



## ASX Shareholders Report

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

## Pre-feasibility study commences

**The Siana Scoping Study identified several key project value - enhancing activities.**

**These have been implemented immediately to expedite the Board target to complete Pre-feasibility studies in the March 2005 quarter.**

The Scoping Study (1.25M tonnes per annum producing approximately 130,000 ounces pa) has identified design of the treatment plant flowsheet and the final mine design as major considerations, particularly given the increasing lead time for ordering major plant items. Accordingly, approximately 8 tonnes of diamond core (2,300 metres) has been prepared for immediate shipment to metallurgical testwork laboratories in Australia.

A review of historic production data from the open pit phase (1980 – 1990) indicated substantial periods of free gold or electrum losses to tailings due either to inadequate flowsheet design or poor operations. Consequently, a programme to sample the tailings dams and investigate recovery by simple gravity concentration has been initiated.

Project optimisation and formal economic evaluation will proceed post availability of results from the metallurgical studies, and from the new Mineral Resource estimate (based on a revised and updated geological model using data up to hole SMDD61 – scheduled for immediate commencement).

In addition, results from a further two holes in the drill programme from the Eastern side of the pit have been received - Main Zone intersections - 43 metres at 4.5 g/t Au and 64 metres at 2.7 g/t Au (SMDD59, 38m horizontal width, 140m below surface and SMDD60, 57m horizontal width, 130m below surface respectively). These occur in the central portion of the Resource at depths between 30 and 60 metres below the pit floor.

**Commencement of the Pre-feasibility Study marks another milestone in the progression to mine development at Siana.**

**The Board continues to target mid 2005 for completion of the Bankable Feasibility Study.**

Greg Edwards  
Managing Director

**5 October 2004**

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**Siana Open Pit Diamond Drill Results – Main Zone**  
**(0.5 g/t Au cut-off)**

COLLAR COORDINATES <sub>1</sub>					DRILL RESULTS <sub>2</sub>			
Hole ID	WGS84 UTM East	WGS84 UTM North	Az (Mag)	Dip	From (m)	To (m)	Interval (m)	Gold Grade g/t
SMDD059	783420	1055587	270	-25	305	348	43	4.51
SMDD060	783418	1055631	270	-25	271	335	64	2.70

1. Drill hole collar coordinates are rounded to the nearest metre.
2. All samples returning gold analysis above 50 g/t have been cut to 50 g/t to derive the average in the results reported above.

*The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Allen L Govey and Gregory C Edwards, who are full-time employees of Red 5 Limited and 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 that they are undertaking to qualify as Competent Person(s) as defined in the 1999 Edition of the "Australasian Code for Reporting of 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.*