



Red5 Limited ABN 73 068 647 610

**ASX REPORT TO
SHAREHOLDERS**

14 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.*

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

Equity placement completed

**Red5 has placed US\$50 million in equity in a four times
oversubscribed offering.**

A syndicate comprising Casimir Capital (lead), Petra Capital and Southern Cross Equities, has placed 300 million shares at 17 cents (Australia) per share to existing institutional shareholders and leading North American and United Kingdom institutions. Of the total, 102 million shares will be issued on 21 October 2010 and 198 million shares will be issued subject to shareholder approval at the Annual General Meeting scheduled for 23 November 2010. The Company originally sought to execute a US\$25 million placement.

The equity raise complements the US\$25 million Sprott Asset Management LP and Sprott Resource Lending Partnership, Toronto, gold prepay financing package.

In expanding the equity raise the Company is following a conservative path to secure the business future, recognising that production is yet to commence and there is now a debt facility in place.

The increased equity raise also allows for a significant expansion in the depth of the share register to one that will be the envy of many much larger companies in the peer group.

**In addition, the increased financial flexibility will allow the
Company to mount a prolonged exploration programme
at Mapawa.**

Greg Edwards
Managing Director

Not for distribution or release in the United States or to US Persons

This release is not an offer or an invitation to acquire Red 5 shares. In particular, this release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US person" as defined in Regulation S under the US Securities Act of 1933 ("Securities Act") ("US Person"). The Red 5 shares to be offered and sold in the capital raising referred to herein have not been, and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US Person without being so registered or pursuant to an exemption from registration.