



21 October 2010

Manager Announcements
Company Announcements Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Not for distribution or release in the United States or to US Persons

Dear Sir/Madam

COMPLETION OF FIRST TRANCHE OF SHARE PLACEMENT

We advise that settlement of the first tranche of the share placement announced by Red 5 Limited (Company) on 14 October 2010 has been completed. The Company has issued 102,000,000 ordinary fully paid shares at a subscription price of 17 cents each to institutional and professional investors through Casimir Capital LP, Petra Capital Pty Ltd and Southern Cross Equities Limited, for gross proceeds of \$17.34 million.

The second tranche of the placement comprises 198,000,000 shares at 17 cents per share for gross proceeds of \$33.66 million and is subject to the approval of shareholders at the annual general meeting of the Company to be held on 23 November 2010.

In accordance with ASX Listing Rule 3.10.5, please find enclosed an Appendix 3B in relation to the first tranche of the share placement.

Notice given under Section 708A(5) of the Corporations Act

This notice is given by Red 5 Limited under section 708A(5)(e) of the Corporations Act in relation to an issue of 102,000,000 ordinary fully paid shares by the Company without disclosure to investors under Part 6D.2 of the Corporations Act.

As at the date of this notice, the Company has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (b) section 674 of the Corporations Act.

The Company confirms that, as at the date of this notice, there is no information that:

- (a) has been excluded from a continuous disclosure notice given to ASX in accordance with the ASX Listing Rules; and

(b) investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

(i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

(ii) the rights and liabilities attaching to ordinary fully paid shares,

to the extent to which it would be reasonable for investors and their professional advisers to expect to find such information in a disclosure document.

Yours faithfully

Greg Edwards
Managing Director

The ordinary shares offered and sold in the placement have not been, and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person (as defined in Regulation S under the Securities Act) without being so registered or pursuant to an exemption from registration.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Red 5 Limited

ABN

73 068 647 610

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 102,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary fully paid shares |
| 4 | <p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Yes |
| 5 | Issue price or consideration | 17 cents per share |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 6 Purpose of the issue
(If issued as consideration for the acquisition of assets,
clearly identify those assets)

Share placement for development of the Siana project, continued exploration at the Mapawa project and for working capital.

- 7 Dates of entering ⁺securities into uncertificated holdings
or despatch of certificates

21 October 2010

- 8 Number and ⁺class of all ⁺securities quoted on ASX
(including the securities in clause 2 if applicable)

Number	⁺ Class
1,079,288,043	Ordinary fully paid shares

- 9 Number and ⁺class of all ⁺securities not quoted on ASX
(including the securities in clause 2 if applicable)

Number	⁺ Class
700,000	Options (30.06.11)
6,000,000	Options (31.12.12)
700,000	Options (30.06.13)

- 10 Dividend policy (in the case of a trust, distribution
policy) on the increased capital (interests)

The Company does not presently have a formal dividend policy.

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required?

- 12 Is the issue renounceable or non-renounceable?

- 13 Ratio in which the ⁺securities will be offered

- 14 ⁺Class of ⁺securities to which the offer relates

- 15 ⁺Record date to determine entitlements

- 16 Will holdings on different registers (or subregisters) be
aggregated for calculating entitlements?

- 17 Policy for deciding entitlements in relation to fractions

- 18 Names of countries in which the entity has ⁺security
holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
20	Names of any underwriters	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
21	Amount of any underwriting fee or commission	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
22	Names of any brokers to the issue	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
23	Fee or commission payable to the broker to the issue	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>
28	Date rights trading will begin (if applicable)	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
29	Date rights trading will end (if applicable)	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
33	⁺ Despatch date	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

- 38 Number of securities for which ⁺quotation is sought
- 39 Class of ⁺securities for which quotation is sought
- 40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another security, clearly identify that other security)
- 42 Number and ⁺class of all ⁺securities quoted on ASX
(including the securities in clause 38)

Number	⁺ Class

+ See chapter 19 for defined terms.

Quotation agreement

1. +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
2. We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: *Frank Campagna*
(~~Director~~/Company secretary)

Date: 21 October 2010

Print name: FRANK CAMPAGNA

== == == == ==

+ See chapter 19 for defined terms.