingency*

The total direct and indirect capital cost from the beginning of detailed design to first gold pour has been estimated at US$62.5 million including $US6.0 million in contingencies, plus US$10 million in working capital until the project attains sustainable positive cash flow six months after first gold production.

Capital costs including sustaining capital for the life of the project total US$104 million (including escalation in underground development costs and US$10 million contingencies) and assuming owner purchase of underground plant and equipment.

The financing requirement is estimated at US$80 million (capital to first gold pour, plus US$10 million in working capital, plus US$7.5 million in capital cost over-run facility). The underground capital is assumed to be derived from cash flow.

Operating Cost Estimate

Operating cost estimates are based on written quotes for labour, services and consumables provided by reputable suppliers in the Philippines, Australia and elsewhere in the Asia-Pacific region.

Power and fuel costs represent the largest components of the project operating costs being 12% and 7% respectively. The fuel price is the six month average of the discounted Wholesale Posted Price in the Philippines as supplied by several of the larger fuel companies based in-country. The power cost is based on a detailed written proposal from the local power cooperative that also includes the construction of appropriate power infrastructure.

Operating costs for the Base Case (long term mine plan - 400,000 tonnes per annum underground) are summarised below. The government excise tax is 2% of the value of the gold produced.

Summary Operating Costs

	LOM
Mining Operating	28.34*#
Processing	12.64
Administration	4.03
Excise Tax**	2.53
Total Cost (US$/t)	**47.54**
Total Cash Cost (US$/oz^)	**351**

Notes:

* *Open pit mine operating costs $16.41 per tonne, underground mine operating costs $39.94 per tonne, includes escalation on underground mining capital cost at 2% per annum from project commencement*

\# *Base Case long term mine plan at 400,000 tonnes per annum underground rate*

** *Includes 1% community tax on processing/admin costs*

^ *Cash costs per ounce based on Au produced net of Ag by-product credits*

Cash costs are estimated and presented using the "Gold Institute Production Cost Standard" and are applied consistently for all periods presented.

Cash costs exclude depreciation, depletion and amortization, corporate general and administrative expense, exploration, interest, and feasibility costs.

Financial Analysis

The ungeared financial model derived from the Siana BFS indicates that at US$800 per ounce gold and US$10 per ounce silver the Base Case pre-tax IRR is 38% and the NPV US$145.5 million at an 8% discount rate. Pre-tax financials for a range of gold prices are shown below.

Pre-tax Financial Summary

Gold Price ($US)	600	700	800	900	1,000
NPV US$M (8%)	39	92	146	199	252
IRR (%)	17	28	38	47	55

Note: Silver price assumed as 1/80th of gold price

The Company will seek certain tax benefits applicable to mineral development in the Philippines. If a four year tax break was approved the Base Case post tax IRR would be 36% and the NPV US$120.3 million.

Implementation Schedule

The Project Management team will call for tenders from several experienced and reputable engineering companies before appointing an Engineering, Procurement and Construction Management (EPCM) Contractor to be responsible for the detailed design and construction of the treatment plant, associated infrastructure and services.

The Project schedule is based on a fast track approach with design/engineering, fabrication/equipment supply and construction all overlapping to create as short a time frame for the Project development as possible, expected to take approximately 17 months from the award of the EPCM Contract to the first gold production.

The EPCM contract is likely to include an early design and engineering phase that will be funded from current equity capital ahead of senior financing and commencement of Procurement and Construction.

Commencement of earliest infrastructure (road access) is scheduled in the December Quarter 2009, and dependent on financing, plant construction is targeted for February 2010 with first gold production twelve months later.

Ryan Anicete (Senior Project Engineer), Bill Darcey (Project Manager), Michael Alapan (Senior Mine Planning Engineer) and Greg Edwards (Managing Director) reviewing site infrastructure plans.

Resource & Reserve Drilling

Diamond drilling completed during the financial year and incorporated into the Cube Consulting resource estimate is shown in the table below.

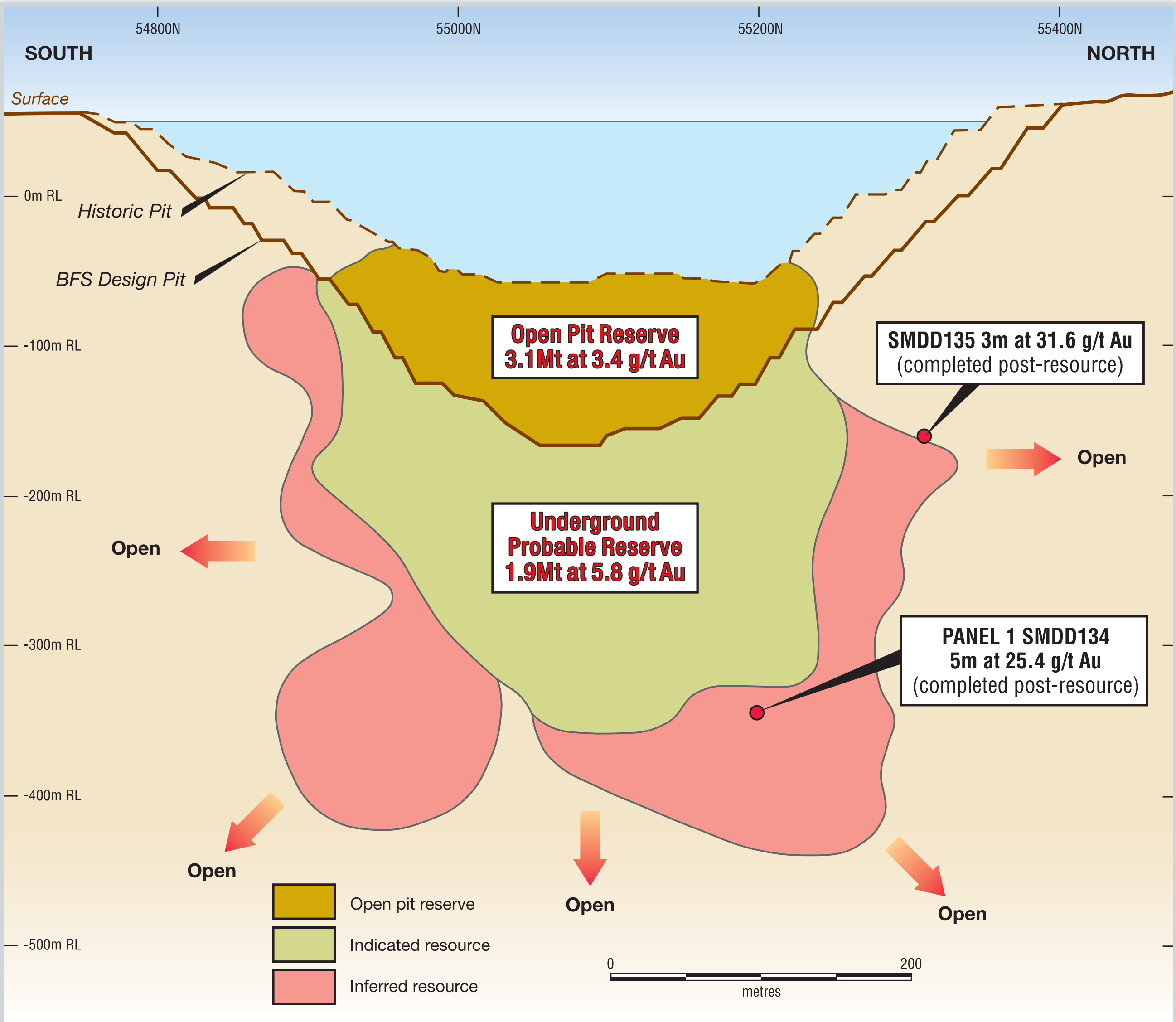
Hole No.	From	Interval	Au g/t	Zn %
129	304	15	18.9	<0.1
	351	8	85.0	0.3
130	569	5	6.7	0.2
132	319	8	13.4	0.1
133	402	6	4.1	0.1

Note: Hole No. SMDD131 was abandonned

The results of two diamond drill holes were received after the data base cut-off date and are therefore not included in current resource estimates.

Hole No.	From	Interval	Au g/t	Zn %
134	541	5	25.4	2.4
135	281	3	31.6	<0.1

The orebody remains open at depth, below 500 metres and to the south and the north.



Mineral Resource

Category	Tonnes (million)	Gold Grade (g/t)	Contained Gold ('000 oz)	Silver Grade (g/t)	Contained Silver ('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%
Underground/Total Resource	51%		68%		55%

Note:- reported February 2009; - contains minor rounding adjustments; - 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

Mining Reserve

Category	Tonnes (million)	Gold Grade (g/t)	Contained Gold ('000 oz)	Silver Grade (g/t)	Contained Silver ('000 oz)
Stockpiles	0.08	1.33	3.5	10.7	28.5
Open Pit	3.11	3.42	341	8.7	870
Underground	1.94	5.82	363	9.1	566
Total Reserve	**5.13**	**4.3**	**708**	**8.9**	**1,465**

Mineral Resource

Mineral Resource estimates described in this report are consistent with the guidelines and definitions of the 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code).

They are assumed to have a reasonable prospect for eventual economic extraction according to the analysis of the known data, and from which Ore Reserves have been derived by the application of appropriate Modifying Factors including mining, metallurgical, economic, marketing, legal, environmental, social and governmental considerations.

Open Pit Mineral Resource

The open pit Mineral Resource was estimated by Hellman & Schofield Pty Ltd (H&S) using the method of Multiple Indicator Kriging (MIK) with block support correction.

Underground Mineral Resource

Cube Consulting Pty Ltd (Cube) estimated the underground Mineral Resource and classification based on drill data available at December 2008.

Mining Reserve

The Mining 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.

Mapawa Gold Project

Mineral Production Sharing Agreement (MPSA) 280-2009-XIII over the Mapawa area, located 30 kilometres north of the Company's Siana Gold Project in the Philippines was awarded in May 2009.

The MPSA, covering 1,482 hectares of land highly prospective for gold and potentially, base metals, has been registered with the Mines and Geosciences Bureau Region XIII in Surigao City, ten kilometres north of the project area.

The MPSA has been issued to Merrill Crowe Corporation, the Company's partner at both Siana and Mapawa. The Company is entitled to an eighty percent beneficial interest in any mine development at Mapawa, subject to a possible US$10.5 million joint venture earn-in by AngloGold Ashanti.

Gold mineralisation has been intersected in historic drilling by former mine operator Suricon at the 'LSY' prospect, with indications of target mineralisation of approximately three to four million tonnes, commencing at surface.

An initial exploration programme will include the following key activities:

- Comprehensive community dialogue
- Design and implementation of a district scale environmental monitoring programme
- Detailed surface sampling at LSY and reconnaissance sampling elsewhere
- Geophysical surveys (electrical and magnetic) over LSY and environs
- Initial diamond drilling to confirm the geology and grades intersected in the former Suricon drilling, and to explore at depth below LSY
- Preliminary open pit geotechnical assessment
- Preliminary metallurgical testwork.

Mapawa has the potential to make a significant contribution to the mining economics at Siana as a source of additional mill feed, or with greater exploration success could yield a new stand-alone operation.

Quartz vein stockwork and alteration exposed at LSY Prospect.

Financial Statements

Directors' Report

The directors of Red 5 Limited ("Red 5" or "parent entity") present their report on the results and state of affairs of the parent entity and the consolidated entity for the financial year ended 30 June 2009.

Directors

The names of the directors of Red 5 in office during the course of the financial year and at the date of this report are as follows:

Colin George Jackson
Gregory Charles Edwards
Allen Lance Govey
Peter William Rowe
Gary Francis Scanlan

All directors held their position as a director throughout the entire financial year and up to the date of this report.

Principal Activities

The principal activities of Red 5 and the consolidated entity (which includes the controlled entities of Red 5) during the financial year were mineral exploration and evaluation. There was no significant change in the nature of these activities during the year.

Results of Operations

The net loss of the consolidated entity after provision for income tax was $787,923 (2008: $627,705).

Review of Operations

During the year substantial progress was made on the technical and financial evaluation of the Siana project in the Philippines. An interim development study delivered in late calendar year 2007 was extended to include an assessment of an underground extension of gold mineralisation below an open pit operation. An infill drilling programme of the underground resource was completed together with studies on underground geotechnical characteristics, metallurgical testing, underground mining selection, mine design and an underground resource estimate was prepared by specialist external consultants.

Submissions for key development permits were prepared, including an environmental impact statement which was submitted to the Philippines Environmental Management Bureau in October 2008. The study defines a comprehensive framework for environmental management during the operating mine life of the Siana project. The Environmental Compliance Certificate was approved and formally issued by the Philippines Department of Environment and Natural Resources in April 2009.

A bankable feasibility study for the construction and development of an open pit and underground mining operation at the Siana project was completed during the year and approved by the Board of Red 5 in July 2009. A project information memorandum was prepared and distributed to financial institutions ahead of the commencement of discussions for a debt financing facility for the development of the Siana project.

In late calendar year 2008, Société Générale advised Red 5 of its withdrawal as lead arranger and member of the proposed lending syndicate following changes in its lending mandate. Red 5 took the opportunity to repay in advance the secured interim financing facility of $2 million, which had been used to finance the purchase of a second hand ball mill and crusher.

An amount of $5.338 million was expended during the financial year on exploration and evaluation of the Siana project. For accounting purposes, the carrying value of the project is restated from United States dollars to Australian dollars at each balance date. An amount of $3.005 million was added to the carrying value of the project due to the USD exchange rate moving from $0.9605 at 30 June 2008 to $0.8045 at 30 June 2009. The net increase in the carrying value of exploration and evaluation was $8.275 million for the year ended 30 June 2009. The foreign currency translation adjustment in the financial statements of the consolidated entity was taken directly to the foreign currency translation reserve.

In May 2009, a Mineral Production and Sharing Agreement was approved and registered for the Mapawa project, located 30 kilometres north of the Siana project. A preliminary exploration program is planned in the coming year.

Dividends

No amounts were paid by way of dividend since the end of the previous financial year. The directors do not recommend the payment of a dividend.

Likely Developments

During the course of the next financial year, the consolidated entity plans to secure the remaining regulatory approvals to allow financing and construction of the Siana Gold Project to take place. Discussions are in train with selected financial institutions to determine appropriate financing arrangements for construction to begin. The consolidated entity will continue its mineral exploration and development activities and may investigate additional resources projects in which the consolidated entity may participate.

In the opinion of the directors there is no additional information available as at the date of this report on any likely developments which may materially affect the operations of the consolidated entity and the expected results of those operations in subsequent years.

Options Granted Over Shares

At the date of this report, there were 7,400,000 options granted over ordinary fully paid shares. The terms of these options are as follows:

Options granted over ordinary fully paid shares exercisable:	**Number**
at 15 cents each on or before 30 June 2011	700,000
at 15 cents each on or before 31 December 2012	6,000,000
at 25 cents each on or before 30 June 2013	700,000
	7,400,000

No options were granted during or since the end of the financial year. No person entitled to exercise the options has any right by virtue of the option to participate in any share issue of the parent entity or any other corporation.

Significant Changes

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

(a) an interim financing facility of $2 million plus accrued interest was repaid in advance of the due date for repayment.

(b) an Environmental Compliance Certificate for the Siana project was issued by the Philippines Department of Environment and Natural Resources in April 2009.

(c) a Mineral Production and Sharing Agreement for the Mapawa project was approved and registered in May 2009.

Events Subsequent to the End of the Financial Year

Significant events which have occurred subsequent to the end of the financial year are set out in Note 25 to the financial report.

Information on Directors

Colin G Jackson
(Non-Executive Chairman)
M.Sc., B.Sc. (Hons), DIC, Grad. Dip. Bus. Admin.

A director since December 2003 and Chairman since April 2007. Mr Jackson graduated as a mineral process design engineer and spent 10 years with Selection Trust Limited and RGC Group, followed by a 12 year finance career with McIntosh Securities Limited and 10 years corporate/communications responsibility with Newcrest Mining and Normandy Mining. Mr Jackson is a member of the audit and remuneration committees.
Other current directorships:
Intrepid Mines Limited (since December 2003).
Mr Jackson has not held directorships in any other listed companies in the last 3 years.

Gregory C Edwards
(Managing Director)
B.Sc. (Hons), MAusIMM

A director since November 2001. Mr Edwards is a geologist with over 20 years experience. He has a broad gold and base metals exploration and development background, spending 13 years with the Normandy Mining group, holding various positions including Exploration Manager – Western Australia and Manager – Business Analysis, where he focussed on commercial evaluations of potential project and corporate acquisitions.
Mr Edwards has not held directorships in any other listed companies in the last 3 years.

Allen L Govey
(Executive Director - Technical)
B.Sc. (Hons), M.Sc., MAusIMM

A director since November 2001. Mr Govey is a senior geologist with wide ranging exploration and mining geology experience within Australia and South-East Asia. He has been involved with the successful exploration and mining of Archean lode gold deposits for the last 16 years. Mr Govey spent 12 years with the Normandy Mining group, including as Principal Geologist responsible for project generation and evaluation of new business opportunities within Western Australia.
Mr Govey has not held directorships in any other listed companies in the last 3 years.

Peter W Rowe
(Non-Executive Director)
B.Sc. (Chem Eng), FAusIMM, MAICD

A director since October 2004. Mr Rowe spent 20 years with Anglo American and De Beers in South Africa. He has held a number of senior managerial positions in Australia, including Project Director of the Kalgoorlie Super Pit (Fimiston) expansion and General Manager of the Boddington Gold Mine and of the Boddington Expansion Project. Mr Rowe has recently retired from AngloGold Ashanti Limited where he was executive vice president in charge of business effectiveness. Mr Rowe is a member of the audit committee and chairman of the remuneration committee.
Other current directorships:
Ammtec Limited (since February 2009), Ironclad Limited (since February 2009), Millenium Minerals Limited (since July 2009) and Adamus Resources Limited (since July 2009).

Gary F Scanlan
(Non-Executive Director)
FAusIMM, CA

A director since November 2006. Mr Scanlan has over 20 years experience in the mining industry preceded by 10 years experience with PricewaterhouseCoopers.
Mr Scanlan is currently Managing Director of Castlemaine Goldfields Limited (since June 2005), a gold exploration company based in Victoria. His previous roles include Executive General Manager – Finance for Newcrest Mining Limited. Mr Scanlan is chairman of the audit committee and a member of the remuneration committee.
Mr Scanlan has not held directorships in any other listed companies in the last 3 years.

Information on Company Secretary

Frank J Campagna
B.Bus (Acc), CPA

Company Secretary of Red 5 since June 2002. Mr Campagna is a Certified Practicing Accountant with over 20 years experience as Company Secretary, Financial Controller and Commercial Manager for listed resources and industrial companies. He presently operates a corporate consultancy practice which provides corporate secretarial and advisory services to both listed and unlisted companies.

Details of directors' interests in the securities of Red 5 as at the date of this report are as follows:

Director	Fully paid shares	Options
C G Jackson	225,000	-
G C Edwards	9,900,000	-
A L Govey	6,786,500	-
P W Rowe	-	-
G F Scanlan	-	-

Meetings of Directors

The number of meetings of the Board of Directors of Red 5 and of each Board committee held during the year ended 30 June 2009 and the number of meetings attended by each director whilst in office are as follows:

	Board meetings		Audit Committee meetings		Remuneration Committee meetings	
	held	attended	held	attended	held	attended
C G Jackson	11	11	2	2	2	2
G C Edwards	11	11				
A L Govey	11	11				
P W Rowe	11	11	2	2	2	2
G F Scanlan	11	11	2	2	2	2

Remuneration Report (audited)

This report sets out the current remuneration arrangements for directors and executives of Red 5. For the purposes of this report, key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling major activities of the consolidated entity, including any director (whether executive or non-executive) of Red 5, and includes the executives in the consolidated entity receiving the highest remuneration.

Principles used to determine the nature and amount of remuneration

Directors and executives remuneration

Overall remuneration policies are determined by the Board and are adapted to reflect competitive market and business conditions. Within this framework, the remuneration committee considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for executive directors and senior management. Executive remuneration and other terms of employment are reviewed annually by the committee having regard to performance, relevant comparative information and expert advice.

Red 5's remuneration policy for executive directors and senior management is designed to promote superior performance and long term commitment to Red 5. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing Red 5's operations. Executive directors receive a base remuneration which is market related, together with performance based remuneration linked to the achievement of pre-determined milestones and targets. As Red 5's principal activities during the year were mineral exploration and evaluation, measurement of financial performance will become relevant when mining operations commence.

Red 5's remuneration policies are designed to align executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of Red 5. The main principles of the policy are:

- reward reflects the competitive market in which Red 5 operates; and
- individual reward should be linked to performance criteria.

The structure of remuneration packages for executive directors and other senior executives comprises:

- a fixed sum base salary plus superannuation benefits;
- short term incentives through eligibility to participate in a performance bonus scheme if deemed appropriate; and
- long term incentives through executive directors being eligible to participate in share option schemes with the prior approval of shareholders.

Fixed and variable remuneration is established for each executive director by the remuneration committee. The objective of short term incentives is to link achievement of Red 5's operational targets with the remuneration received by executives charged with meeting those targets. The objective of long term incentives is to reward executives in a manner which aligns this element of their remuneration with the creation of shareholder wealth.

Performance incentives may be offered to executive directors and senior management of Red 5 through the operation of performance bonus schemes. A performance bonus, based on a percentage of annual salary, may be payable upon achievement of agreed operational milestones and targets. No bonuses were paid during the financial year.

Any executives who may be granted share based payments as part of their remuneration package are prohibited from entering into arrangements for the hedging, or otherwise limiting their exposure to risk in relation to unvested shares, options or rights issued or acquired under an employee equity scheme.

Non-executive directors' remuneration

In accordance with current corporate governance practices, the structure for the remuneration of non-executive directors and senior executives is separate and distinct. A maximum aggregate level of remuneration for non-executive directors has not been set by shareholders since the adoption of Red 5's current constitution. Approval will be sought at the next annual general meeting of Red 5 for a maximum aggregate level of remuneration. The remuneration committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendations. Non-executive directors are entitled to statutory superannuation benefits. The Board approves any consultancy arrangements for non-executive directors who provide services outside of and in addition to their duties as non-executive directors.

Non-executive directors may be entitled to participate in equity based remuneration schemes. Shareholders must approve the framework for any equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be specifically approved by the shareholders. All directors are entitled to have premiums on indemnity insurance paid by Red 5.

Details of remuneration (parent entity and consolidated entity)

The following table discloses details of the nature and amount of each element of the remuneration of each director of Red 5 and each of the officers receiving the highest remuneration and other key management personnel for the year ended 30 June 2009.

The company secretary is deemed to be an executive by virtue of being an officer of the parent entity. The role performed by the company secretary does not meet the definition of key management person under AASB 124, hence this officer has been excluded from the key management personnel disclosures in the financial report.

During the financial year, Red 5 paid premiums of $27,035 (2008: $25,530) to insure the directors and other officers of the consolidated entity. The liabilities insured are for costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity.

2009	Short term		Post-employment		Share based payments	Other		
Name	Salary or directors fees	Consulting fees	Super-annuation	Termination	Equity options	Insurance premiums	Total	Performance related [2]
	$	$	$	$	$	$	$	%
Executive directors								
G C Edwards	285,992	-	25,662	-	-	5,407	317,061	-
A L Govey	231,174	-	21,450	-	-	5,407	258,031	-
Non-executive directors								
C G Jackson	50,000	87,925	4,500	-	-	5,407	147,832	-
P W Rowe	35,000	-	3,150	-	-	5,407	43,557	-
G F Scanlan	35,000	-	3,150	-	-	5,407	43,557	-
Other executives								
R K Surendran [1]	225,000	-	22,500	128,554	-	-	376,054	-
W P Darcey	273,503	-	25,000	-	-	-	298,503	-
F J Campagna	-	87,600	-	-	-	-	87,600	-
Total	**1,135,669**	**175,525**	**105,412**	**128,554**	**-**	**27,035**	**1,572,195**	**-**

(1) Up to date of resignation on 19 June 2009.

(2) No entitlement to performance bonuses accrued or was paid during the financial year.

2008	Short term		Post-employment		Share based payments	Other		
Name	Salary or directors fees	Consulting fees	Super-annuation	Termination	Equity options	Insurance premiums	Total	Performance related [3]
	$	$	$	$	$	$	$	%
Executive directors								
G C Edwards	265,051	-	22,544	-	-	5,106	292,701	-
A L Govey	219,767	-	25,350	-	-	5,106	250,223	-
Non-executive directors								
C G Jackson	50,000	111,120	4,500	-	-	5,106	170,726	-
P W Rowe	35,000	-	3,150	-	-	5,106	43,256	-
G F Scanlan	35,000	-	3,150	-	-	5,106	43,256	-
Other executives								
R K Surendran [1]	103,686	-	8,728	-	26,460	-	138,874	-
W P Darcey [2]	118,981	-	11,156	-	26,460	-	156,597	-
F J Campagna	-	114,440	-	-	-	-	114,440	-
Total	**827,485**	**225,560**	**78,578**	**-**	**52,920**	**25,530**	**1,210,073**	**-**

(1) *From commencement of employment as Chief Financial Officer on 11 February 2008.*

(2) *From commencement of employment as Project Manager on 21 January 2008.*

(3) *No entitlement to performance bonuses accrued or was paid during the financial year.*

The company secretary is deemed to be an executive by virtue of being an officer of the parent entity. The role performed by the company secretary does not meet the definition of key management person under AASB 124, hence this officer has been excluded from the key management personnel disclosures in the financial report.

Options granted to officers

No options were granted as part of remuneration during the financial year.

Service agreements

The terms of employment for executive directors and key management personnel are formalised in service agreements. Major provisions of the agreements relating to duration and termination are set out below.

G C Edwards – Managing Director

Term of agreement: no defined period.
Remuneration: base salary of $262,500 plus 10% superannuation contributions, to be reviewed annually by the remuneration committee.
Performance bonus: up to 50% of annual salary weighted equally between the achievement of agreed milestones and relative peer group share price performance. To receive 100% of the peer group share price performance component the Red 5 share price must be in the top quartile of the ASX All Ordinaries gold index. To receive 50% of the share price performance component the Red 5 share price must be in the second quartile of the ASX All Ordinaries gold index. No component is received for below median performance. Payment of a performance bonus is 50% cash and 50% shares (escrowed for two years).
Termination provisions: payment upon early termination by the Company (other than for unsatisfactory performance, gross misconduct or long term incapacity) equal to 3 months of the annual salary and 12 months where arising from a change of control.

A L Govey – Executive Director - Technical

Term of agreement: no defined period.
Remuneration: base salary of $204,750 per annum plus 10% superannuation contributions, to be reviewed annually by the remuneration committee.
Performance bonus: up to 50% of annual salary weighted equally between the achievement of agreed milestones and relative peer group share price performance. To receive 100% of the peer group share price performance component the Red 5 share price must be in the top quartile of the ASX All Ordinaries gold index. To receive 50% of the share price performance component the Red 5 share price must be in the second quartile of the ASX All Ordinaries gold index. No component is received for below median performance. Payment of a performance bonus is 50% cash and 50% shares (escrowed for two years).
Termination provisions: payment upon early termination by the Company (other than for unsatisfactory performance, gross misconduct or long term incapacity) equal to 3 months of the annual salary and 12 months where arising from a change of control.

W P Darcey – Project Manager

Term of agreement: no defined period.
Remuneration: base salary plus 10% superannuation contributions, to be reviewed annually.
Performance bonus: up to 30% of annual salary upon the achievement of agreed milestones and targets.
Termination provisions: payment upon early termination by the Company (other than for unsatisfactory performance, gross misconduct or long term incapacity) equal to three months of the annual salary.

Non-Audit Services

During the year, Red 5's external auditors, KPMG, have provided other services in addition to their statutory audit function. Non audit services provided by the external auditors comprised $25,495 for taxation services. Further details of remuneration of the auditors are set out in Note 18.

The Board has considered the non-audit services provided during the year and is satisfied that the provision of those services is compatible with the general standard of independence for auditors imposed by the Corporations Act and did not compromise the auditor independence requirements of the Corporations Act, for the following reasons:

- all non-audit services were subject to the corporate governance guidelines adopted by Red 5;
- non-audit services have been reviewed by the audit committee to ensure that they do not impact the impartiality or objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity, acting as an advocate for Red 5 or jointly sharing economic risks and rewards.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is included immediately following the Directors' Report and forms part of the Directors' Report.

Environmental Regulations

The consolidated entity is subject to significant environmental regulation in respect to its mineral exploration activities. These obligations are regulated under relevant government authorities within Australia and overseas. The consolidated entity is a party to exploration and development licences and has beneficial interests in Mineral Production Sharing Agreements. Generally, these licences and agreements specify the environmental regulations applicable to exploration and mining operations in the respective jurisdictions. The consolidated entity aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

Compliance with environmental obligations is monitored by the Board of Directors. No environmental breaches have been notified to the consolidated entity by any government agency during the year ended 30 June 2009.

Signed in accordance with a resolution of the directors.

Colin G Jackson
Chairman

Perth, Western Australia
29 September 2009

Auditor's Independence Declaration

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of Red 5 Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

R Gambitta
Partner

Perth
29 September 2009

Income Statements

for the year ended 30 June 2009

	Note	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Amortisation and depreciation expenses		**(10,479)**	(15,693)	**(10,479)**	(15,693)
Employee and consultancy expenses	*3*	**(1,158,180)**	(1,001,112)	**(1,158,180)**	(1,001,112)
Exploration expenditure written-off		**(68,052)**	(33,600)	**–**	(9,300)
Impairment in loans		**–**	–	**(68,052)**	(539)
Impairment of property, plant and equipment		**(444,979)**	–	**–**	–
Occupancy expenses		**(167,615)**	(131,883)	**(167,615)**	(131,883)
Regulatory expenses		**(116,710)**	(138,591)	**(116,710)**	(138,591)
Other expenses		**(202,257)**	(261,696)	**(202,257)**	(261,434)
Operating loss before financing income/(expenses)		**(2,168,272)**	(1,582,575)	**(1,723,293)**	(1,558,552)
Financing income	*3*	**1,699,271**	1,330,334	**4,664,281**	1,319,665
Financing expenses	*3*	**(318,922)**	(375,464)	**(313,062)**	(2,085,727)
Net financing income/(expense)		**1,380,349**	954,870	**4,351,219**	(766,062)
Profit/(loss) before income tax expense		**(787,923)**	(627,705)	**2,627,926**	(2,324,614)
Income tax expense	*4*	**–**	–	**–**	–
Net profit/(loss) after income tax		**(787,923)**	(627,705)	**2,627,926**	(2,324,614)
		Cents	*Cents*		
Basic and diluted loss per share (cents per share)	*24*	**(0.12)**	(0.13)		

The accompanying notes form part of these financial statements.

Balance Sheets

as at 30 June 2009

	Note	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
CURRENT ASSETS					
Cash and cash equivalents	*5*	**22,453,445**	30,615,336	**21,613,109**	30,521,192
Trade and other receivables	*6*	**331,716**	499,103	**331,716**	499,103
Total current assets		**22,785,161**	31,114,439	**21,944,825**	31,020,295
NON-CURRENT ASSETS					
Receivables	*7*	**24,306**	24,306	**29,084,717**	20,549,452
Investments in subsidiaries	*8*	**–**	–	**998,531**	335,540
Property, plant and equipment	*9*	**1,319,179**	1,773,082	**19,179**	28,103
Exploration and evaluation expenditure	*10*	**27,463,063**	19,187,826	**–**	–
Total non-current assets		**28,806,548**	20,985,214	**30,102,427**	20,913,095
TOTAL ASSETS		**51,591,709**	52,099,653	**52,047,252**	51,933,390
CURRENT LIABILITIES					
Trade and other payables	*11*	**267,960**	924,068	**267,960**	809,370
Employee benefits	*12*	**144,416**	107,168	**79,418**	59,152
Interest bearing loans	*13*	**–**	2,006,260	**–**	2,006,260
Total current liabilities		**412,376**	3,037,496	**347,378**	2,874,782
NON-CURRENT LIABILITIES					
Borrowings	*14*	**298,461**	292,601	**–**	–
Employee benefits	*12*	**267,263**	227,344	**109,819**	96,479
Total non-current liabilities		**565,724**	519,945	**109,819**	96,479
TOTAL LIABILITIES		**978,100**	3,557,441	**457,197**	2,971,261
NET ASSETS		**50,613,609**	48,542,212	**51,590,055**	48,962,129
EQUITY					
Contributed equity	*15*	**67,221,875**	67,221,875	**67,221,875**	67,221,875
Reserves	*16*	**(706,620)**	(3,117,190)	**518,520**	967,270
Accumulated losses		**(15,901,646)**	(15,562,473)	**(16,150,340)**	(19,227,016)
TOTAL EQUITY		**50,613,609**	48,542,212	**51,590,055**	48,962,129

The accompanying notes form part of these financial statements.

Statements of Changes in Equity

for the year ended 30 June 2009

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY			
	Issued Capital $	Accumulated Losses $	Other Reserves $	Total $
CONSOLIDATED				
Balance at 1 July 2007	33,340,684	(14,934,768)	(1,960,228)	16,445,688
Foreign currency translation reserve	–	–	(1,736,732)	(1,736,732)
Total income and expenses recognised directly in equity	–	–	(1,736,732)	(1,736,732)
Loss for the period	–	(627,705)	–	(627,705)
Total recognised income and expenses	–	(627,705)	(1,736,732)	(2,364,437)
Share placement – net of transaction costs	33,881,191	–	–	33,881,191
Issue of options	–	–	579,770	579,770
Balance at 30 June 2008	67,221,875	(15,562,473)	(3,117,190)	48,542,212
Foreign currency translation reserve	–	–	2,859,320	2,859,320
Total income and expenses recognised directly in equity	–	–	2,859,320	2,859,320
Loss for the period	–	(787,923)	–	(787,923)
Total recognised income and expenses	–	(787,923)	2,859,320	2,071,397
Transfer from reserves – lapsing of options	–	448,750	(448,750)	–
Balance at 30 June 2009	**67,221,875**	**(15,901,646)**	**(706,620)**	**50,613,609**
PARENT				
Balance at 1 July 2007	33,340,684	(16,902,402)	387,500	16,825,782
Loss for the period	–	(2,324,614)	–	(2,324,614)
Total recognised income and expenses	–	(2,324,614)	–	(2,324,614)
Share placement – net of transaction costs	33,881,191	–	–	33,881,191
Issue of options	–	–	579,770	579,770
Balance at 30 June 2008	67,221,875	(19,227,016)	967,270	48,962,129
Total income and expenses recognised directly in equity	–	–	–	–
Profit for the period	–	2,627,926	–	2,627,926
Total recognised income and expenses	–	2,627,926	–	2,627,926
Transfer from reserves – lapsing of options	–	448,750	(448,750)	–
Balance at 30 June 2009	**67,221,875**	**(16,150,340)**	**518,520**	**51,590,055**

The accompanying notes form part of these financial statements.

Statements of Cash Flows

for the year ended 30 June 2009

	Note	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Cash flows from operating activities					
Payments to suppliers and employees		**(1,615,044)**	(1,542,671)	**(1,615,044)**	(1,542,410)
Interest received		**1,884,453**	876,663	**1,884,453**	876,663
Net cash used in operating activities	*22*	**269,409**	(666,008)	**269,409**	(665,747)
Cash flows from investing activities					
Payments for exploration and evaluation expenditure		**(5,954,499)**	(4,047,846)	**–**	(37,698)
Payments for plant and equipment		**(5,406)**	(13,739)	**(5,406)**	(13,739)
Investment in subsidiary		**–**	–	**(662,991)**	–
Proceeds on sale of assets		**1,623**	–	**1,623**	–
Net cash from/(used in) investing activities		**(5,958,282)**	(4,061,585)	**(666,774)**	(51,437)
Cash flows from financing activities					
Proceeds from issues of shares		**–**	36,188,000	**–**	36,188,000
Payments for share issue expenses		**–**	(1,841,209)	**–**	(1,841,209)
Loans to controlled entities		**–**	–	**(6,191,395)**	(4,065,502)
Interest paid		**(319,323)**	–	**(319,323)**	–
Repayment of borrowings		**(2,000,000)**	–	**(2,000,000)**	–
Net cash from/(used in) financing activities		**(2,319,323)**	34,346,791	**(8,510,718)**	30,281,289
Net increase/(decrease) in cash held		**(8,008,196)**	29,619,198	**(8,908,083)**	29,564,105
Cash at the beginning of the financial year		**30,615,336**	996,138	**30,521,192**	957,087
Effect of exchange rate fluctuations on cash held		**(153,695)**	–	**–**	–
Cash at the end of the financial year	*5*	**22,453,445**	30,615,336	**21,613,109**	30,521,192

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2009

1. BASIS OF PREPARATION

Red 5 Limited (Company) is a company domiciled in Australia. The financial report includes separate financial statements for Red 5 Limited as an individual entity as well as the consolidated entity which consists of the Company and all its controlled entities, which together are referred to as the consolidated entity in this financial report. The financial report was authorised for issue by the directors on the date of signing of the Directors' Report.

1.1 Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards (IFRS) form the basis of Australian Accounting Standards adopted by the AASB. The consolidated financial report and company financial report also comply with IFRS and interpretations adopted by the International Accounting Standards Board.

1.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for share based payments which are measured at fair value. The methods used to measure fair values are discussed further in the Note 2.11.

1.3 Functional and presentation currency

The financial report is presented in Australian dollars, which is the Company's functional currency, however the functional currency for the majority of subsidiaries of the consolidated entity is United States dollars.

1.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in Note 2.16.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the consolidated entity. No additional standards or amendments have been early adopted in the current year.

2.1 Principles of consolidation

The consolidated financial report incorporates the assets and liabilities of all entities controlled by the Company as at 30 June 2009 and the results of all controlled entities for the year then ended. The Company and its controlled entities together are referred to in this financial report as the consolidated entity. The financial statements of controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Where control of an entity is obtained during a financial period, its results are included only from the date upon which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed. Outside interests in equity and results of the entities which are controlled by the consolidated entity are shown as a separate item in the consolidated financial statements.

2.2 Finance income and expenses

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest rate method. Finance expenses comprise interest expense on borrowings and amortisation of loan borrowing costs. Loan borrowing costs are amortised using the effective interest rate method.

2.3 Investments

Financial instruments are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses and in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement.

The fair value of financial instruments classified as held for trading and available-for-sale is their quoted bid price at balance sheet date. Financial instruments available-for-sale are recognised or derecognised by the consolidated entity on the date it commits to purchase or sell the investments.

2.4 Property, plant and equipment

All assets acquired, including property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Plant and equipment is included at cost less provision for depreciation and any impairment in value and depreciated using a combination of the straight line and diminishing value methods commencing from the time the asset is held ready for use. The expected useful lives of plant and equipment are between 3 and 13 years.

2.5 Exploration and evaluation expenditure

Exploration and evaluation costs are accumulated in respect of each separate area of interest. Exploration and evaluation costs for each area of interest are carried forward where rights of tenure of the area of interest are current and the costs are expected to be recouped through the successful development and exploitation of the area of interest, or by its sale, or where exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit cannot be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable and all key project permits, approvals and financing are in place, the exploration and evaluation assets attributable to that area of interest will then be tested for impairment and reclassified to mining property and development assets within property, plant and equipment.

2.6 Impairment

At each reporting date, the consolidated entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the consolidated entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

Calculation of recoverable amount

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The recoverable amount of the consolidated entity's receivables carried at amortised cost is calculated as the present value of the estimated cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

2.7 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax payable in respect of previous years. Deferred income tax is provided using the balance sheet liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. A deferred income tax asset is not recognised where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

2.8 Financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other creditors. Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Liabilities for trade creditors and other amounts are carried at amortised cost. Trade payables are non interest bearing and are normally settled on 30 day terms.

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

2.9 Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable or payable is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable or payable are classified as operating cash flows.

2.10 Employee benefits

Provision for employee entitlements represents the amount which the consolidated entity has a present obligation to pay resulting from employees' service provided up to the balance date.

Liabilities arising in respect of employee benefits expected to be settled within twelve months of the balance date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the balance date. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

2.11 Share based payments

The consolidated entity may provide benefits to employees (including directors) and other parties as necessary in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares ("equity settled transactions").

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date they are granted. The value is determined using a Black-Scholes model. The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors, will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

2.12 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations

Each entity in the consolidated entity determines its functional currency, being the currency of the primary economic environment in which the entity operates, reflecting the underlying transactions, events and conditions that are relevant to the entity.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated from the entity's functional currency to the consolidated entity's presentation currency of Australian dollars at foreign exchange rates ruling at reporting date. The revenues and expenses of foreign operations are translated to Australian dollars at the exchange rates approximating the exchange rates ruling at the date of the transactions. Foreign exchange differences arising on translation are recognised directly in a separate component of equity.

2.13 Restoration costs

Full provision for restoration costs is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance date. Increases due to additional environmental disturbances are capitalised and amortised over the remaining lives of the operations. These increases are accounted for on a net present value basis.

Annual increases in the provision relating to the change in the net present value of the provision and inflationary increases are accounted for in earnings as an interest expense. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances.

2.14 Provisions

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risk specific to the liability.

2.15 Earnings per share

Basic earnings per share is determined by dividing net operating results after income tax attributable to members of the parent entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to potential ordinary shares.

2.16 Accounting estimates and judgements

The selection and disclosure of the consolidated entity's critical accounting policies and estimates and the application of these policies, estimates and judgements is the responsibility of the Board of Directors. The estimates and judgements that may have a significant impact on the carrying amount of assets and liabilities are discussed below.

Impairment of exploration and evaluation assets, investment in subsidiaries and loans to subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries and loans to subsidiaries is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties. The consolidated entity undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Should an impairment indicator exist, the area of interest is tested for impairment. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverability amounts.

The key areas of estimation and judgement in determining recoverable amounts include:

- recent drilling results and reserves and resources estimates
- environmental issues that may impact the underlying tenements
- the estimated market value of assets at the review date
- independent valuations of underlying assets at the review date
- fundamental economic factors such as the gold price, exchange rates and current and anticipated operating costs in the industry.
- the consolidated entity's market capitalisation compared to its net assets

Information used in the review process is rigorously tested to externally available information as appropriate.

2.17 New standards and interpretations not yet adopted

The following standards and amendments have been identified as those which may impact the entity in the period of initial adoption. They are available for early adoption at 30 June 2009 but have not been applied by the consolidated entity in these financial statements:

- Revised AASB 3 Business Combinations (2008) incorporates the following changes that are likely to be relevant to the consolidated entity's operations:
  - the definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations
  - contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss
  - transaction costs, other than share and debt issue costs, will be expensed as incurred

- any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss
- any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Revised AASB 3, which becomes mandatory for the consolidated entity's 30 June 2010 financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the consolidated entity's 2010 consolidated financial statement.

- Amended AASB 127 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests by the consolidated entity in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the consolidated entity's 30 June 2010 financial statements, are not expected to have a significant impact on the consolidated financial statements.
- Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the consolidated entity's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The consolidated entity plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 consolidated financial statements.
- Revised AASB 123 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the consolidated entity's 30 June 2010 financial statements and will constitute a change in accounting policy for the consolidated entity. In accordance with the transitional provisions the Group will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. Therefore there will be no impact on prior periods in the consolidated entity's 30 June 2010 financial statements.
- AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payment: Vesting Conditions and Cancellations clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to AASB 2 will be mandatory for the consolidated entity's 30 June 2010 financial statements, with retrospective application. The consolidated entity has not yet determined the potential effect of the amendment.
- AASB 2008-7 Amendments to Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate changes the recognition and measurement dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the consolidated entity's 30 June 2010 financial statements. The consolidated entity has not yet determined the potential effect of the amendments.

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $

3. REVENUE AND EXPENSES

(a) Employee and consultancy expenses

	2009 $	2008 $	2009 $	2008 $
Provision for employee entitlements	**81,270**	38,454	**31,687**	38,454
Superannuation contributions	**56,074**	56,049	**56,074**	56,049
Other employee benefits and consultancy expenses	**1,020,836**	906,609	**1,070,419**	906,609
	1,158,180	1,001,112	**1,158,180**	1,001,112

(b) Financing income/(expenses)

	2009 $	2008 $	2009 $	2008 $
Finance revenue - interest received	**1,699,271**	1,319,665	**1,699,271**	1,319,665
Other financing gains	**–**	10,669	**–**	–
Unrealised foreign currency gains/(losses)[1]	**–**	–	**2,965,010**	(1,710,263)
Amortisation of loan establishment fees	**(231,750)**	(167,000)	**(231,750)**	(167,000)
Interest expense	**(81,312)**	(208,464)	**(81,312)**	(208,464)
Other financing expenses	**(5,860)**	–	**–**	–
Net financing income/(expense)	**1,380,349**	954,870	**4,351,219**	(766,062)

(c) Operating lease payments

	2009 $	2008 $	2009 $	2008 $
Rental and outgoings relating to operating lease	**130,773**	109,712	**130,773**	109,712

[1] *Pertaining to unrealised movements in intercompany advances.*

4. INCOME TAX

(a) The major components of income tax expense are:

	2009 $	2008 $	2009 $	2008 $
Income statement				
Current income tax				
Current income tax charge/(credit)	**(58,332)**	(225,250)	**(12,696)**	(221,244)
Deferred income tax				
Unused tax losses not recognised as deferred tax asset	**58,332**	225,250	**12,696**	221,244
Income tax expense	**–**	–	**–**	–

A reconciliation between income tax expense and the numerical loss before income tax at the applicable income tax rate is as follows:

	2009 $	2008 $	2009 $	2008 $
Loss before income tax	**(787,923)**	(627,705)	**2,627,926**	(2,324,614)
At statutory income tax rate of 30% (2008: 30%)	**(236,377)**	(188,312)	**788,378**	(697,384)
Items not allowable for income tax purposes:				
Unearned income	**(79,308)**	(133,421)	**(79,308)**	(133,421)
Foreign currency translation adjustment	**–**	–	**(889,503)**	513,078
Non-deductible expenses	**167,677**	96,483	**167,677**	96,483
	(148,008)	(225,250)	**(12,756)**	(221,244)
Current year tax losses not brought to account	**148,008**	225,250	**12,756**	221,244
Income tax expense	**–**	–	**–**	–

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $

4. INCOME TAX (continued)

(b) Deferred income tax

Deferred income tax at balance date relates to the following:

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Deferred tax liabilities				
Non-assessable income	**79,308**	133,422	**79,308**	133,422
Capitalised expenditure	**–**	–	**–**	–
	79,308	133,422	**79,308**	133,422
Deferred tax assets				
Accrued expenses	**5,852**	4,538	**14,925**	13,611
Provisions	**193,029**	100,354	**126,296**	46,689
Tax value of losses recognised	**–**	28,530	**–**	–
Non-recognition of deferred taxes	**(119,573)**	–	**(61,913)**	73,122
	79,308	133,422	**79,308**	133,422
Net deferred income tax balances	**–**	–	**–**	–

(c) Tax losses

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
The directors estimate that the potential deferred tax assets in respect of tax losses not brought to account is:	**1,685,527**	1,521,710	**1,641,725**	1,489,470

The potential benefit of tax losses has not been brought to account in this financial report as realisation of the benefit cannot be regarded as probable. The potential future income tax benefit will be obtainable by the consolidated entity only if:

(a) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;

(b) the consolidated entity complies with the conditions for deductibility imposed by income tax law; and

(c) no changes in income tax legislation adversely affects the consolidated entity in realising the benefit of the deduction for the loss.

CURRENT ASSETS

5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Cash at bank	**891,785**	325,225	**51,449**	231,081
Cash on deposit	**21,561,360**	30,289,811	**21,561,360**	30,289,811
Cash on hand	**300**	300	**300**	300
	22,453,445	30,615,336	**21,613,109**	30,521,192

6. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Interest receivable	**264,919**	444,739	**264,919**	444,739
Prepayments	**63,106**	–	**63,106**	–
GST	**–**	51,916	**–**	51,916
Other	**3,691**	2,448	**3,691**	2,448
	331,716	499,103	**331,716**	499,103

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$

NON-CURRENT ASSETS

7. RECEIVABLES

Security deposit	**24,306**	24,306	**24,306**	24,306
Unsecured loans - wholly owned controlled entities	**–**	–	**31,235,916**	22,632,599
Allowance for impairment	**–**	–	**(2,175,505)**	(2,107,453)
	–	–	**29,060,411**	20,525,146
	24,306	24,306	**29,084,717**	20,549,452

Security deposits represent funds held on deposit as security against a bank guarantee.

Unsecured loans to controlled entities are interest free and are repayable on demand. The parent entity is not expected to request repayment within the next 12 months. The recoverability of the loan is dependent upon the successful development and exploitation, or alternatively sale, of the respective areas of interest at an amount greater than or equal to the carrying value.

8. INVESTMENTS

Shares in controlled entities - at cost	**–**	–	**1,598,531**	1,203,823
Less allowance for impairment	**–**	–	**(600,000)**	(868,283)
	–	–	**998,531**	335,540

Asia Gold Limited was voluntarily wound up during the year, which had a fully impaired investment value of $268,283. $662,991 was invested in Red 5 Asia Incorporated during the year as part of the Siana project corporate structure.

9. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment - at cost				
Opening balance	**1,882,479**	1,868,740	**137,500**	123,761
Additions	**5,406**	13,739	**5,406**	13,739
Impairment	**(444,979)**	–	**–**	–
Disposals	**(5,828)**	–	**(5,828)**	–
Closing balance	**1,437,078**	1,882,479	**137,078**	137,500
Accumulated depreciation				
Opening balance	**109,397**	93,703	**109,397**	93,703
Depreciation for the year	**10,478**	15,694	**10,478**	15,694
Disposals	**(1,976)**	–	**(1,976)**	–
Closing balance	**117,899**	109,397	**117,899**	109,397
Net book value	**1,319,179**	1,773,082	**19,179**	28,103

The impairment loss represents the ball mill being written down to its fair value at 31 December 2008 following a detailed review and inspection.

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $

10. EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Opening balance	**19,187,826**	16,425,904	**–**	–
Exploration and evaluation expenditure incurred in current year	**5,337,911**	4,532,254	**–**	9,300
Exploration expenditure written-off	**(68,052)**	(33,600)	**–**	(9,300)
Foreign currency translation adjustment	**3,005,378**	(1,736,732)	**–**	–
	27,463,063	19,187,826	**–**	–

Exploration and evaluation activities have not yet reached a stage which permits a reasonable assessment of the existence of or otherwise of economically recoverable reserves. The ultimate recoupment of deferred exploration and evaluation expenditure carried forward is dependent upon the successful development and exploitation, or alternatively sale, of the respective areas of interest at an amount greater than or equal to the carrying value.

11. TRADE AND OTHER PAYABLES

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Creditors and accruals	**267,960**	924,068	**267,960**	809,370

12. EMPLOYEE BENEFITS

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Provision for employee entitlements				
Balance at 1 July 2008	**334,512**	400,083	**155,631**	178,422
Increase/(decrease) in provision during the period	**81,270**	(64,429)	**31,687**	(21,649)
Net present value discount adjustment	**(4,103)**	(1,142)	**1,919**	(1,142)
	411,679	334,512	**189,237**	155,631
Current	**144,416**	107,168	**79,418**	59,152
Non-current	**267,263**	227,344	**109,819**	96,479
	411,679	334,512	**189,237**	155,631

13. INTEREST BEARING LIABILITIES

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Current Liability				
Secured loan – other corporation	**–**	2,238,010	**–**	2,238,010
Less loan establishment fee	**–**	(231,750)	**–**	(231,750)
	–	2,006,260	**–**	2,006,260

The loan due to other corporations at 30 June 2008 was secured by a fixed and floating charge over the assets and undertakings of the parent entity. The loan was repayable on the earlier of 31 December 2009 or the date that debt funding to be provided to the consolidated entity for the development of the Siana project is first executed. The loan was repaid in full during the current year.

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	*$*	**$**	*$*

14. BORROWINGS

Unsecured loans – other corporations	**298,461**	292,601	**–**	–

Loans due to other corporations are unsecured and interest free and are repayable six months after the occurrence of specified events, including shareholders funds of a controlled entity exceeding specified levels or commencement of gold production.

15. CONTRIBUTED EQUITY

(a) Share capital

659,288,043 (2008: 659,288,043) ordinary fully paid shares	**67,221,875**	67,221,875	**67,221,875**	67,221,875

	CONSOLIDATED 2008	
	Shares	**$**
(b) Movements in ordinary share capital		
2009: No movements.		
Opening balance 1 July 2007	291,288,043	**33,340,684**
Share placement	18,000,000	**1,188,000**
Share placement	350,000,000	**35,000,000**
Less share issue expenses	–	**(2,306,809)**
Balance 30 June 2008	659,288,043	**67,221,875**

Ordinary shares entitle the holder to participate in dividends and proceeds on the winding up of the parent entity in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

	Options	**$**
(c) Movements in share options		
Opening balance 1 July 2008	19,900,000	**967,270**
Lapse of unlisted options	(12,500,000)	**(448,750)**
Balance 30 June 2009	7,400,000	**518,520**
Opening balance 1 July 2007	12,500,000	**387,500**
Fair value adjustment	–	**61,250**
Issue of options for placement fees	6,000,000	**465,600**
Issue of options to employees	1,400,000	**52,920**
Balance 30 June 2008	19,900,000	**967,270**

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	**2009**	2008
	$	$	**$**	$

16. RESERVES

Foreign currency translation reserve	**(1,225,140)**	(4,084,460)	**–**	–
Share based payment reserve	**518,520**	967,270	**518,520**	967,270
	(706,620)	(3,117,190)	**518,520**	967,270

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where the functional currency is different to the presentation currency of the reporting entity, as well as from the translation of liabilities that hedge the parent entity's net investment in a foreign subsidiary.

Share based payment reserve

The share based payment reserve arises on the granting and vesting of equity instruments. Refer to Note 26 for further details.

17. RELATED PARTIES

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated, were key management personnel for the entire reporting period:

Executive directors

Gregory Edwards – Managing Director

Allen Govey – Executive Director - Technical

Non-executive directors

Colin Jackson

Peter Rowe

Gary Scanlan

Other executives

Raj Surendran – Chief Financial Officer (resigned 19 June 2009)

William Darcey – Project Manager

The Company is yet to appoint a permanent replacement to the role of Chief Financial Officer. There are no individuals (other than the directors and executives above) who are responsible for the strategic direction and management of the consolidated entity.

Compensation of key management personnel

A summary of the compensation of key management personnel is as follows:

Short term benefits	**1,223,594**	938,605	**937,602**	673,554
Post-employment benefits	**233,966**	78,578	**208,304**	56,034
Share based payments	**–**	52,920	**–**	52,920
Other benefits	**27,035**	25,530	**21,628**	20,424
	1,484,595	1,095,633	**1,167,534**	802,932

Loans to key management personnel

There were no loans to key management personnel during the period.

Other transactions with directors

Other than as disclosed in the remuneration report, there were no specific transactions during the year between the consolidated entity and directors or their director-related entities.

Share holdings of key management personnel

The numbers of shares in the parent entity held during the financial year by key management personnel, including their personally-related entities, are set out as follows.

17. RELATED PARTIES (continued)

2009	Balance at 1 July 2008	Received during the year on the exercise of options	Other purchases during the year	Balance at 30 June 2009
G C Edwards	8,000,000	–	1,900,000	9,900,000
A L Govey	6,786,500	–	–	6,786,500
C G Jackson	225,000	–	–	225,000
P W Rowe	–	–	–	–
G F Scanlan	–	–	–	–
R K Surendran [(1)]	–	–	–	–
W P Darcey	–	–	–	–
Total	**15,011,500**	**–**	**1,900,000**	**16,911,500**

[(1)] *resigned on 19 June 2009*

2008	Balance at 1 July 2007	Received during the year on the exercise of options	Other purchases during the year	Balance at 30 June 2008
G C Edwards	7,500,000	–	500,000	8,000,000
A L Govey	6,786,500	–	–	6,786,500
C G Jackson	225,000	–	–	225,000
P W Rowe	–	–	–	–
G F Scanlan	–	–	–	–
R K Surendran	–	–	–	–
W P Darcey	–	–	–	–
Total	**14,511,500**	**–**	**500,000**	**15,011,500**

Option holdings of key management personnel

The numbers of options in the parent entity held during the financial year by key management personnel are set out below.

2009	Held at 1 July 2008	Granted as compensation	Exercised	Held at resignation	Held at 30 June 2009	Vested during the year	Vested and exercisable at 30 June 2009
R Surendran	700,000	–	–	700,000	–	–	–
W Darcey	700,000	–	–	–	700,000	–	700,000
Total	**1,400,000**	**–**	**–**	**700,000**	**700,000**	**–**	**700,000**

2008	Held at 1 July 2007	Granted as compensation	Exercised	Other changes	Held at 30 June 2008	Vested during the year	Vested and exercisable at 30 June 2008
R Surendran	–	700,000	–	–	700,000	700,000	700,000
W Darcey	–	700,000	–	–	700,000	700,000	700,000
Total	**–**	**1,400,000**	**–**	**–**	**1,400,000**	**1,400,000**	**1,400,000**

Transactions with related parties in the wholly owned group

During the financial year, unsecured loan advances were made between the parent entity and its controlled entities. All such loans were interest free. Loan balances between the parent entity and its controlled entities are disclosed in the financial report of the parent entity. Intra entity loan balances have been eliminated in the financial report of the consolidated entity. The ownership interests in related parties in the wholly owned group are set out in Note 21.

Individual directors and executives compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures as permitted by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $

18. REMUNERATION OF AUDITOR

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Amounts paid or due and payable to the auditor for:				
Auditing and reviewing financial reports (KPMG Australia)	**55,784**	50,040	**55,784**	50,040
Other services – accounting advice (KPMG Australia)	**–**	14,200	**–**	14,200
Taxation advisory services – KPMG Australia	**24,320**	28,141	**–**	28,141
– overseas KPMG firms	**1,175**	33,055	**–**	33,055
	81,279	125,436	**55,784**	125,436

19. EXPENDITURE COMMITMENTS

Commitments in relation to non-cancellable operating leases are payable as follows:

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
- not later than one year	**139,808**	62,332	**107,424**	62,332
- later than one year but not later than two years	**–**	5,702	**–**	5,702
- later than two years but not later than five years	**–**	10,454	**–**	10,454
	139,808	78,488	**107,424**	78,488

20. SEGMENT INFORMATION

The operations of the consolidated entity are located within Australia and the Philippines (the primary reportable segment). The secondary reportable segment is entirely involved in mineral exploration and evaluation activities on mining tenements.

Geographical segments	**Australia** $	**Philippines** $	**Consolidated** $
30 June 2009			
Total segment revenue	–	–	–
Amortisation and depreciation expenses	10,479	–	10,479
Impairment of property, plant and equipment	–	444,979	444,979
Exploration expenditure written-off	202	67,850	68,052
Acquisition of assets	5,406	5,337,911	5,343,317
Segment loss	(1,653,665)	(520,467)	(2,174,132)
Income tax expense	–	–	–
Unallocated income and expense	–	–	1,386,209
Net loss			(787,923)
Segment assets	21,988,586	29,603,123	51,591,709
Segment liabilities	(422,791)	(555,309)	(978,100)

Geographical segments	Australia $	Philippines $	Consolidated $

20. SEGMENT INFORMATION (continued)

30 June 2008			
Total segment revenue	–	–	–
Amortisation and depreciation expenses	15,693	–	15,693
Exploration expenditure written-off	33,600	–	33,600
Acquisition of assets	13,739	4,522,955	4,536,694
Segment loss	(1,515,294)	(56,612)	(1,571,906)
Income tax expense	–	–	–
Unallocated income and expense	–	–	944,201
Net loss			(627,705)
Segment assets	31,072,704	21,026,949	52,099,653
Segment liabilities	2,401,527	1,155,914	3,557,441

21. INVESTMENTS IN CONTROLLED ENTITIES

Name of controlled entities	Country of incorporation	Class of shares	Equity holding 2009 %	Equity holding 2008 %
Asia Gold Limited	United Kingdom	Ordinary	–	50
Bremer Resources Pty Ltd	Australia	Ordinary	100	100
Estuary Resources Pty Ltd	Australia	Ordinary	100	100
Greenstone Resources (WA) Pty Ltd	Australia	Ordinary	100	100
Oakborough Pty Ltd	Australia	Ordinary	100	100
Opus Resources Pty Ltd	Australia	Ordinary	100	100
Red 5 Philippines Pty Ltd	Australia	Ordinary	100	100
Bremer Binaliw Corporation	Philippines	Ordinary	100	100
Greenstone Resources Corporation	Philippines	Ordinary	100	100
Red 5 Mapawa Pty Ltd	Australia	Ordinary	100	–
Red 5 Dayano Pty Ltd	Australia	Ordinary	100	–
Red 5 Asia Incorporated	Philippines	Ordinary	100	–

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $

22. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Operating profit/(loss) after income tax	**(787,923)**	(627,705)	**2,627,926**	(2,324,614)
Amortisation and depreciation	**10,478**	15,694	**10,478**	15,694
Loss on disposal of assets	**2,229**	–	**2,229**	–
Exploration expenditure written-off	**68,052**	33,600	**–**	9,300
Impairment of loans	**–**	–	**68,052**	539
Impairment of property, plant and equipment	**444,979**	–	**–**	–
Financing expenses	**5,860**	–	**–**	–
Unrealised exchange gain/(loss) on loan to controlled entity	**–**	–	**(2,965,010)**	1,710,263
Amortisation of borrowings	**231,750**	167,000	**231,750**	167,000
Interest expense classified as financing costs	**81,312**	206,138	**81,312**	206,138
Changes in operating assets and liabilities				
(Increase)/decrease in receivables	**167,387**	(442,442)	**167,387**	(442,442)
Increase/(decrease)in payables	**11,679**	15,167	**11,679**	15,166
Increase/(decrease)in provisions	**33,606**	(33,460)	**33,606**	(22,791)
Net cash outflow from operating activities	**269,409**	(666,008)	**269,409**	(665,747)

23. NON CASH FINANCING AND INVESTING ACTIVITIES

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Issue of options for finance facility	**–**	61,250	**–**	61,250
Issue of options for share placement fee	**–**	465,600	**–**	465,600
	–	526,850	**–**	526,850

24. EARNINGS PER SHARE

	CONSOLIDATED 2009	CONSOLIDATED 2008
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	**659,288,043**	492,307,221
Issued ordinary shares at 1 July 2008	**659,288,043**	291,288,043
Effect of share placement 30 August 2007	**–**	14,991,781
Effect of share placement 18 December 2007	**–**	186,027,397
Weighted average number of ordinary shares at 30 June 2009	**659,288,043**	492,307,221

The potential ordinary shares existing as at balance date are not dilutive, therefore diluted earnings per share is equal to basic earnings per share.

There were no movements in ordinary shares or options subsequent to balance date.

25. SUBSEQUENT EVENTS

A bankable feasibility study for the construction and development of the Siana project was completed and subsequently approved by the Board in July 2009.

26. SHARE BASED PAYMENTS

An Employee Option Plan (Plan) was approved by shareholders at the annual general meeting of the parent entity held on 27 November 2007. All staff, (including executive directors), are eligible to participate in the scheme. Shares and options are issued on the following terms:

(a) the Board may from time to time determine that any eligible person is entitled to participate in the plan and the extent of that participation. In making that determination, the Board may consider, where appropriate:

- the seniority of the eligible person and the position the eligible person occupies within the consolidated entity;
- the length of service of the eligible person with the consolidated entity;
- the record of employment or engagement of the eligible person with the consolidated entity;
- the contractual history of the eligible person with the consolidated entity;
- the potential contribution of the eligible person to the growth of the consolidated entity;
- the extent (if any) of the existing participation of the eligible person (or any permitted nominee in relation to that eligible person) in the plan; and
- any other matters which the Board considers relevant.

(b) a 5% limit is imposed on the number of shares to be received on exercise of the options issued under the plan. This includes all shares issued (or which might be issued pursuant to the exercise of an option under each outstanding offer), the number of shares in the same class that would be issued if offers under the plan were accepted or if options over them were exercised and the number of shares in the same class issued under the previous five years pursuant to the plan. Options are granted under the plan for no consideration. Options granted under the plan carry no dividend or voting rights.

(c) when exercisable, each option is convertible into one ordinary share. The exercise price of options is determined by the Board when it resolves to offer the option and will be not less than 80% of the average closing sale price of the shares on ASX Limited over the five trading days immediately preceding the date of issue of any offer document in relation to the offer, or the date of resolving to issue the options or the date of issue of options by the Board, as the case may be.

Amounts receivable on the exercise of options are recognised as share capital. Set out below are summaries of options granted under the scheme.

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired/ forfeited during the year	Balance at end of the year	Vested and exercisable at end of the year
		$	*Number*	*Number*	*Number*	*Number*	*Number*	*Number*
Consolidated and parent entity - 2009								
12.12.07	31.12.12	0.15	6,000,000	–	–	–	6,000,000	6,000,000
16.06.08	30.06.11	0.15	350,000	–	–	–	350,000	350,000
16.06.08	30.06.13	0.25	350,000	–	–	–	350,000	350,000
16.06.08	30.06.11	0.15	350,000	–	–	–	350,000	350,000
16.06.08	30.06.13	0.25	350,000	–	–	–	350,000	350,000
			7,400,000	**–**	**–**	**–**	**7,400,000**	**7,400,000**
Weighted average exercise price			$0.16	–	–	–	$0.16	$0.16
Consolidated and parent entity - 2008								
12.12.07	31.12.12	0.15	–	6,000,000	–	–	6,000,000	6,000,000
16.06.08	30.06.11	0.15	–	350,000	–	–	350,000	350,000
16.06.08	30.06.13	0.25	–	350,000	–	–	350,000	350,000
16.06.08	30.06.11	0.15	–	350,000	–	–	350,000	350,000
16.06.08	30.06.13	0.25	–	350,000	–	–	350,000	350,000
			–	**7,400,000**	**–**	**–**	**7,400,000**	**7,400,000**
Weighted average exercise price			–	–	–	–	$0.16	$0.16

26. SHARE BASED PAYMENTS (continued)

The assessed weighted average fair value at grant date of options granted during the year ended 30 June 2008 was $0.070. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

During the 2008 financial year, the parent entity granted 1,400,000 unlisted options as share based payments to executives. These options were issued on 16 June 2008, with 700,000 options expiring on 30 June 2011 and 700,000 options expiring on 30 June 2013. The exercise price of the options is 15 cents and 25 cents respectively and must be settled in cash. The fair value at grant date is determined using a Black-Scholes option pricing model with the following terms:

	CONSOLIDATED 2008 $
Weighted average exercise price: $0.20	
Average life of the option: 4.04 years	
Underlying share price: $0.079	
Expected share price volatility (based on historic volatility): 85%	
Dividend yield: nil	
Risk-free interest rate: 7%	
Total expenses arising from share-based payment transactions recognised as part of employee benefit expense	52,920

During the 2008 financial year, the parent entity granted 6,000,000 unlisted options as part consideration for share placement fees. The options are exercisable at 15 cents each on or before 31 December 2012, are not transferable by the holder and must be settled in cash. The fair value at grant date is determined using a Black-Scholes option pricing model with the following terms:

	CONSOLIDATED 2008 $
Option life: 5 years	
Fair value at grant date: $0.0776	
Underlying share price: $0.14	
Exercise price $0.15	
Dividend yield: nil	
Total expenses from options issued as part consideration for share placement fees	526,850

27. FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the company and the consolidated entity's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The company and the consolidated entity do not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the consolidated entity through regular reviews of the risks.

27. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity receivables from customers and investment securities. For the company it arises from receivables due from subsidiaries.

Presently, the consolidated entity undertakes exploration and evaluation activities exclusively in the Philippines. At the balance sheet date there were no significant concentrations of credit risk.

Cash and cash equivalents

The consolidated entity limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. Excess cash and cash equivalents are maintained in short term deposits with more than one major Australian commercial bank at interest rates maturing over 30 to 120 day rolling periods.

Trade and other receivables

As the consolidated entity operates primarily in exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The company and consolidated entity have established an allowance for impairment that represents their estimate of incurred losses in respect of other receivables (mainly relate to unsecured loans to controlled entities) and diminution of investments in wholly owned entities. Management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure.
The maximum exposure to credit risk at the reporting date was:

	CONSOLIDATED Carrying amount	
	2009	**2008**
	$	$
Trade and other receivables	**356,022**	523,404
Cash and cash equivalents	**22,453,445**	30,615,336

	PARENT ENTITY Carrying amount	
	2009	**2008**
	$	$
Loans to subsidiaries	**29,060,411**	20,525,146

Impairment losses

None of the consolidated entity's or the Company's receivables are past due (2008: nil). The movement in the allowance for impairment in respect of inter-group loans on a non-consolidated basis during the year was $68,052 (2008: $539). The impairment recognised during the year was due to an analysis of the respective subsidiaries financial position. The loans are not payable at 30 June 2009.

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entities reputation. The consolidated entity manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.

The Company anticipates a need to raise additional capital via debt facilities in the next 12 months to meet future development and construction activities. The final decision on how the Company will raise future funding will be influenced by market conditions existing at that time.

27. FINANCIAL RISK MANAGEMENT (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 1 year
CONSOLIDATED					
30 June 2009					
Trade and other payables	267,960	(267,960)	(267,960)	–	–
Non-interest bearing loan	298,461	(322,846)	–	–	(322,846)
	566,421	(590,806)	(267,960)	–	(322,846)
30 June 2008					
Trade and other payables	924,068	(924,068)	(924,068)	–	–
Interest bearing loan borrowings	2,006,260	(2,608,208)	–	(2,608,208)	–
Non-interest bearing loan	292,601	(322,846)	–	–	(322,846)
	3,222,929	(3,855,122)	(924,068)	(2,608,208)	(322,846)
PARENT ENTITY					
30 June 2009					
Trade and other payables	267,960	(267,960)	(267,960)	–	–
	267,960	(267,960)	(267,960)	–	–
30 June 2008					
Trade and other payables	809,370	(809,370)	(809,370)	–	–
Interest bearing loan borrowings	2,006,260	(2,608,208)	–	(2,608,208)	–
	2,815,630	(3,417,578)	(809,370)	(2,608,208)	–

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The consolidated entity is exposed to currency risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the consolidated entity, which is primarily the Australian dollar (AUD). The currencies in which these transactions primarily are denominated are United States dollars (USD) and the Philippine Peso.

The consolidated entity has not entered into any derivative financial instruments to hedge such transactions. The Company's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature.

27. FINANCIAL RISK MANAGEMENT (continued)

Exposure to currency risk

The consolidated entity's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	30 June 2009			30 June 2008		
	USD $	**Peso** $	**Total** $	**USD** $	**Peso** $	**Total** $
Cash	305,632	17,770	323,402	54,583	39,561	94,144
Trade payables	(5,300)	–	(5,300)	(165,691)	–	(165,691)
Gross balance sheet exposure	300,332	17,700	318,102	(111,108)	39,561	(71,547)

The Company's exposure to foreign currency risk was as follows, based on notional amounts:

Trade and other receivables	27,315,432	–	27,315,432	18,780,167	–	18,780,167
Trade and other payables	(5,300)	–	(5,300)	(165,691)	–	(165,691)
Gross balance sheet exposure	27,310,132	–	27,310,132	18,614,476	–	18,614,476

Sensitivity analysis

A 10 percent strengthening of the Australian dollar against the following currencies at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.

	CONSOLIDATED Profit or Loss	**PARENT ENTITY** Profit or Loss
30 June 2009		
USD	(27,302)	(2,482,739)
Peso	(1,609)	–
30 June 2008		
USD	(20,025)	(1,692,226)
Peso	(3,597)	–

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The consolidated entity is exposed to interest rate risk, primarily on its cash and cash equivalents and interest bearing liabilities, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The consolidated entity does not use derivatives to mitigate these exposures. The consolidated entity adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short term deposits with more than one counterparty at interest rates maturing over 90 day rolling periods.

Profile

At the reporting date the interest rate profile of the consolidated entity and the Company's interest-bearing financial instruments were:

	CONSOLIDATED Carrying amount		**PARENT ENTITY** Carrying amount	
	2009 **$**	2008 $	**2009** **$**	2008 $
Variable rate instruments				
Cash and cash equivalents	**22,453,445**	30,615,336	**21,613,109**	30,521,192
Interest bearing loans	**–**	(2,006,260)	**–**	(2,006,260)
	22,453,445	28,609,076	**21,613,109**	28,514,932

27. FINANCIAL RISK MANAGEMENT (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.

	Profit or Loss		Equity	
	100bp increase $	100bp decrease $	100bp increase $	100bp decrease $
CONSOLIDATED				
30 June 2009				
Variable rate instruments	224,534	(224,534)	224,534	(224,534)
30 June 2008				
Variable rate instruments	283,773	(283,773)	283,773	(283,773)
PARENT ENTITY				
30 June 2009				
Variable rate instruments	216,131	(216,131)	216,131	(216,131)
30 June 2008				
Variable rate instruments	282,832	(282,832)	282,832	(282,832)

Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities approximate fair value except for the following balances:

	30 June 2009		30 June 2008	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
CONSOLIDATED				
Interest bearing loan	–	–	(2,006,260)	(2,238,010)
	–	–	(2,006,260)	(2,238,010)
PARENT ENTITY				
Interest bearing loan	–	–	(2,006,260)	(2,238,010)
	–	–	(2,006,260)	(2,238,010)

Capital management

The consolidated entity's objective when managing capital is to safeguard its ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the consolidated entity may return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the consolidated entity's approach to capital management during the year. Risk management is facilitated by regular monitoring and reporting by the board and key management personnel.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Declaration by Directors

The Board of Directors of Red 5 Limited declares that:

(a) the financial statements, accompanying notes and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the financial position as at 30 June 2009 and performance of the parent entity and the consolidated entity for the financial year ended on that date; and
- complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.1;

(c) the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001; and

(d) there are reasonable grounds to believe that the parent entity will be able to pay its debts as and when they fall due.

The Board of Directors has received the declaration by the Managing Director and Acting Chief Financial Officer required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors.

Colin G Jackson
Chairman

Perth, Western Australia
29 September 2009

Independent Audit Report

to the members of Red 5 Limited

KPMG

Report on the financial report

We have audited the accompanying financial report of Red 5 Limited (the company), which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary significant accounting policies and other explanatory notes 1 to 27 and the directors' declaration set out on page 46 of the Consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Consolidated entity financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Red 5 Limited on 24 September 2009, would be unchanged if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In our opinion:

(a) the financial report of Red 5 Limited is in accordance with the Corporations Act 2001, including:
   (i) giving a true and fair view of the Company's and the Consolidated entity financial position as at 30 June 2009 and of their performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 16 to 18 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Red 5 Limited for the year ended 30 June 2009, complies with Section 300A of the Corporations Act 2001.

KPMG

KPMG
Perth, 29 September 2009

R Gambitta
Partner

Corporate Governance Statement

A description of Red 5's main corporate governance practices is set out below. These practices, unless otherwise stated, were in place for the entire financial year. Copies of relevant corporate governance policies are available in the corporate governance section of the Company's web-site at www.red5limited.com.

The Company's Board and management are committed to a high standard of corporate governance practices. Good corporate governance will evolve with the changing circumstances of a company and must be tailored to meet these circumstances. Red 5 today, is an exploration and development company which currently operates with a limited number of permanent staff.

BOARD OF DIRECTORS

The Board has the responsibility for protecting the rights and interests of shareholders and the enhancement of long-term shareholder value. The Board's primary role is to formulate the strategic direction of the Company and to oversee the Company's business activities and management. Day to day management of the Company's affairs and the implementation of corporate strategies are formally delegated by the Board to the Managing Director.

The Company has established functions reserved for the Board and those delegated to senior management, as set out in the Company's Board charter. The Board charter states that the Board is responsible for:

- the corporate governance of the Company;
- the overall strategic direction and leadership of the Company;
- approving and monitoring management implementation of objectives and strategies;
- reviewing performance against stated objectives by receiving regular management reports on the business situation, opportunities and risks; and
- the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company.

Board composition and independence

The Company has a five member Board comprising two executive directors and three non-executive directors, including the Chairman. The roles of Chairman and Managing Director are not combined. Mr Edwards and Mr Govey are not considered independent by virtue of their executive roles in the Company, neither is Mr Jackson by virtue of financial remuneration during the year. Mr Rowe and Mr Scanlan are independent non-executive directors.

Board members should possess complementary business disciplines and experience aligned with the Company's objectives. Under present circumstances there is not a majority of directors classified as being independent, according to ASX guidelines. Where any director has a material personal interest in a matter or there is a perceived conflict of interest, the director must declare his interest and is not permitted to be present during discussions or to vote on the matter.

The current composition of the Board is considered adequate for the Company's current size and level of operations and includes an appropriate mix of skills, expertise and experience relevant to the Company's business. Details of the experience, qualifications and term of office of directors are set out in the Directors' Report.

Having regard to the structure of the Board and of executive management, it is considered appropriate by the Board to utilise the Chairman's skills as a consultant with regard to corporate and commercial aspects of the Company's operations. The Chairman is expected to bring independent thought and judgement to his role in all circumstances.

The Board has adopted ASX recommended principles in relation to the assessment of directors' independence, which identifies shareholdings, executive roles and contractual relationships which may affect independent status. Financial materiality thresholds used in the assessment of directors' independence are set at 5% of the annual gross expenditure of the Company and/or 25% of the annual income or business turnover of the director.

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, subject to the prior written approval of the Chairman, which will not be unreasonably withheld.

The audit committee comprises the three non-executive directors of the Company, with Mr Scanlan as chairman. The remuneration committee also comprises the three non-executive directors, with Mr Rowe as chairman. Details of the qualifications of committee members and attendance at committee meetings are set out in the Directors' Report.

The current size of the full Board permits it to act as the nomination committee and to regularly review membership. When a Board vacancy occurs, the Board identifies the particular skills, experience and expertise that will best complement Board effectiveness and then undertakes a process to identify candidates who can meet those criteria. The Board will give consideration at an appropriate time in the Company's development to the creation of a separate nomination committee.

Performance assessment

The Board has adopted a formal process for an annual self assessment of its collective performance, the performance of individual directors and of Board committees. The Board is required to meet annually with the purpose of reviewing the role of the Board, assessing its performance over the previous 12 months and examining ways in which the Board can better perform its duties. A formal assessment was undertaken in August 2008, using a self-assessment checklist as the basis for evaluation of performance against the requirements of the Board charter.

The performance of senior executives is reviewed annually by the Managing Director through a formal performance appraisal meeting, incorporating an analysis of key performance indicators. Executive remuneration and other terms of employment are reviewed annually by the remuneration committee having regard to performance, relevant comparative information and where appropriate, expert advice. A formal evaluation of senior executives was undertaken during the year in accordance with the Company's performance appraisal procedures.

AUDIT COMMITTEE

The audit committee charter sets out the responsibilities of the audit committee as including:

- reviewing and approving statutory financial reports and all other financial information distributed externally;
- reviewing the effectiveness of the Company's internal control environment including compliance with applicable laws and regulations;
- the nomination of the external auditors and the review of the adequacy of the existing external audit arrangements; and
- considering whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence.

The Managing Director and Chief Financial Officer provide a declaration to the Board that the Company's external financial reports present a true and fair view of the Company's financial condition and operational results and that the declaration in relation to the integrity of the Company's external financial reports is founded on sound risk management and internal control systems and that those systems are operating effectively in relation to financial reporting risks.

The external auditors provide an annual declaration of their independence to the Board. KPMG were appointed as external auditors in 1998. The current engagement partner has conducted the audit since 2008 with rotation due no later than five years from that date. The performance of the external auditors is reviewed annually.

REMUNERATION COMMITTEE

The remuneration committee operates in accordance with a formal written charter. The committee advises the Board on remuneration and incentive policies and practices generally and makes specific recommendations in relation to compensation arrangements for executive and non-executive directors and in respect of all equity based remuneration plans. Details of the Company's remuneration policies are set out in the Remuneration Report section of the Directors' Report.

RISK MANAGEMENT

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

The Company's risk management systems and internal control systems are evolving and it is recognised that the extent of these systems will develop with the growth in the Company's activities.

The Managing Director is required to formally report to the Board regarding material business risks and whether those risks are being managed effectively. Since July 2009, changes to key risk factors are required to be reported at each board meeting, areas of significant business risks and mitigation actions are to be reported quarterly and a review of all identified and potential new risk factors is to be reported on a six monthly basis. An assessment of project risks and mitigating factors was integral to the Board approval of the Siana bankable feasibility study. No formal report on the effectiveness of the Company's management of material business risks was provided in the year ended 30 June 2009.

RESPECT THE RIGHTS OF SHAREHOLDERS AND STAKEHOLDERS

The Board has adopted a formal written policy covering arrangements to promote communications with shareholders and to encourage effective participation at general meetings. The external auditor is requested to attend annual general meetings and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

The Board has established a code of conduct to guide compliance with the legitimate interests of all stakeholders. The code aims to encourage the appropriate standards of conduct and behaviour of the directors, employees and contractors of the Company. All personnel are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

TIMELY AND BALANCED DISCLOSURES

The Board recognises the obligations of continuous disclosure and the Company has a formal written policy for the continuous disclosure of any price sensitive information concerning the Company. A record of the circumstances surrounding each continuous disclosure announcement decision is maintained. The disclosure policy follows the OECD principles of corporate governance.

Material information is lodged immediately with the ASX and then disseminated by posting to the Company's web-site. Shareholders, potential investors and interested parties can avail themselves of an email alert facility. A strict protocol is practiced for all investor/analyst/media meetings, group briefings and conference calls.

DEALINGS IN COMPANY SHARES

The Company's share trading policy prohibits the purchase or disposal of shares by directors, officers and specified employees in the period of two weeks prior to the release of quarterly reports and four weeks prior to the release of half year and full year results and for one business day thereafter. Any transactions to be undertaken must be notified to the Chairman or Managing Director in advance. Directors are also required to immediately advise the Company of any transactions conducted by them in the securities of the Company.

Where the Company grants securities under an equity based remuneration scheme, participants are prohibited from entering into arrangements for the hedging, or otherwise limiting their exposure to risk in relation to unvested shares, options or rights issued or acquired under the scheme.

Statement of Shareholders

as at 29 September 2009

Distribution of share and option holders

			Number of Holders	
			Fully paid shares	Unlisted options
1	–	1,000	31	-
1,001	–	5,000	109	-
5,001	–	10,000	247	-
10,001	–	100,000	927	-
100,001		and over	403	5
			1,717	5
Including holdings of less than a marketable parcel			100	

Classes of shares and voting rights

At meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or attorney. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and on a poll, every person present in person or by proxy has one vote for each ordinary share held.

Substantial shareholders

The following shareholders have lodged a notice of substantial shareholding in the Company.

Shareholder	Number of shares	%
Mathews Capital Partners – Sabre Fund	128,471,149	19.49
AngloGold Ashanti Australia Limited	67,171,875	10.19
Ross Stanley	62,444,301	9.47

Twenty largest holders of fully paid shares

	Shareholder	Number of shares	%
1.	ANZ Nominees Limited	131,990,514	20.02
2.	AngloGold Ashanti Australia Limited	67,171,875	10.19
3.	Ross Francis Stanley	39,642,769	6.01
4.	Lujeta Pty Ltd	25,000,000	3.79
5.	Sierra Bay Pty Ltd	24,547,264	3.72
6.	Merrill Lynch (Australia) Nominees Pty Ltd	22,100,000	3.35
7.	David Teoh	11,840,200	1.80
8.	Laguna Bay Capital Pty Ltd	11,500,000	1.74
9.	Twynam Agricultural Group Pty Ltd	7,479,819	1.13
10.	Gregory Charles Edwards	6,850,000	1.04
11.	Nefco Nominees Pty Ltd	6,135,776	0.93
12.	Allen Lance Govey	6,135,000	0.93
13.	Thomas David Cumming	6,000,000	0.91
14.	Merrill Lynch (Australia) Nominees Pty Ltd	5,900,000	0.90
15.	Timothy Lyons and Heather Lyons	5,780,548	0.88
16.	Merrill Crowe Corporation	5,609,955	0.85
17.	HSBC Custody Nominees (Australia) Limited	5,545,000	0.84
18.	Computer Visions Pty Ltd	5,500,000	0.84
19.	Breamlea Pty Ltd (J&E MacDonald Account)	5,000,000	0.76
20.	Berne No. 132 Nominees Pty Ltd	4,203,000	0.64
		403,931,720	61.27

Unquoted securities

The following classes of unquoted securities are on issue:

Security	Number on issue	Holders of greater than 20% of each class of security Name of holder	Number	%
Options over fully paid shares exercisable:				
– at 15 cents each on or before 30.06.11	700,000	William Darcey	350,000	50.00
		Raj Surendran	350,000	50.00
– at 15 cents each on or before 31.12.12	6,000,000	Lost Ark Nominees Pty Ltd	6,000,000	100.00
– at 25 cents each on or before 30.06.13	700,000	William Darcey	350,000	50.00
		Raj Surendran	350,000	50.00

Investor Information

Announcements

The Company makes both statutory announcements (Activities or quarterly reports, financial reports, Appendix 5B cash statements, changes to Directors' interests) and specific announcements under Continuous Disclosure provisions on a timely basis. Significant announcements made during the financial year include:

Release date	Announcement subject
28/07/2008	Siana drilling update
31/07/2008	Fourth quarter activities and cash flow report
25/09/2008	Annual financial statements
22/10/2008	Annual Report
22/10/2008	Notice of Annual General Meeting
29/10/2008	Environmental Impact Assessment submission
31/10/2008	First quarter activities and cash flow report
14/11/2008	Notice of initial substantial shareholding
25/11/2008	Siana underground extensions
25/11/2008	AGM Chairman's Address
25/11/2008	AGM presentation
25/11/2008	Results of Annual General Meeting
28/11/2008	Change in substantial shareholding
22/12/2008	EIS public hearing successfully completed
27/01/2009	Siana project update
30/01/2009	Second quarter activities and cash flow report
10/02/2009	Siana high grade extension continues
19/02/2009	Siana underground resource increase and upgrade
13/03/2009	Half year accounts
31/03/2009	Siana ore reserve doubles on completion of underground study
27/04/2009	Environmental Compliance Certificate issued for Siana
30/04/2009	Third quarterly activities and cash flow report
07/05/2009	Mapawa Mineral Title grant
14/05/2009	Sydney Resources Round Up presentation
05/06/2009	Sydney Mining Club presentation
25/06/2009	Siana project update

Share Price Movements

Share price ranges on the Australian Securities Exchange during the 2008-2009 year were:

Quarter ended	High (cents)	Low (cents)
September 2008	9.0	5.0
December 2008	7.0	3.0
March 2009	5.8	2.9
June 2009	8.5	3.8

The closing share price on 30 June 2009 and on the date of this report was 7.2 cents (8.4 cents 2008) and 10.0 cents (5.8 cents 2008) respectively.

Investor Relations

This annual report has been produced with the objective of ensuring that shareholders are informed on company strategy and performance sufficient to make or retain an investment in the Company. Announcements, statutory reports and the latest information on the Company's projects are available on the Red 5 Limited website: www.red5limited.com.

Financial institutions, stockbrokers and other non-shareholder entities requiring copies of this report, Activities Reports and other corporate information should contact the Directors at:

Red 5 Limited
Level 2,
35 Ventnor Avenue
West Perth 6005
Western Australia Australia
Phone +61 8 9322 4455
Facsimile + 61 8 9481 5950

Shareholder Enquiries

Enquiries relating to shareholding, tax file number and notification of change of address should be directed to:

Security Transfer Registrars Pty Ltd
770 Canning Highway Applecross WA 6153
Telephone: (61 8) 9315 2333
Facsimile: (61 8) 9315 2233
Email: registrar@securitytransfer.com.au

Tenement Directory

Project	Tenement Number	Beneficial interest or joint venture details
Philippines		
Siana gold project		
	MPSA 184-2002-XIII	90% beneficial interest
	APSA 46-XIII	Right to earn an 80% beneficial interest
Mapawa gold project		
	MPSA 280-2009-XIII	Right to earn an 80% beneficial interest
Western Australia		
Montague		
	EL 57/561	25% free carried
	ML 57/429, ML 57/485	25% free carried

Abbreviations

MPSA	Mineral Production Sharing Agreement
APSA	Application for MPSA
ML	Mining Lease
EL	Exploration Licence

Corporate Directory

Board of Directors

Colin G Jackson (Chairman)
Gregory C Edwards (Managing Director)
Allen L Govey (Executive Director – Technical)
Peter W Rowe
Gary F Scanlan

Company Secretary

Frank J Campagna

Registered Office

Level 2, 35 Ventnor Avenue,
West Perth, Western Australia, 6005

Telephone: (61-8) 9322 4455
Facsimile: (61-8) 9481 5950
Email: info@red5limited.com
Website: www.red5limited.com

Manila Office

5th Floor, NOL Building,
Cnr Acacia / Commerce Avenue,
Madrigal Business Park
Ayala Alabang
Muntinlupa City
Philippines, 1770

Telephone: (63-2) 807 2790
Facsimile: (63-2) 807 6658

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway,
Applecross, Western Australia, 6153

Telephone: (61-8) 9315 2333
Facsimile: (61-8) 9315 2233
Email: registrar@securitytransfer.com.au
Website: www.securitytransfer.com.au

Bankers

National Australia Bank Limited

Auditors

KPMG

Solicitors

Freehills (Australia)
SyCip Salazar Hernandez & Gatmaitan (Philippines)

Stock Exchange Listing

Shares in Red 5 Limited are quoted on ASX Limited.
ASX code: RED

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 W Darcey and Mr A L Govey 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 Govey, Mr Edwards 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.

Red5Limited ABN 73 068 647 610

www.red5limited.com