



ASX REPORT TO SHAREHOLDERS

5 August 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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Debt financing package under review

Deutsche Bank AG and Ashmore Investment Management Limited have provided term sheets to deliver a US\$40 million package to fund the Siana gold mine development.

The package comprises a US\$25 million interest only loan, drawn in two tranches, with the principal paid 42 months after financial close and a US\$15 million gold pre-pay repayable over four years in gold commencing six months after first gold pour.

Acceptance of the stapled package requires the Company to issue warrants over shares exercisable up to 42 months after financial close. The package does not require additional hedging of gold.

The Company, together with external advisors, is reviewing the detail; in particular, condition precedent project milestones which dictate the timing of the loan draw downs and the extent of security property.

The Company has treasury funds of \$56 million. The project build is on schedule with in excess of 45 percent of capital costs now the subject of fixed-firm prices.

Greg Edwards
Managing Director