



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.

Record Siana gold and silver grade intersection - 144 metres at 5.8 g/t gold and 10.4 g/t silver

Large stope underground potential identified. Bankable feasibility study on schedule, key long lead time process plant equipment items secured.

A diamond step-out hole designed to test the potential for large stope underground mine development at Siana has intersected three gold zones within a strongly mineralised downhole interval of **144 metres at 5.8g/t Au and 10.4g/t Ag** below the north end of the pre-feasibility design open pit.

The drilling programme is running in parallel with, but separate from the open pit BFS. The drilling has two objectives:

- to test for a northward extension of the higher grade zone previously intersected in SMDD65 (19m at 9.1g/t Au, 24.7g/t Ag)
- to define a panel of mineralisation with grade and size characteristics potentially suitable for bulk underground mining

Hole SMDD105 passed through strong alteration and mineralization with an estimated true horizontal width of 95 metres. The highest gold and silver grades achieved to date occur in lodes on the western and eastern margins of the broad zone. Each zone is characteristic of the "Main Zone" type, hosted in limestones and interbedded coarse sediments. In summary results include:

Zone	From	Downhole Interval (m)	Horizontal width (m)	Au (g/t)		Ag (g/t)
				Uncut	Cut*	
West	398.9	12.1	8	25.5	15.4	5.3
Central	452.0	16	10	3.2	3.2	8.7
East	501.0	42	28	10.1	8.5	26.1
Overall	398.9	144.1	95	5.8	4.8	10.4

* cut to 75g/t

The deepest (eastern) zone includes localised massive sulphide replacement of limestone, with visible gold observed in cross cutting zinc sulphide rich veins.

The mineralized zone extended over a vertical range of 110 metres, from 95 metres to 205 metres below the pre-feasibility design open pit floor, and remains open to the north, and at depth.



Gram-metre longitudinal section plots of copper and gold appear to indicate a possible repetition of higher metal accumulations at depth, coincident with increasing copper tenor.

A step-out hole (SMDD106) is in progress to the north of SMDD105 and a series of deep holes to test major targets at depth (500m below surface) are being planned for immediate implementation.

Bankable Feasibility Study

Multi-disciplinary studies are proceeding satisfactorily, with a target completion date of October 2006. Requests for quotation have been issued to various contractors, mainly Philippine based, for mining and all aspects of the civil engineering and process plant construction, with expressions of interest and bids to close by end July 2006.

Key process plant equipment secured

The Company has taken the opportunity to purchase a suitable (one owner) ball mill, located in the Philippines. The decision reduces the lead time compared with a new ball mill construction and delivery (currently estimated at 76 weeks) by one year.

Similarly, the Company has purchased a second-hand rolls crusher suitable for the Siana ore types, from Australia. The unit would be refurbished in Perth prior to shipment to site.

Both items of equipment have the capacity to handle at least 50% more tonnage throughput than in the current mine plan.

With critical plant equipment secured, the bankable study nearing completion and a strong indication of mine life extension – banking discussions will now accelerate.

Greg Edwards
Managing Director
26 July 2006

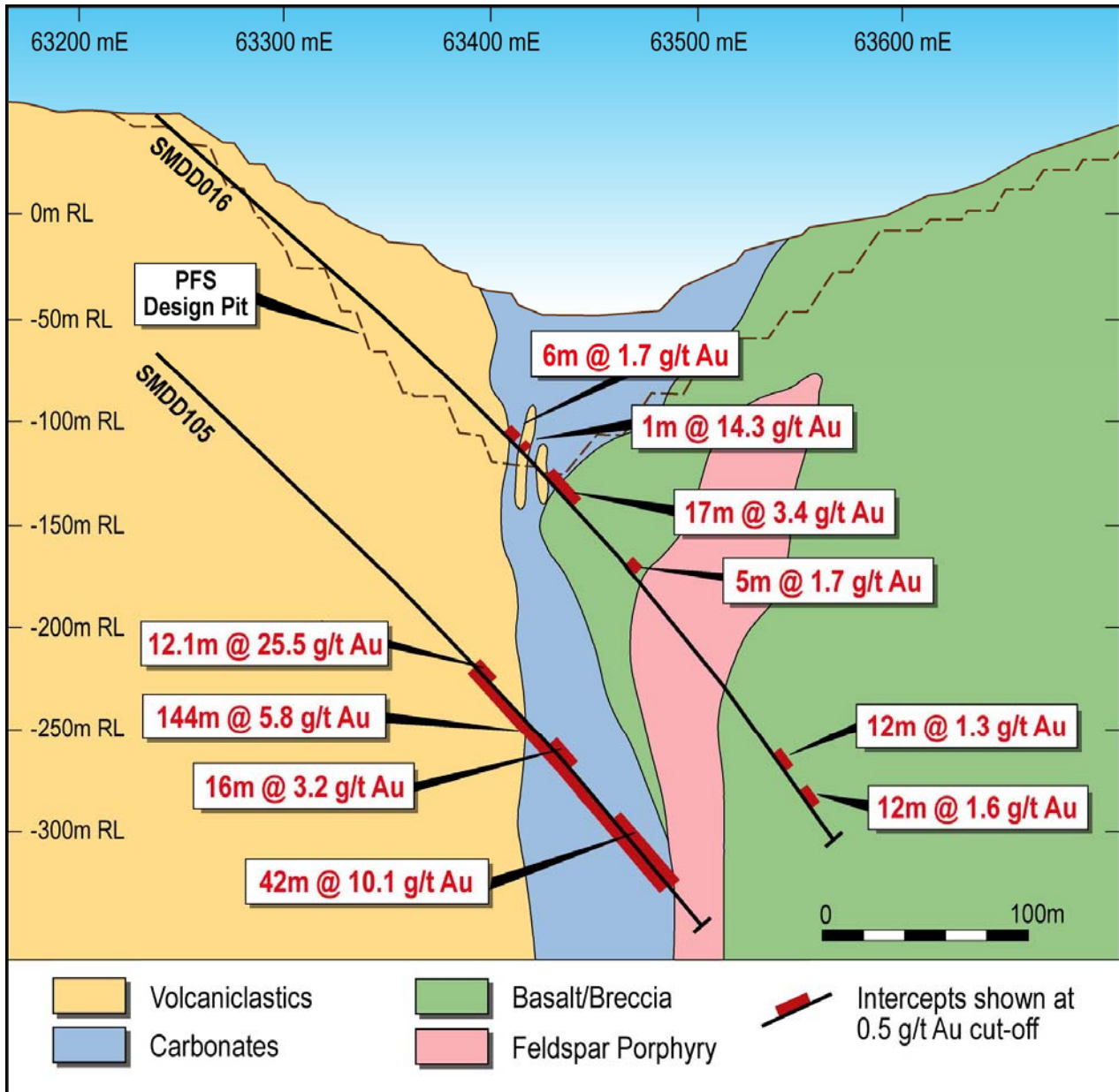


Figure 1. Siana geological cross section 55200N

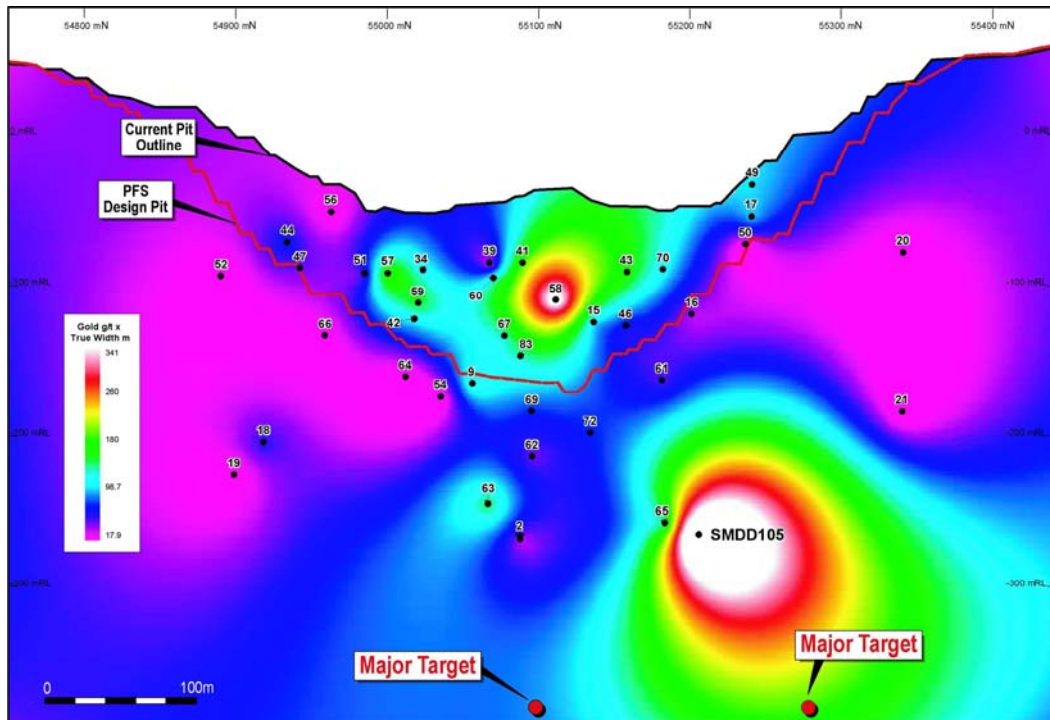


Figure 2. Longitudinal projection of gold distribution (gram x metre)

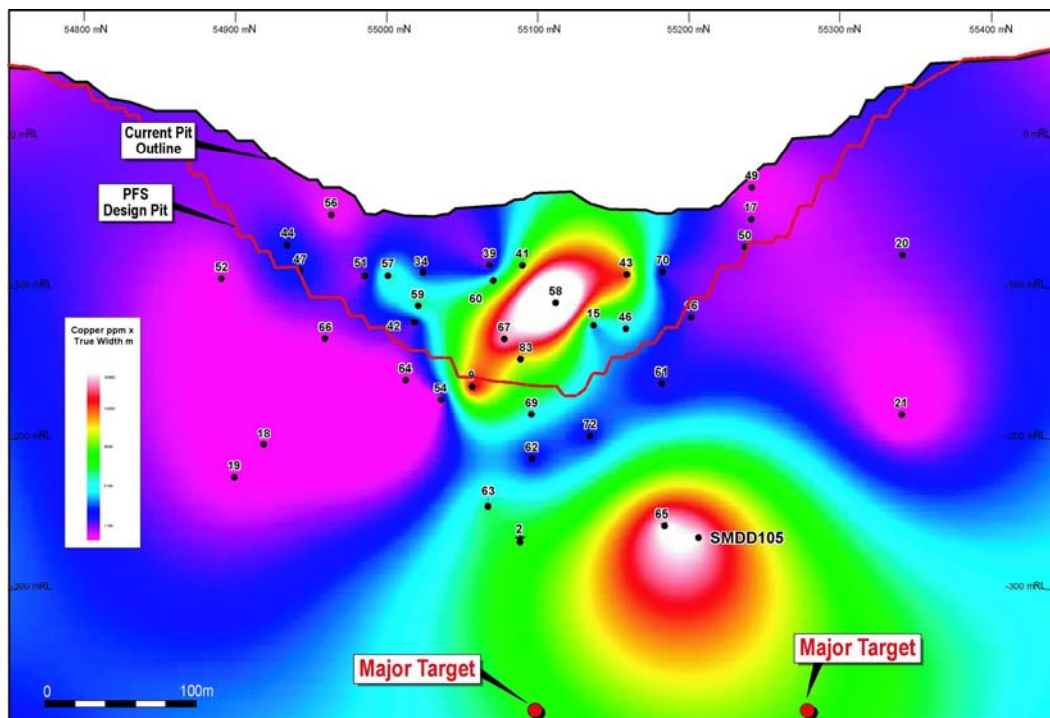


Figure 3. Longitudinal projection of copper distribution (ppm x metre)