



Red5 Limited ABN 73 068 647 610

ASX REPORT TO SHAREHOLDERS

8 October 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
business may be
directed to:

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Siana gold mine build and Mapawa exploration funding

Red5 has accepted a compelling, short term US\$25million gold prepay financing package from Sprott Asset Management LP and Sprott Resource Lending Partnership Toronto, plus an equity commitment to a concurrent US\$25million share placement.

The gold prepay arrangement requires Red5 to deliver a back ended 28,700 ounces of gold (a negligible 3.4% of the ten year life-of-mine production profile) or the cash equivalent, over 21 month period commencing October 2011. Red5 will benefit from participation, by way of further cash receipts, when spot gold trades above US\$1,300 per ounce. The financing remains subject to remaining due diligence and conditions precedent.

The equity placement syndicate comprising a leading international Investment Bank, with Petra Capital and Southern Cross Equities in Australia, has pre-commitments from leading North American and United Kingdom institutions.

The Sprott group will receive a structuring fee of 9.5 million Red5 shares and will be granted 28 million 3 year options exercisable at a 35% premium to the placement price.

The funds received will complete the financing for the Siana Gold mine build and quarantine US\$20 million for an accelerated exploration programme at Mapawa.

Greg Edwards

Managing Director

Red5 will be requesting a trading halt until such time as the equity raising is completed.

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