



ASX Shareholders Report

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

Greg Edwards
Managing Director

or

Lance Govey
Exploration Director

Level 2
35 Ventnor Avenue
West Perth 6005
Western Australia
Tel: (+61) 8 9322 4455
Fax: (+61) 8 9481 5950

Web: www.red5limited.com

Investor Inquiries:
info@red5limited.com

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

Underground mine plan drilling commences

The first two holes of an eleven hole programme targeting the upper 150 metres of the Siana underground position have commenced.

The objective of the programme is the twofold generation of additional geotechnical data for finalisation of the underground mine design and further samples for metallurgical test work.

This activity is complementary to the completed Bankable Feasibility Study and does not influence the timing of finance discussions which are on-going.

The data generated is, however, integral to several current project enhancement studies. In particular,

- The geotechnical aspects impacting the underground mine design will determine whether conditions are favourable for the mining rate to be increased.

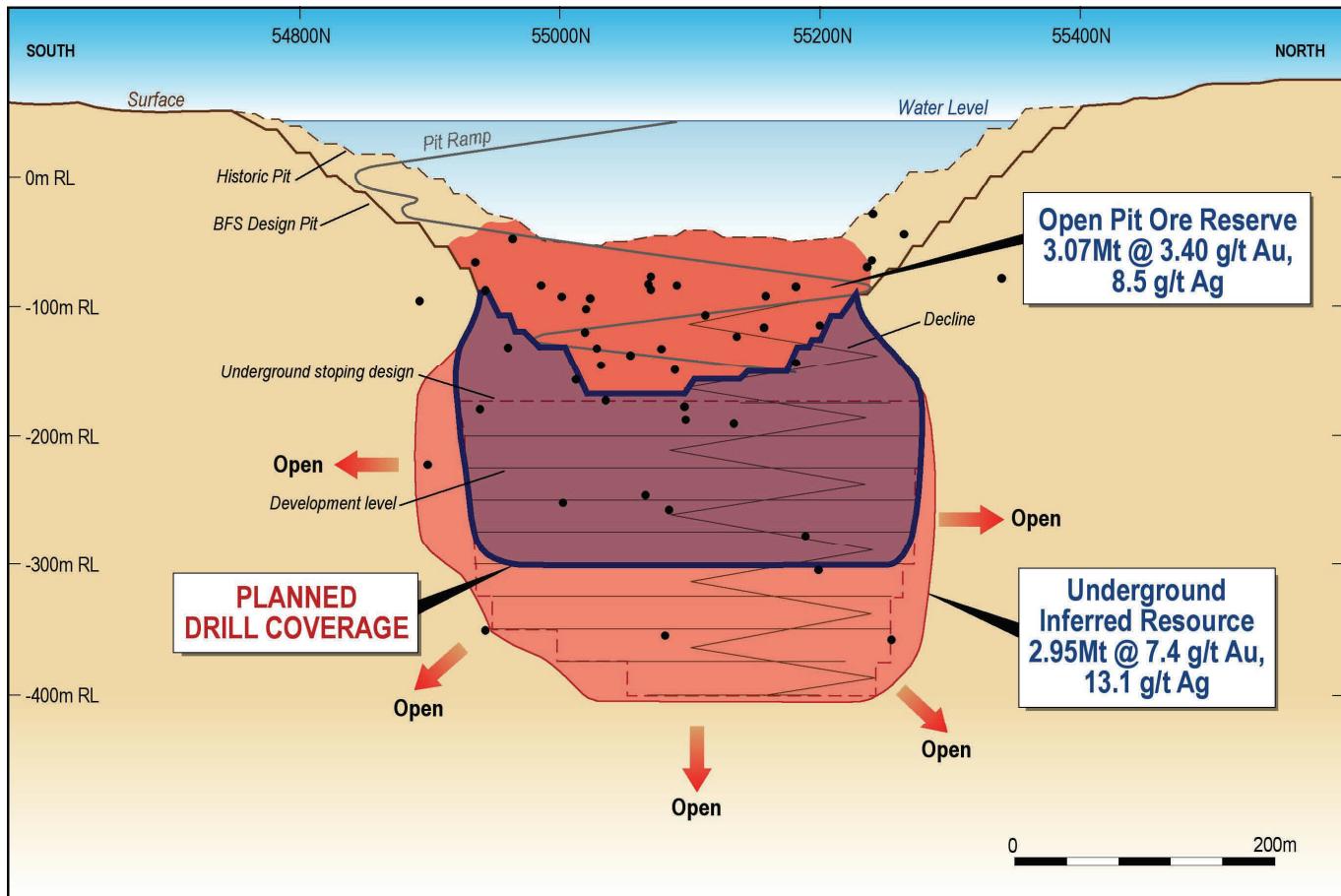
On a tonnes per vertical metre basis, there is potential to substantially increase the mining rate from the conservative 300,000 tonne per annum rate inherent in the Base Case, with the potential for a reduced unit operating cost and consequent higher investment returns.

An increase in the mine reserve could also positively influence the loan amortisation period.

- The drilling will also provide additional metallurgical material for follow up to initial zinc flotation test work, now nearing completion. Concurrently, variability testing of gold recovery will be undertaken to confirm the process characteristics of the higher grade underground ore.

A third rig is scheduled to arrive at site shortly allowing the programme to be completed in the next two months.

Greg Edwards
Managing Director
19 September 2007



Siana longitudinal projection of planned drill coverage.

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.