



**ASX REPORT TO  
SHAREHOLDERS**

**8 October 2010**

**Red5 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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this report and company  
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**Siana gold mine build and Mapawa  
exploration funding**

**Red5 has accepted a compelling, short term US\$25million gold prepay financing package from Sprott Asset Management LP and Sprott Resource Lending Partnership Toronto, plus an equity commitment to a concurrent US\$25million share placement.**

The gold prepay arrangement requires Red5 to deliver a back ended 28,700 ounces of gold (a negligible 3.4% of the ten year life-of-mine production profile) or the cash equivalent, over 21 month period commencing October 2011. Red5 will benefit from participation, by way of further cash receipts, when spot gold trades above US\$1,300 per ounce. The financing remains subject to remaining due diligence and conditions precedent.

The equity placement syndicate comprising a leading international Investment Bank, with Petra Capital and Southern Cross Equities in Australia, has pre-commitments from leading North American and United Kingdom institutions.

The Sprott group will receive a structuring fee of 9.5 million Red5 shares and will be granted 28 million 3 year options exercisable at a 35% premium to the placement price.

**The funds received will complete the financing for the Siana Gold mine build and quarantine US\$20 million for an accelerated exploration programme at Mapawa.**

**Greg Edwards**

*Managing Director*

**Red5 will be requesting a trading halt until such time as the equity raising is completed.**

Not for distribution or release in the United States or to US Persons

*This release is not an offer or an invitation to acquire Red 5 subscription receipts or shares. In particular, this release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US person" as defined in Regulation S under the US Securities Act of 1933 ("Securities Act") ("US Person"). The Red 5 subscription receipts and shares to be offered and sold in the capital raising referred to herein have not been, and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US Person without being so registered or pursuant to an exemption from registration.*