



ASX

Shareholders Report

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

Greg Edwards
Managing Director

or

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Exploration Director

Red 5 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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Siana Gold Project interest increased, a substantial new JV partner and strategic alliance with First Metro, the Philippines largest investment bank.

Red 5 has increased its beneficial interest in the Siana Gold Project from 80 percent to 90 percent.

Merrill Crowe Corporation, a Philippine mining investment company, has purchased the JCG Resources' 20 percent interest in Siana and on-sold, under pre-emptive rights, a 10 percent interest to Red 5.

The Red 5 purchase consideration to Merrill Crowe is satisfied by the issue of 16,829,865 million Red 5 shares for a deemed value of US\$1.65 million. Merrill Crowe intends to retain approximately 5.6 million shares, equivalent to 2.1% of the expanded Red 5 issued capital, with the balance to be on-sold.

NM Rothschild & Sons (Australia) Limited (appointed financial adviser and arranger for the Siana Project in December 2004) has agreed with Merrill Crowe to purchase 3.4 million shares and AngloGold Ashanti Australia Limited (Red 5's largest shareholder and strategic exploration partner) has agreed with Merrill Crowe to purchase a further 6.8 million shares.

The Chairman of Directors and controlling shareholder of Merrill Crowe is Mr Jerry Angping, the President of Angping Securities, a leading stockbroker on the Philippine Stock Exchange. He is also the Vice Chairman of First Metro Investment Corporation, the investment banking subsidiary of Metropolitan Bank and Trust Company of the Philippines, the largest banking organisation in the Philippines.

The benefits of the transaction to Red 5 include: increased equity in Siana Gold Project, a superior credentialed partner in Merrill Crowe, long term access to land holdings covering the mine site footprint and Merrill Crowe as joint venture partner in the Mapawa MPSA application.

Red 5 and First Metro Investment Corporation have agreed to form a strategic alliance to secure mutual benefits in relation to their respective business activities in the Philippines. Under this alliance, First Metro will act as advisor to Red 5 in the identification of project acquisition opportunities in the Philippines and to provide, on an as required basis, corporate advice, including capital raisings involving a Philippine nexus.

Pursuant to this alliance First Metro has been requested to advise and assist in investigating the merits of Red 5 securing the (dual) listing of its securities on the Philippine Stock Exchange.

The increase in Siana equity, the introduction of a new investment partner and the strategic alliance with the Philippines' largest investment bank are substantive advances to complement the pre-feasibility study due for Board review next month.

Greg Edwards, Managing Director
22 August 2005