



ASX REPORT TO  
SHAREHOLDERS

6 June 2012

**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 production update

**The Mining Department has been strengthened to address poor mine contractor mobile plant availability and the slow rate of pit dewatering during the current period.**

Production to June 2012 is now forecast at 7,800 ounces of gold and 41,000 ounces of silver at a gold cash cost (net of silver credits) of sub US\$600 per ounce (unaudited). This includes a scheduled allowance for both the installation of a pre-crusher and an upgrade to an apron feeder at the surge bin transfer point.

Changes implemented to address mining performance include:

- The Mining Department has been augmented with additional staff, including the appointment of an experienced mining consultant to directly advise the mine management team.
- An experienced maintenance consultant has been appointed to review and recommend improvements to the contractor's mobile fleet servicing practices.
- The Company and the mine contractor are currently in discussion to improve the mobile plant availability.

The process plant is performing well and high equipment availability above the ramp-up budget continues. Mill throughput rates greater than 3,000 tonnes per day have been achieved.

Dewatering performance is now steadily improving with the base of the original pit totally exposed with the water table below the current working benches. The entire northeast bench of the pit has been levelled and is free of silt. The original slide material that caused the mine to close over twenty years ago has now been fully excavated. A further modest drawdown of the water table will allow mining in the northeast, northwest and centre of the pit, including a new ore position available in the southwest of the pit.

Regular doré shipments have been made to the Metalor refinery in Geneva, totalling 1,144 kg to date. The mine is operating cash positive and almost cash neutral after allowance for the on-going waste stripping and capital close-out costs associated with the construction of the mine. A total of US\$6.0 million of final close-out costs will be paid over the next three months. The current cash position is \$16.4 million.

**The forecast for 2012/13 remains at 75,000 ounces of gold production at sub US\$340 per ounce.**

**Greg Edwards**  
*Managing Director*