



ASX REPORT TO SHAREHOLDERS

20 October 2011

Red5 Limited

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

*The Board strategy
is to focus on the
development of Siana.*

Inquiries regarding
this report and company
business may be
directed to:

Greg Edwards

Managing Director
(office) +63 2 807 2790
(mob) +61 408 370 582, or

Colin G. Jackson

Chairman
(office) +61 8 9322 4455
(mob) +61 407 718 372

Investor Inquiries:
info@red5limited.com

Address & Registered Office:
Level 2, 35 Ventnor Avenue
West Perth 6005
Western Australia
Tel: (+61) 8 9322 4455
Fax: (+61) 8 9481 5950
Web: www.red5limited.com

Proposal for Share Consolidation

Red 5 Limited advises that the Company is planning a share consolidation of ten existing shares for one new share, subject to shareholder approval to be sought at the Annual General Meeting on 23 November 2011.

The Company currently has approximately 1,283 million shares on issue, which is relatively large for a company of its size and market capitalisation.

The Directors believe that the proposed consolidation will create a more efficient capital structure for a listed entity of Red 5's size and impending status as a gold producer. In reaching this decision, Directors have noted the benefits of removing an adverse perception in international markets from having a cumbersome capital structure and resultant lower share price and the potential for increased North American interest from funds who are currently precluded due to share price threshold constraints.

If approved, a ten for one share consolidation would result in the Company having approximately 128.3 million shares on issue.

The consolidation is expected to take effect on 25 November 2011 in accordance with the following proposed timetable:

Date *	Details
23 November 2011	Shareholder approval of consolidation.
24 November 2011	Last day for trading in pre-consolidated securities.
25 November 2011	Trading commences in the consolidated securities on a deferred settlement basis.
1 December 2011	Last day for the Company to register transfers on a pre-consolidated basis.
2 December 2011	First day for the Company to send a notice to each security holder; first day for the Company to register securities on a post-consolidated basis; and first day for issue of new holding statements. From now on, the Company must reject transfers that were issued before the consolidation.
8 December 2011	Despatch date. Deferred settlement trading ends. Last day for the Company to send notices to all shareholders. Last day for securities to be entered into the holder's security holdings.

* These dates are indicative only and are subject to change.

Greg Edwards
Managing Director