



Red5 Limited ABN 73 068 647 610

ASX REPORT TO
SHAREHOLDERS

31 December 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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this report and company
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US\$25 million financing complete

Red5 Limited ("Red5") has fully drawn a US\$25.0 million prepaid gold swap facility from Credit Suisse AG.

Red 5 Philippine subsidiary Greenstone Resources Corporation ("GRC") has entered into a three year prepaid swap facility whereby Credit Suisse advanced US\$25 million against the sale of future gold production.

The facility is repayable over thirty months commencing six months after draw down. The repayment schedule includes interest at a commercial rate and amortised establishment fees.

In addition, to protect the loan the facility provides GRC with a zero cost put and call structure over 40,000 ounces (13% of production during the loan period).

During the final stages of the debt facility negotiation, Red5 received various unsolicited offers. In general, these offers included structures which required the committed delivery of gold or discounts on the gold price over the known and future potential mine life. These options were deemed unattractive to equity holders who naturally seek exposure to the commodity price. An equity raise was considered, however the current share price being well below the intrinsic value together with the current fragile nature of gold equities, the certainty of a fully subscribed funding was deemed uncertain.

The proceeds of the facility will be committed to the award of a second earthmoving contract, directed specifically to accelerating waste movement, to various minor capital productivity and efficiency expenditures, the Sprott Resource Lending Partnership loan (US\$8 million – no early repayment penalty) and general working capital.

Joe Mobilia

Chief Financial Officer