



Red5 Limited ABN 73 068 647 610

ASX REPORT TO SHAREHOLDERS

14 December 2011

Red5 Limited

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

*The Board strategy
is to focus on the
development of Siana.*

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this report and company
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directed to:

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First gold production status

The inaugural gold pour has been inhibited by normal commissioning events. Interruptions to on-site power station electrical generation are resolved and materials handling and gravity mass pull are the subject of on-going minor design and operating practice adjustments.

During early commissioning, auto (under and over) voltage regulators (AVRs) failed under SAG mill start and stop testing. This was due to the generators not being synchronised and power being drawn from individual generators for the various process plant equipment components while the plant was operated manually. Additional spares were sourced and a new temporary start-up strategy implemented whilst ensuring that warranties of plant equipment were not invalidated. All three engines are now synchronised and modified AVRs supplied and commissioned.

The initial commissioning feed is a blend of existing low grade Siana and Mapawa twenty year old stockpiles from the historic operation. The latter results in a very heavy mass pull to the gravity concentrator due to the presence of magnetite and quartz infused pyrite which would produce a 'dirty' gold bar. The plant is now being fed with material exclusively from the Siana deposit as part of the final ore commissioning. Modifications to crusher belt feeder and surge bin discharge geometry have been undertaken to ensure more consistent production. Fresh, higher grade ore from the pit is currently being introduced to the plant.

All other aspects of the Siana gold plant commissioning are progressing satisfactory. The full elution circuit and electrowinning cells are operational. The only equipment yet to be commissioned is the carbon regeneration kiln.

Equipment vendor specialists remaining on site include suppliers associated with the motor control centre, instrumentation and telemetry. Vendor specialists for the gravity equipment, elution furnace, compressor station and the Outotec SAG mill have completed their commissioning duties and left site.

The Company will advise once a clean gold bar is produced.

Greg Edwards
Managing Director