



ASX Shareholders Report

Enquiries regarding this report and company business may be directed to:

Greg Edwards
Managing Director

or

Colin G Jackson
Non-executive Director
(m) 0409 453 350

Level 1
43 Ventnor Avenue
West Perth 6004
Tel: (+61) 8 9322 4455
Fax: (+61) 8 9481 5950

Web: www.red5limited.com

Email:
info@red5limited.com

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

BONUS 2005 OPTION

A Bonus Option has been declared, exercisable in early 2005 under the capital management strategy plan to provide for future funds to complete the Siana Gold project feasibility study.

The Bonus option will be allotted on the basis of one option for every four shares held at 23rd February 2004 and is exercisable at 35 cents on or before 31 January 2005.

Existing option holders who exercise their current options and are registered as shareholders on 23rd February 2004 will be eligible for the 2005 bonus option. This includes holders of options expiring on 31st January 2004.

Application will be made to have the 2005 Options listed on the Australian Stock Exchange.

Directors have earlier indicated confidence in the ability to increase the Mineral Resource base, beyond the recently announced increase to 1.1 million ounces through the current fully funded exploration programmes.

The Bonus option delivers potential funding to convert resources into reserves and ultimately into production.

Nicholas Smith
Chairman
19 January 2004

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Red 5 Limited

ABN

73 068 647 610

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Options over fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Maximum of 63,911,399 (assuming all options currently on issue are exercised prior to the record date) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Each option entitles the holder to acquire one fully paid share, and is exercisable at 35 cents each on or before 31 January 2005. |
| 4 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | No. Shares issued as a result of the exercise of the options will rank equally with ordinary fully paid shares as from the date of allotment of the shares. |
| 5 | Issue price or consideration | Nil (bonus issue) |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Pro-rata bonus issue of options to shareholders.								
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	To be advised								
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>193,888,976</td><td>Ordinary fully paid shares</td></tr><tr><td>54,406,620</td><td>Options (31.01.04)</td></tr><tr><td>63,911,399</td><td>Options (31.01.05)</td></tr></table>	Number	+Class	193,888,976	Ordinary fully paid shares	54,406,620	Options (31.01.04)	63,911,399	Options (31.01.05)
Number	+Class									
193,888,976	Ordinary fully paid shares									
54,406,620	Options (31.01.04)									
63,911,399	Options (31.01.05)									
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>7,350,000</td><td>Options with various exercise prices and expiry dates</td></tr></table>	Number	+Class	7,350,000	Options with various exercise prices and expiry dates				
Number	+Class									
7,350,000	Options with various exercise prices and expiry dates									
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not presently have a formal dividend policy.								

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	One option for every four shares held
14	⁺ Class of ⁺ securities to which the offer relates	Holders of fully paid shares
15	⁺ Record date to determine entitlements	23 February 2004
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Rounded down to nearest whole number
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable

⁺ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Not applicable
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	29 January 2004
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	20 January 2004
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	⁺ Despatch date	29 January 2004

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
To be advised.
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
To be advised.
- 37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

- 38 Number of securities for which ⁺quotation is sought
- 39 Class of ⁺securities for which quotation is sought
- 40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:
 - the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
Example: In the case of restricted securities, end of restriction period
(if issued upon conversion of another security, clearly identify that other security)
- 42 Number and ⁺class of all ⁺securities quoted on ASX
(including the securities in clause 38)

Number	⁺ Class
<input type="text"/>	<input type="text"/>

⁺ See chapter 19 for defined terms.

Quotation agreement

1. +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
2. We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

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

Date: 19 January 2004

Print name: FRANK CAMPAGNA

== == == == ==

+ See chapter 19 for defined terms.