



ASX Shareholders Report

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

Siana Project Feasibility Upgrade

Formal discussions have commenced with pre-selected equity and debt/subordinated debt providers for the financing of Siana.

A detailed Information Memorandum, based on the Bankable Feasibility study, comprising technical, financial and risk assessments has been completed, using updated costs as of late August 2007.

Three immediate development options are reviewed, namely:

- open pit mine only
- open pit mine following by underground – “Base Case”
- earlier underground commencement—”Accelerated Case”

The capital cost to first gold pour (US\$59.9M, including contingencies) is the same in each case, with the “Accelerated Case” clearly the superior alternative with average production in years 3 and 4 at 123,000 ounces per annum at US\$257 per ounce.

	Open Pit	Base Case	Accelerated Case
Mine life (yrs)	4.5	12	10
Gold recovered ('000oz)	290	717	717
Silver recovered ('000oz)	665	1,336	1,336
Cash cost (US\$/oz)	301	330	309
Total cost (US\$/oz)	481	406	384
Pre-tax NPV* (US\$M)	27	87	109
Pre-tax IRR (%)	29	38	49

**at US\$650/oz Au, US\$13/oz Ag, 8% discount rate*

Importantly, whilst these parameters are the basis for financing discussions, three (non - mutually exclusive) enhancement cases are under parallel review.

The enhancement cases include:

- **doubling the conservative underground mine rate to 600,00tpa (impact- maintaining production above 110,000 ounces per annum at lower cost),**
- **the inclusion of soft Mapawa ore (MPSA grant awaited, impact - an additional 20,000 ounces per annum at lower costs)**
- **and, the co-production of zinc concentrate from project year five (impact - by product credit reduces gold costs by up to US\$100/0z).**

Greg Edwards
Managing Director
24 September 2007



Competent Person Declaration

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. A L Govey and Mr. G C Edwards who are full-time employees of Red 5 Limited and who are Members of The Australasian Institute of Mining and Metallurgy. Mr Govey and Mr. Edwards have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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. Mr Govey and Mr. Edwards consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.