



ASX Shareholders Report

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*Red 5 Limited is a publicly listed
company on the ASX-ticker
symbol RED.*

RED 5 UNAFFECTED BY PHILIPPINE SUPREME COURT DECISION

Red 5 has secure title rights to its interest in the Siana Gold Project through a Mineral Production and Sharing Agreement ("MPSA") held by local Philippine partner JCG Resources Corp. and granted in December 2002.

Last week, the Supreme Court of the Republic of the Philippines in a majority decision determined that a Financial and Technical Assistance Agreement ("FTAA") granted in 1995 by the Philippine Government to WMC was void on account of the grant being unconstitutional. The Court also stated that key provisions of the Philippine Mining Act relating to FTAA's were unconstitutional thus affecting the validity of FTAA's generally.

The FTAA form of title was established by the Philippine legislature in 1995 to encourage and facilitate foreign investment in large-scale (US\$50m+) mining projects and allowed FTAA recipients to own 100% of approved projects. The FTAA granted to WMC related to the Tampakan Copper and Gold Project. WMC has since transferred its interest in this FTAA to a third party.

It is understood that the Court's decision, if confirmed, may also affect service contracts granted by the Philippine Government in the oil and gas sector under separate but corresponding legislation.

It is also understood that the Philippine Government, which is very supportive of the mining industry, is filing a Motion for Reconsideration. Advice from local counsel is that until the Motion for Reconsideration process is completed, the present decision is of no force or effect.

Regardless of the outcome of the Motion for Reconsideration, the Siana Gold Project is unaffected by the Supreme Court decision since it operates under a granted MPSA held by local partner JCG Resources Corporation.

Accordingly, the current exploration programmes including resource extension and upgrade drilling (recent intersections include 17 meters at 7.0 g/t and 19 meters at 7.9g/t), drilling of the new Fritz Weber auger gold anomaly and the copper-gold porphyry defined by Anglo American continue uninterrupted.

Nicholas Smith
Chairman
2 February 2004