RED 5 Limited

ABN 73 068 647 610

ASX Shareholders Report

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

Siana gold project - senior debt financing mandate awarded.

Société Générale Corporate & Investment Banking has been mandated to arrange a US dollar denominated Project Development Facility for the development of the Siana Gold Project.

Société Générale, as Arranger, has provided an indicative term sheet comprised of a total US$42M for the Project Development and Working Capital Facilities and US$5M Cost Overrun Facility.

Draw down of a senior debt package will be available subject to credit approval and completion of various conditions precedent, including the prior commitment to project development of US$22M in equity and/or subordinated debt, and gold hedging.

The hedge commitment will be determined in accordance with the prevailing gold prices at the time of execution predominantly in the form of purchased put options effective through the term of the Project Development Facility.

It is expected that two other banks will join Société Générale in due course. Société Générale has visited the site, been associated with the project for over two years and is the provider of a A$2M facility drawn in the last twelve months to finance the long lead time SAG mill and crusher.

Formal discussions with equity and subordinated debt providers have commenced.

Colin G Jackson
Chairman

16 October 2007.