



Red5 Limited ABN 73 068 647 610

ASX REPORT TO SHAREHOLDERS

27 January 2009

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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Siana high grade underground extensions confirms further upside potential

Latest drill result, 5 metres at 25.4g/t gold, 48 g/t silver and 2.4% zinc (SMDD134), demonstrates higher grades at depth towards the northern end of the underground mineralisation.

Completed post the current revision to the Mineral Resource upgrade, the mineralisation is consistent with Lens 1, the westernmost of the three main lenses and occurs 130 metres below a similar intersection in SMDD105 (12.1m at 25.5g/t Au), before intersecting a diorite intrusive. The hole inclination steepened beyond the diorite and did not intersect the optimum target position for Lenses 2 and 3.

The high gold tenor is encouraging for an overall increase in contained ounces for Lens 1.

The final hole, SMDD135 targeting 40m up dip of previously reported high grades in SMDD129/132 intersected similar mineralisation adjacent to the western contact of the porphyry intrusive. Assays are pending. All drilling at site has now been suspended pending completion of the underground feasibility study.

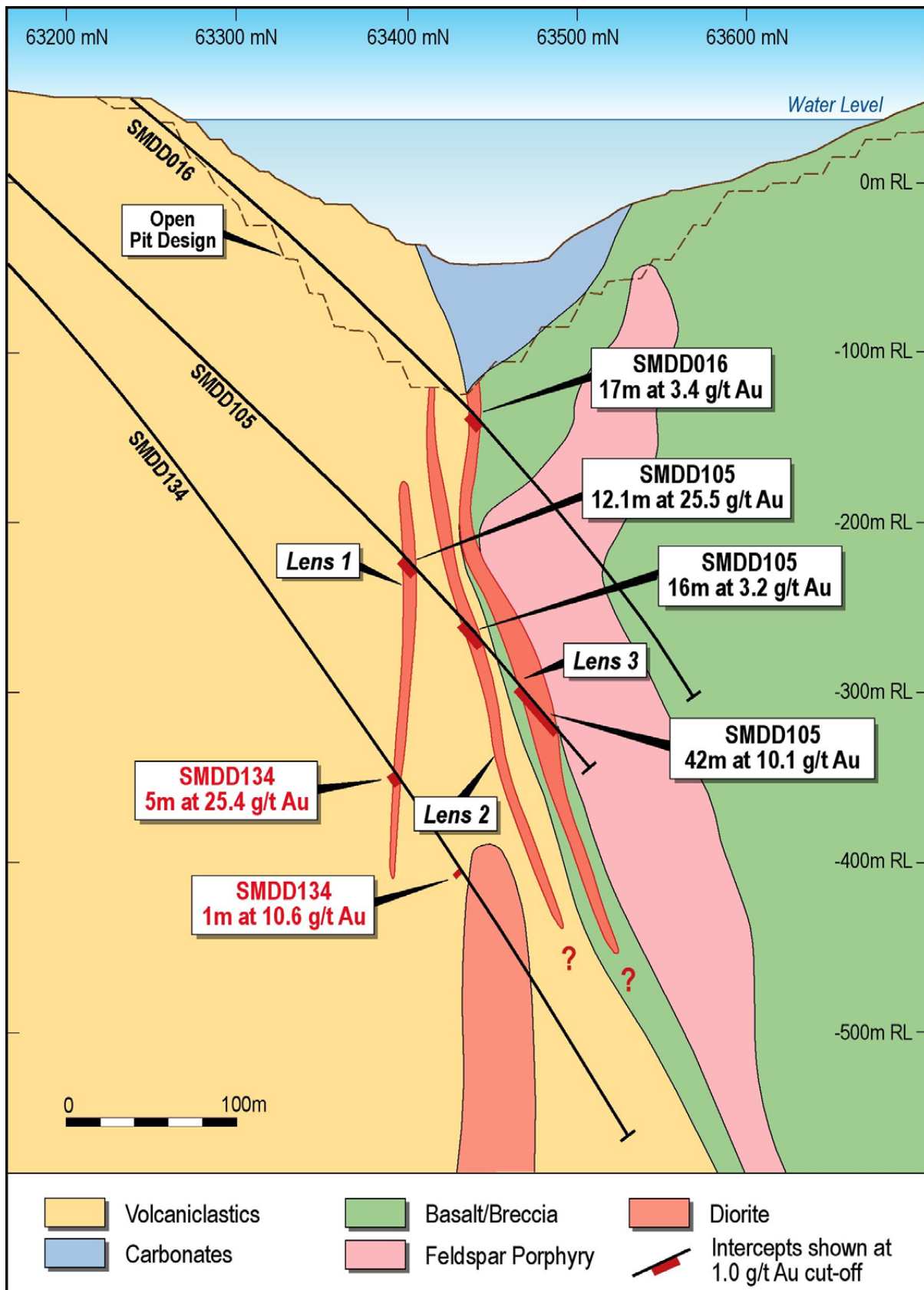
The resource model upgrade is near completion with focus on three key central lenses, augmented by seven lower tonnage, medium to high grade lenses in the eastern basalts.

Predevelopment activity continues with underground mine design and incorporation of the mine operating entity advanced. Processing of the Environmental Compliance Certificate (ECC) is in progress. Receipt of the final Mineral Resource report and completion of the underground mining feasibility study are anticipated shortly.

The Company continues to review project financing opportunities, noting that there are recent examples of debt deal closures, albeit with more onerous terms than usual. Equity funding for gold projects has, on the other hand improved, with a number of significant raisings completed this month.

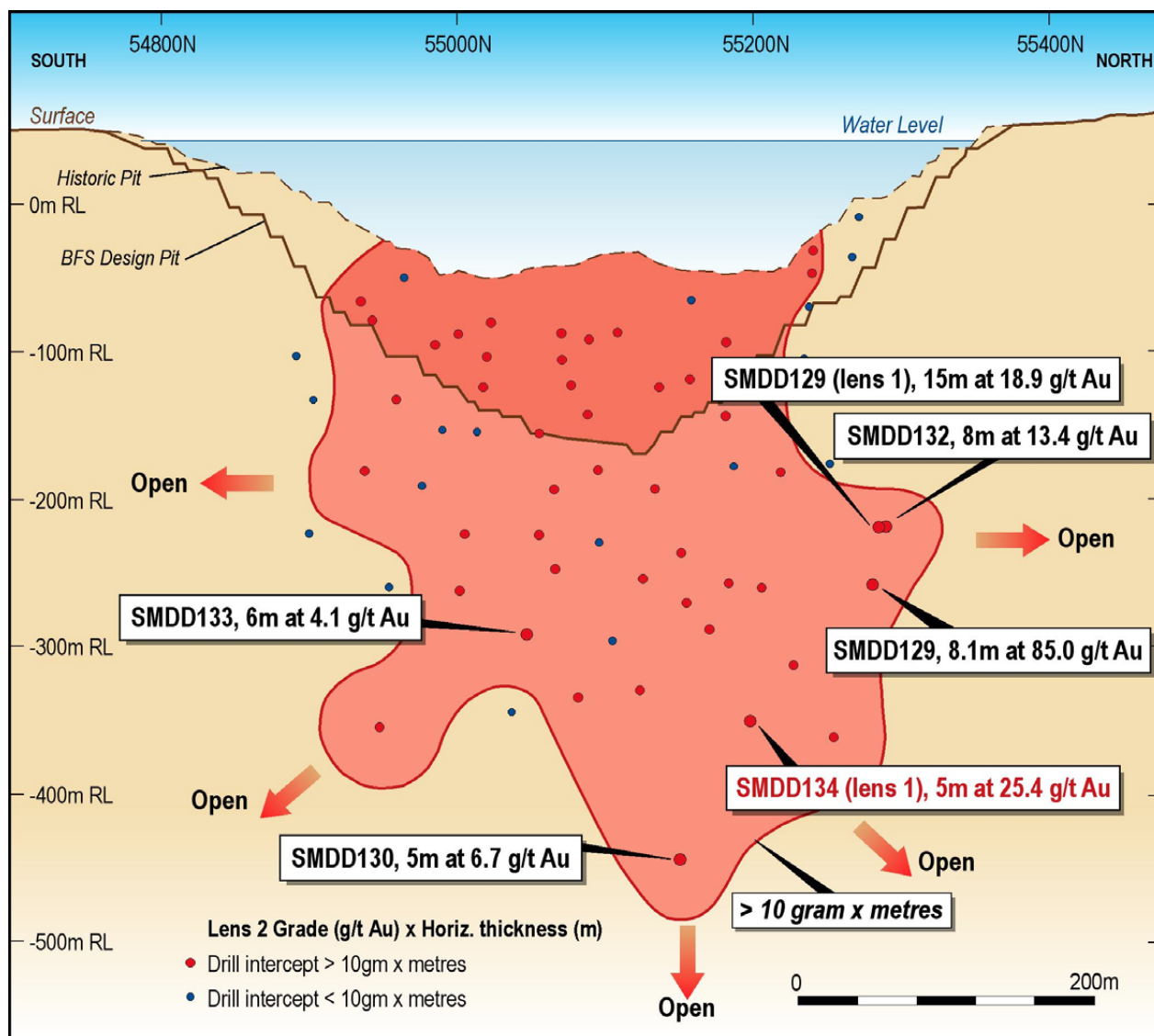
Greg Edwards
Managing Director

INFILL DRILLING PROGRAMME



Siana cross section 5520N - SMDD134

SIANA DRILLING RESULTS



**Siana longitudinal projection -
location of Lens 1 intersections in SMDD134 and SMDD129 relative to Lens 2.**

Hole no.	From (m)	Interval (m)	Au (g/t)	Ag (g/t)	Zn (%)
SMDD134	541	5	25.4	48.0	2.4
	618	1	10.6	5.6	0.7

The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on, and accurately reflects, information compiled by Mr A L Govey and Mr G C Edwards who are full-time employees of Red 5 Limited and who 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 which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, 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.