



**ASX REPORT TO  
SHAREHOLDERS**

**27 May 2013**

**Red5 Limited**

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

*The Board strategy continues  
to focus on the development  
of Siana gold mine.*

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**Siana operations update**

Activity on site to mitigate any spill, should it occur, is essentially complete. In particular, a 240 metre long, 20 metre wide river diversion was completed on day 23, and back-filling of the original 700 metre long water course is nearing completion. These activities, together with the 900 metre long, 3 metre high containment bund are pre-cautionary only. The land contained within the bund is Company owned and may ultimately be assigned to waste storage.

**To be clear, there has been no spill and therefore no consequential environmental damage.**

As previously disclosed to the market, the focus is now directed towards the construction of a new tailings dam with the location selected several months ago as part of normal forward planning. Knight Piésold Consulting has been appointed by the Company to provide the design and cost estimate. Preliminary desk top estimates have been completed but without geotechnical drilling, which will take two months to conduct, the timing and estimating accuracy at this stage remains uncertain.

Concurrent with this work, a study investigating the possibility of thickening and filtering tailings to make a dry tailings product able to be stacked, or a paste able to be mixed with waste rock on the mine property, is underway. If technically viable, this may provide a solution which would permit production to recommence in a shorter timeframe.

Milling operations have now been suspended for over a month. All of the carbon has been stripped of gold and the plant is progressively being placed on care and maintenance. Mining activity continues, including the stockpiling of ore with all expanded areas now full. The Company is in discussion with the mine equipment supplier regarding the level of sustainable on-going activity. Pit de-watering including equipping of new pit perimeter bores continues.

In parallel, the Company has continued its discussions with its banker, Credit-Suisse, and its insurer. In particular, the discussions with Credit-Suisse focus on a standstill arrangement which is integral to the success of other financing initiatives. Credit-Suisse has reserved its rights under the facility agreements.

The Company is currently considering various funding and other alternatives to secure finance for the tailings dam construction and for working capital for 12 months until income can be derived from the recommencement of milling operations.

In summary, whilst the tailings mitigation work is essentially complete and the operation is being orderly placed on care and maintenance, the timing and cost to recommence operations has not yet been determined with sufficient accuracy. Accordingly, the Company's shares will remain in voluntary suspension until discussions with Credit-Suisse are finalised, which is expected to be within the next two weeks.

The Company will continue to keep the market updated as definitive information becomes available.

**Steve Norregaard**  
*Managing Director*