



**ASX REPORT TO  
SHAREHOLDERS**

**21 October 2013**

**Red5 Limited**  
is a publicly listed  
company on the ASX  
- ticker symbol RED

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**Shareholders approve balance of \$50 million  
equity raise**

Shareholders, at a general meeting, approved a placement of shares which will result in Red5 Limited being debt free with adequate funding to recommence the operations at the Siana gold mine.

The senior lender will be repaid US\$18.4 million, comprising the original US\$25.0 million loan, plus interest outstanding, less US\$5.0 million retention monies (released by Red5 when the standstill agreement was re-negotiated) and less the close out of the hedge position (positive US\$3.17 million).

Accrued liabilities, principally to earthmoving contractors, totalling US\$6 million, will be fully discharged.

The Company's treasury position will comprise the balance of the equity raise, plus the Share Purchase Plan subscriptions (closes on 25 October 2013), any SPP shortfall subscriptions, plus the insurance settlement, of which an advance amount of US\$2.5 million is imminent.

The Company is well advanced with geotechnical engineering for the interim tailings dam solutions and detailed process plant design to generate thickened paste for tailings deposition. Key items of new or near new plant have been identified to potentially reduce lead times resulting in the mine being capable of generating paste earlier than previously anticipated.

Preparations to recommence mining operations is advanced, however no substantial earth moving will commence until the Cease and Desist Order ("CDO") placed on the mine site is lifted. This is the major remaining impediment to the resumption of gold production. The Company has, for some time now, fully satisfied all necessary requirements of the Mining and Geosciences Bureau for the CDO to be lifted.

In a practical sense, only minor deterioration of the open pit walls has occurred during this period of suspension, water levels have been maintained at a minimal level and all planned dewatering boreholes completed, with pump installation pending final equipment purchase payments. Regular planned preventative maintenance in the mill with regular motor starting and operation of pumps has been conducted leaving the processing plant in a fully production ready status, with a full ROM pad.

Key senior management personnel have been identified and will be appointed pending the CDO lifting. A significant number of the mine's former workforce remain patiently standing by eager to resume their roles and together with the mine's principal earthmoving contractor, who is ready to mobilise his fleet, should produce a rapid and smooth recommencement of operations.

We look forward to the challenge before us and acknowledge the ongoing support of existing shareholders and welcome our new shareholders.

**Steve Norregaard**  
*Managing Director*