



ASX Shareholders Report

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

Equity placement funding signals immediate start of underground resource and stope planning drilling.

The Company has placed the balance of its discretionary allocation of 18 million shares at 6.6 cents per share to significant institutional clients of Southern Cross Equities to raise A\$1.2 million before expenses. The funds will be used for an immediate start to planned drilling. Importantly, a Reserve upgrade will have a beneficial impact on the terms of senior debt funding.

Three diamond drill rigs are scheduled to commence a +4,000 metre large diameter programme to in-fill the upper half of the Siana underground Resource to approximately 300 metres below surface with the objective of confirming an Indicated Resource consistent with JORC standards and for mine planning purposes.

The current interpretation indicates the mineralisation below the planned open pit to be both consistent in grade and continuity with average grades in excess of 7g/t gold, and remains open to the north, south and at depth.

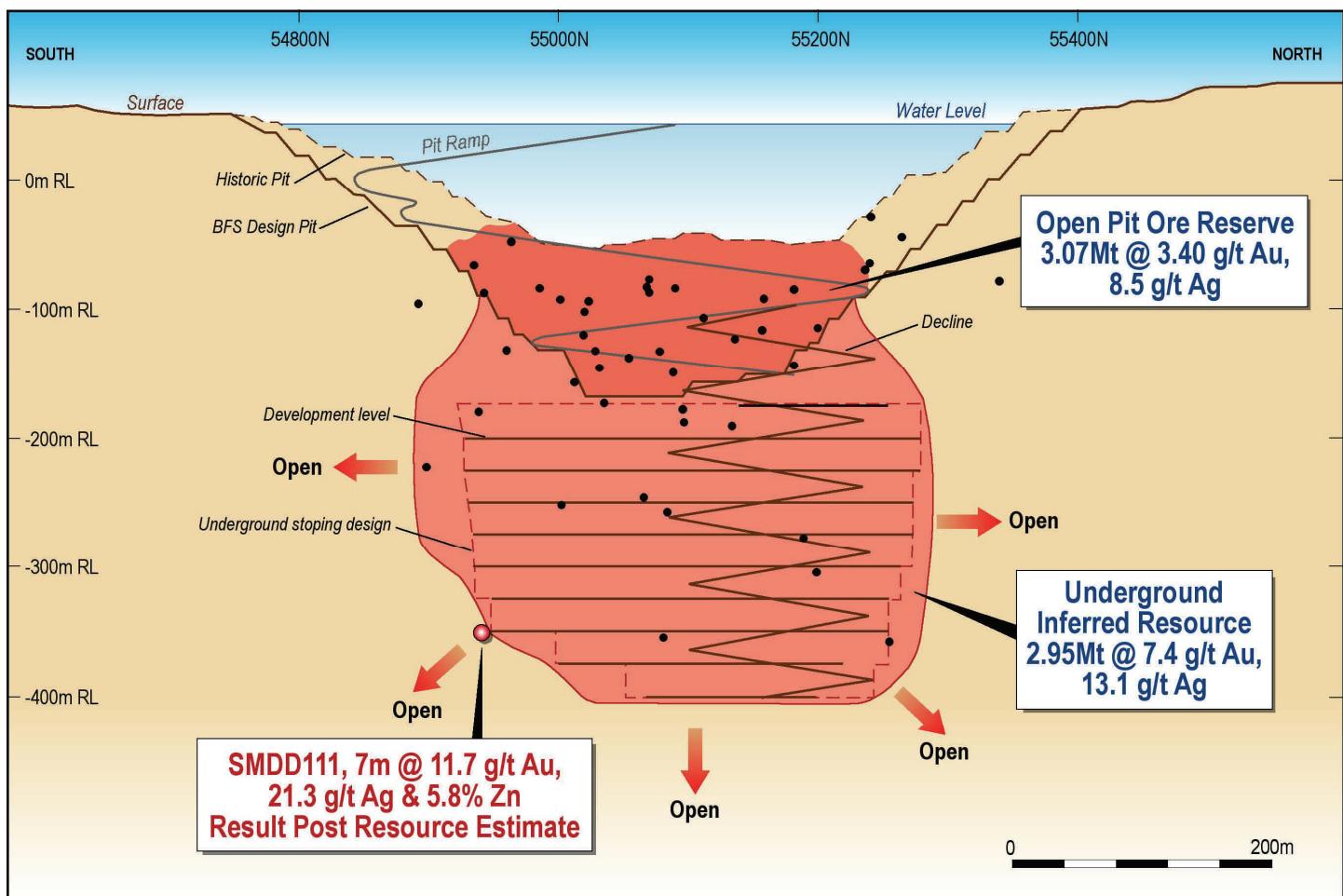
The core will provide additional detailed geotechnical data for use in determining the final underground mine design parameters, including the stoping methodology, mining equipment selection, production rate and decline location.

The drilling will also provide additional material for metallurgical testwork required to confirm the recovery characteristics of the deeper gold mineralisation.

In addition, where zinc grades are of sufficient tenor, further tests would be completed on flotation recovery to augment preliminary testwork currently in progress. Flotation testwork to date indicates a high quality zinc concentrate with high recoveries can be achieved. This programme will confirm the preliminary processing route to produce a separate zinc concentrate in addition to gold-silver bullion.

The drilling and ancillary studies are scheduled for completion in the December quarter. In the meantime arrangements for mezzanine and debt funding are advancing.

Colin G. Jackson
Chairman
23 August 2007



Longitudinal projection of Siana open pit Reserve, Resource and underground mine design.

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.