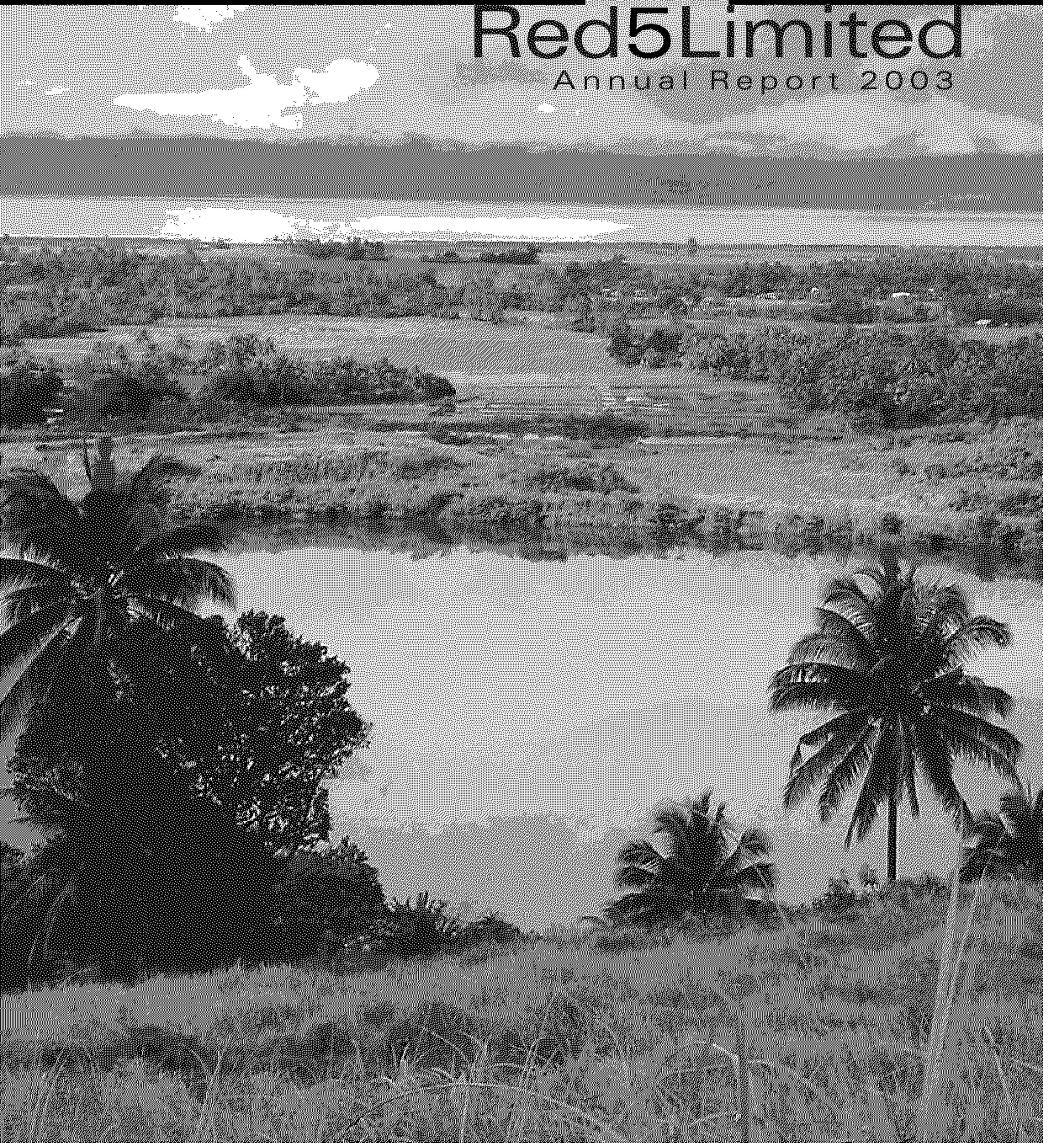
Red5Limited

Annual Report 2003



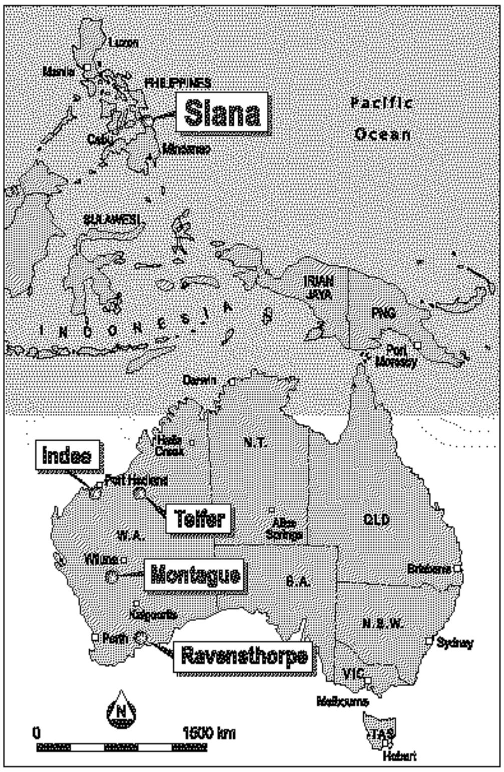
Corporate Profile

Red 5 Limited (ABN 73 068 647 610) is listed on the Australian Stock Exchange (ticker symbol RED) with over 840 shareholders.

The Company's principal asset is the right to an 80% earn-in on the Siana Gold Project in the Philippines. Exploration last year extended the depth of mineralisation below the 825,000 ounce open pit resource by 130 metres and extended the prospective Boyongan Corridor to a distance of over nine kilometres.

The Company also has a 12.7 percent interest in listed gold explorer Range River Gold NL.

The Company objective is to advance Siana to a development decision in the next year.



Annual General Meeting

The eighth Annual General Meeting will be held at 3.00pm, 27 November 2003 at: Level 1, The Celtic Club, 48 Ord Street, West Perth, Western Australia.

All shareholders are invited to attend.

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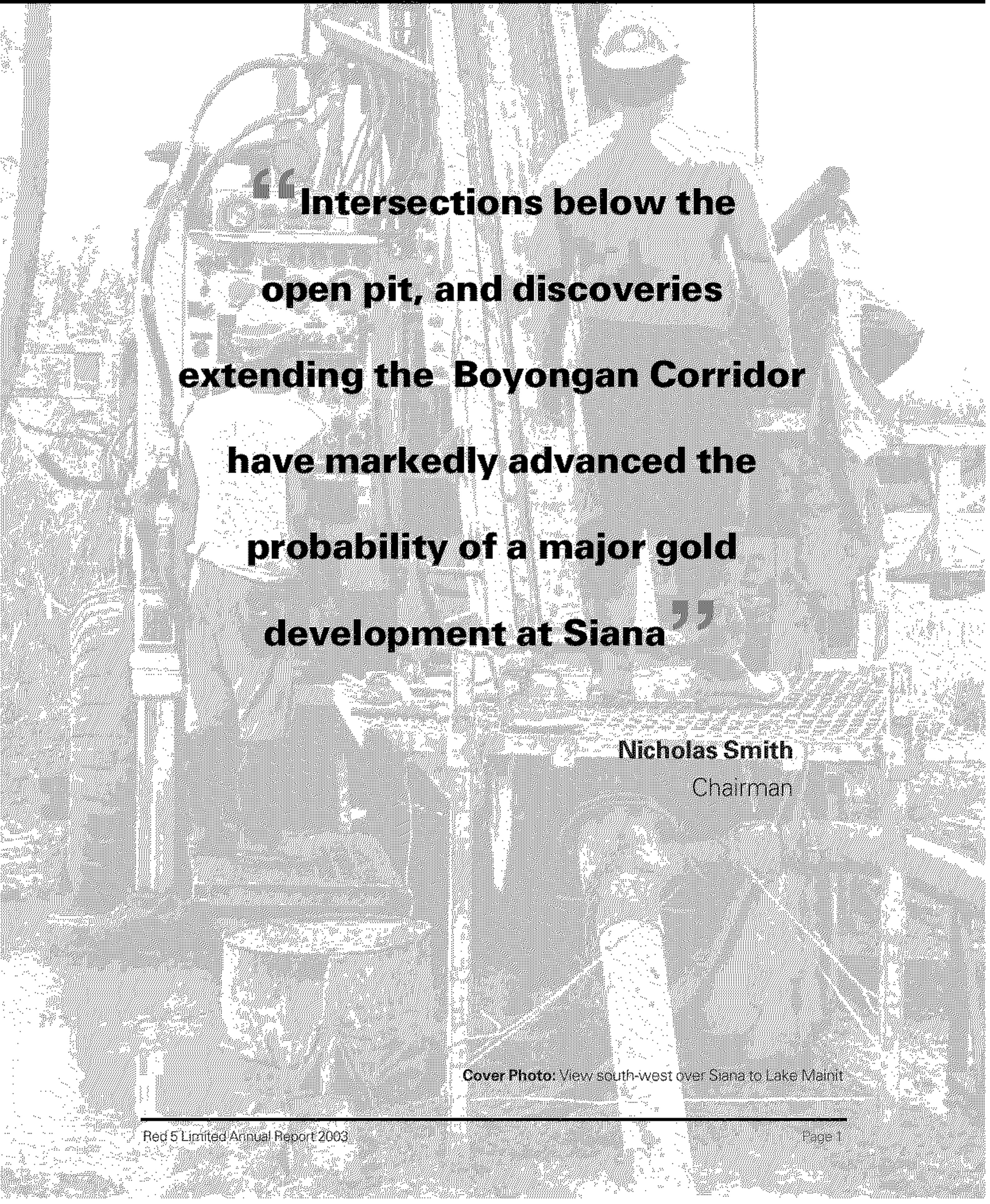


"Intersections below the open pit, and discoveries extending the Boyongan Corridor have markedly advanced the probability of a major gold development at Siana"

Nicholas Smith
Chairman

Cover Photo: View south-west over Siana to Lake Mainit

Chairman's Review

Company performance and progress in 2003 was outstanding. Expectations at Siana were exceeded and portfolio rationalisation initiatives were executed.

At Siana in the Republic of the Philippines, where Red 5 has an 80 percent earn-in, a major milestone was achieved in December 2002 with the Mineral Production Sharing Agreement grant. This allows the Company to conduct all exploration, development and mining activities. Drilling commenced almost immediately for the first time in twelve years.

Two deep holes targeted below the known 825,000 resource ounce open pit. The first, confirmed an extension of the mineralised system to a vertical depth of at least 360 metres below surface, 130 metres below the limit of the reported resource. The second hole recorded the first intersection in the predicted East Zone. At modest depths the zone is continuous with Main Zone, increasing the tonnes per vertical metre and the potential for a large-scale development. Continuous gold mineralisation (128 metres at 2.3 g/t gold equivalent at 0.5 g/t cut-off) was intersected to 250 metres vertical depth, including 41 metres at 5.1 g/t gold equivalent and 11 metres at 11.5 g/t gold equivalent.

Encouraging high grade intervals, typical of previous underground mining activities were recorded at 280 metres below surface in the East Zone. The same hole made a new discovery from 496 – 544 metres down hole. The sulphide content and alteration in the 'Dayano' zone indicate the potential for a very large gold mineralised system, most likely up dip. The East and Dayano Zone intersections are coincident with the western margin of an intense IP geophysical anomaly predicted to comprise a large sulphide target from near surface to a depth in excess of 250 metres.

This target will be included in a fifteen hole drill programme to upgrade and extend the known resource commencing in the December Quarter 2003. The programme will include metallurgical testwork, a comprehensive engineering study and continuation of environmental baseline surveys.

Excellent exploration progress was also made in identifying significant extensions to the prospective Boyongan Corridor, to the north-west and south-east of the open pit resource. New discoveries at Fritz Weber and Crackerjack to the north and Alegria to the south have extended the strike to nine kilometres. The geological setting, significance and further programmes are discussed in the Management Discussion and Analysis section.

Our rapid progress at Siana is testament to the rapport achieved between Managing Director Greg Edwards, Exploration Director Lance Govey, our local consultants, and the local authorities. The Board is cognisant of the vital support of the people of the Province of Surigao Del Norte, the Directors and staff of the Mines and Geosciences Bureau (Region XIII), the Department of Environment and Natural Resources, local government including the office of the Governor, municipal Mayors and Councillors of Tubod, Mainit, Alegria and Bacuag, Barangay Capitans, and the members of the Community and Technical Working Groups.

As the year progressed the potential for Siana to be a classic company-maker led to the Board adopting an accelerated focus from both a management and financial resource perspective. Accordingly, smaller, non-core projects were either farmed-out or relinquished. This culminated in a transaction whereby our second largest project, Indee in Western Australia, was exchanged for cash and a significant shareholding in Range River Gold NL. This achieved double leverage for the Company as the remaining earn-in expenditures could now be directed to Siana whilst an interest in a promising project is retained.

On the corporate front, shareholders approved the name change to Red 5, new equity ($1.7 million) was raised in two private placements and an inaugural Share Purchase Plan, and the Company became a member of the Australian Gold Council.

Companies during their formative years rely heavily on a limited number of organisations or individuals. Finance raised by our brokers and from many loyal shareholders in the difficult equity markets of last year has contributed significantly to the results achieved.

Whilst the share price may not have always reflected underlying fundamental value, I am confident the major, uninterrupted campaign, commencing this month to increase the resource and to drill the many quality targets at Siana, facilitated by the current $3 million underwritten equity raising, will prove pivotal.

I can say without equivocation, Red 5 approaches the next twelve months confident of continued success at Siana.

Nicholas Smith

Chairman

Siana gold project (Philippines) (earning 80% interest)

Major achievements in 2003 include:

- Grant of a Mineral Production Sharing Agreement
- Completion of the first significant drilling programme at Siana in more than twelve years, confirming the scope for major mine development
- Extension of mineralisation to 130 metres below the Indicated Resource
- Confirmation of 100 metre width in the Main Zone and broad zones of gold mineralised sulphides in the East Zone
- Delineation of the gold prospective Boyongan Corridor over a strike length of nine kilometres including discovery of new zones at Crackerjack and Fritz Weber
- Definition of high quality geophysical targets adjacent to the mine area
- Receipt of high grade gold and silver assays in veins at Alegria, six kilometres south of Siana
- Initiation of Environmental Baseline Studies
- Signing of a landmark Indigenous People's Memorandum of Understanding
- Establishment of Community working groups

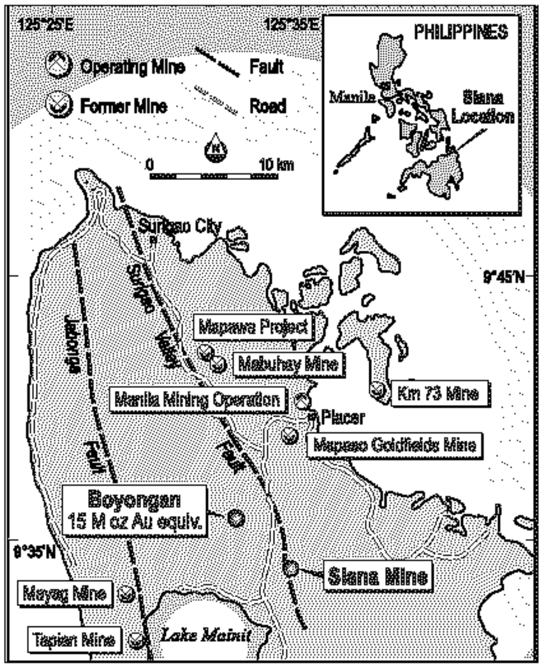
Background

Following execution of a Joint Venture Heads of Agreement with JCG Resources Corporation in June 2002 the Company has achieved several highly significant milestones towards development of the gold resource at Siana, located in Northern Mindanao.

Red 5 has the right to earn an 80% equity interest in the project by completing a bankable feasibility study before January 2008.

Red 5 is manager of the joint venture through Greenstone Resources Corporation, a Philippine registered wholly owned subsidiary.

An Indicated Mineral Resource of 825,000 ounces of gold (7.7 mt at 3.3g/t Au) is estimated within the mine environs and there is now demonstrated potential to extend this resource.



Location and Logistics

The project covers an area of approximately 39 km² focused around the Siana Gold Mine in the established gold mining province of Surigao del Norte.

Excellent infrastructure includes nearby grid power and easy access from a national highway. The mine-site is located only 30 kilometres south of the major regional centre and shipping port of Surigao City. The province is stable, with a predominantly Christian population that is familiar with the long history of gold mining in the area.

Local government and community leaders have indicated their support for new development. Another advantage is the availability of experienced personnel, many of whom were employed at the mine when it closed prematurely in 1990.

Siana is located in a richly endowed mineral field with many epithermal gold systems and several known porphyry copper-gold deposits. The project area is located three kilometres south-east of the world-class Boyongan porphyry copper-gold discovery by the Anglo American-Philex Gold Joint Venture, and covers 12 kilometres of strike of the Surigao Valley Fault, the same regional structure with which Boyongan is associated. In 2002, Anglo revealed a resource at Boyongan of approximately 250Mt containing 15 million ounces of gold equivalent, but the resource is certain to show further increases with new results reported from intensive drilling throughout 2003.

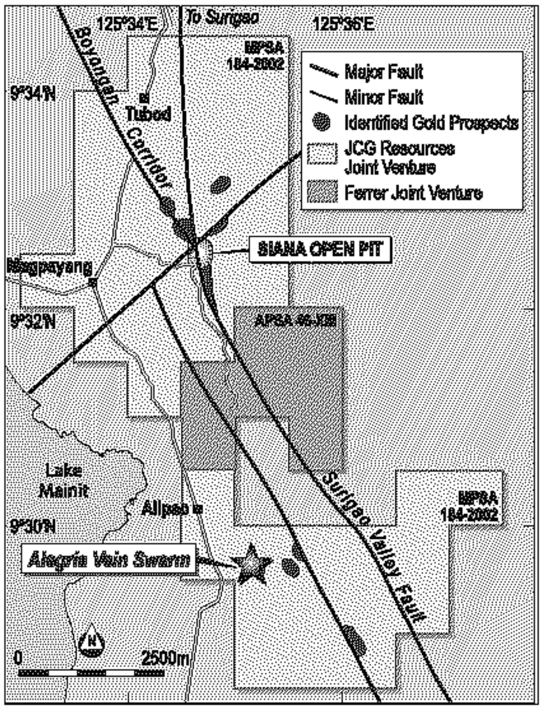
Historic Production

Past production from underground and open pit operations at Siana totalled approximately 4.9 million tonnes at an average grade of 6.3g/t gold for approximately one million ounces of gold. Narrow vein underground development was carried out from 1938 to 1960 and produced 1.6 million tonnes at an average grade of 11.8 g/t gold (~610,000 ounces). Open pit mining from 1980 to 1990 produced 3.3 million tonnes at an average grade of 3.6 g/t (~380,000 ounces).

Secure Mineral Title

A Mineral Production Sharing Agreement (MPSA 184-2002-XIII) was registered in December 2002, one of only six such titles granted for metalliferous mining in the Philippines last year. The MPSA is a legally binding contract with the national government and allows for exploration, feasibility studies and mining.

The MPSA area represents 38% of the national total granted for precious and base metals exploration in 2002. A second licence area is covered under an application (APSA 46-XIII) with progress to grant anticipated in the near future.



Exploration Results

Successful reverse circulation (RC) and diamond drilling programmes were completed at Siana. Eight RC drill holes were completed in proximity to the open pit area, and two 500 metre diamond holes were completed below the open pit, for a total of 1,850 metres.

Siana Open Pit

Diamond hole SMDD2 intersected 78 metres at 1.2 g/t gold from 386 metres down hole, within a broader zone of 121 metres at 0.9 g/t gold.

The result confirmed the extension of the mineralised system to a vertical depth of at least 360 metres below surface and 130 metres below the limit of the Indicated Resource. The intersection is open to the north, south and at depth.

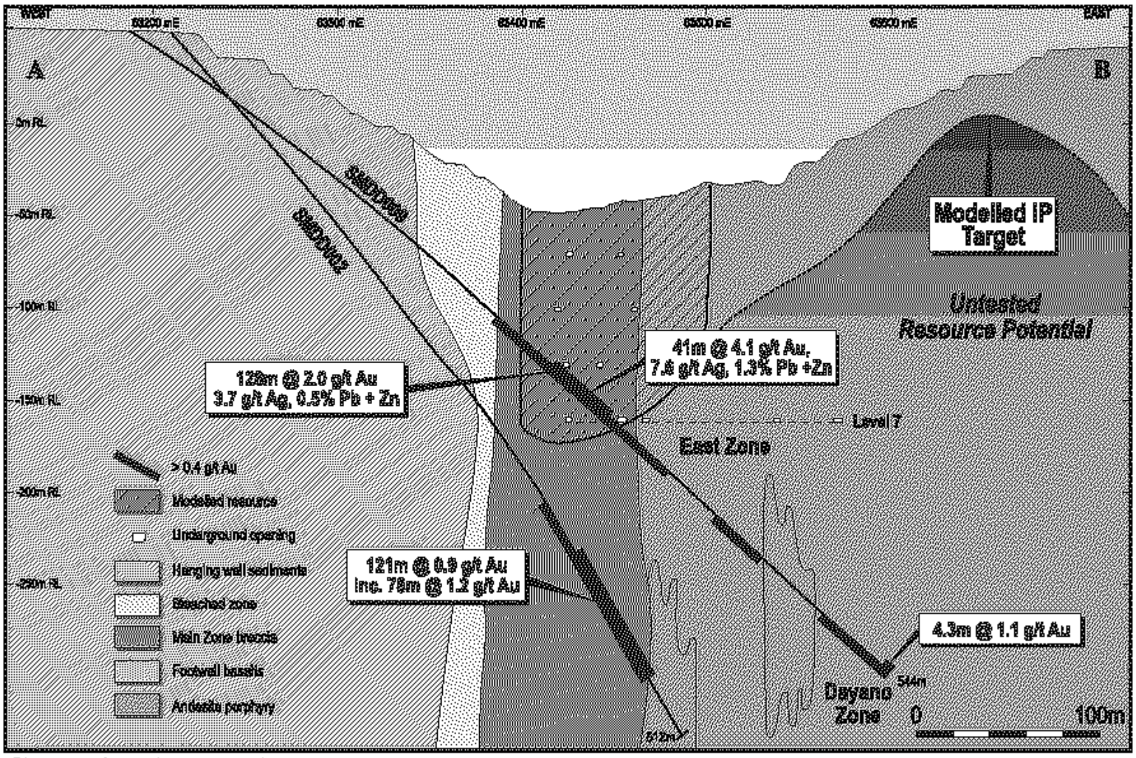
The second deep diamond hole (SMDD9) recorded the first intersection in the predicted East Zone, that at modest depths is continuous with the Main Zone increasing tonnes per vertical metre and the potential for a large scale development.

SMDD9 intersected continuous gold mineralisation (128m at 2.3 g/t gold equivalent at 0.5g/t cut-off) to a vertical depth of 250 metres below surface.

Higher grade zones within the intersection include 41m at 5.1/t gold equivalent, and 10.6m at 11.5 g/t gold equivalent.

A second deeper intersection located 280m below surface in the East Zone of 31m at 0.83 g/t gold was recorded, including assays up to 7.7 g/t over short intervals typical of previous underground mining.

A new discovery was also made from 496-544m downhole. The sulphide content and alteration in the 'Dayano' zone indicates the potential for a very large gold mineralised system, most likely up dip. The intersections in East Zone and Dayano Zone are coincident with the western margin of an intense IP geophysical anomaly that is predicted to comprise a large sulphide target.



Siana projected cross section.

Boyongan Corridor

RC hole SMRC3, located at Crackerjack approximately 500 metres north west of the open pit, intersected 13 metres at 6.2 g/t Au characterised by significant free gold and minor base metal mineralisation in a zone of intense alteration and brecciation akin to the Main Zone mineralisation at Siana. Hole SMRC7 located 220m north of the Main Zone resource targeted a potential shallow extension to the mineralisation and intersected 2m at 3.1g/t gold and 63g/t silver at a basalt-andesite contact, not previously known to be mineralised.

In addition, a second new zone of alteration and mineralisation has been discovered at the Fritz Weber Prospect, located approximately 300 metres north-west of Crackerjack. Trench sampling has exposed a broad zone of mineralisation at least 40 metres wide, with results to date up to 2.83 g/t gold and 51g/t silver. Initial drill testing at Fritz Weber is planned.

High grade gold and silver rock chip results from the Alegria Vein Swarm, six kilometres south of Siana, have added to the potential for additional gold resources within the MPSA area.

Sampling of historic small scale underground workings has indicated grades of up to 36 g/t gold and 4,183 g/t silver (or combined gold equivalent of 89 g/t) in epithermal style, sulphide rich vein structures.

At least five vein systems have been identified in the local area, all hosted in a silicified feldspar porphyry intrusive. The mineralisation is likely to have been sourced from a younger blind intrusive phase that is potentially host to large scale Boyongan style porphyry copper-gold mineralisation.

Follow-up mapping and geochemical sampling of the Alegria area is required prior to drill testing. A series of magnetic targets located to the east of the Vein Swarm will be investigated concurrently.

Table 1. Drilling Results - Siana Gold Project

Hole No.	UTM Northing*	UTM Easting*	Dip	Azimuth (mag)	From (m)	To (m)	Interval (m)	Gold (g/t)
SMRC003	1056279	782861	90	-	47	60	13	6.2
SMRC007	1055980	783135	60	090	31	33	2	3.1
SMDD002	1055509	782930	45	060	343	464	121	0.9
				incl	386	464	78	1.2
SMDD009	1055624	782908	33	090	256	384	128	2.0
				incl	296	337	41	4.1
				incl	311	337	26	5.4
				incl	311	322	11	9.5

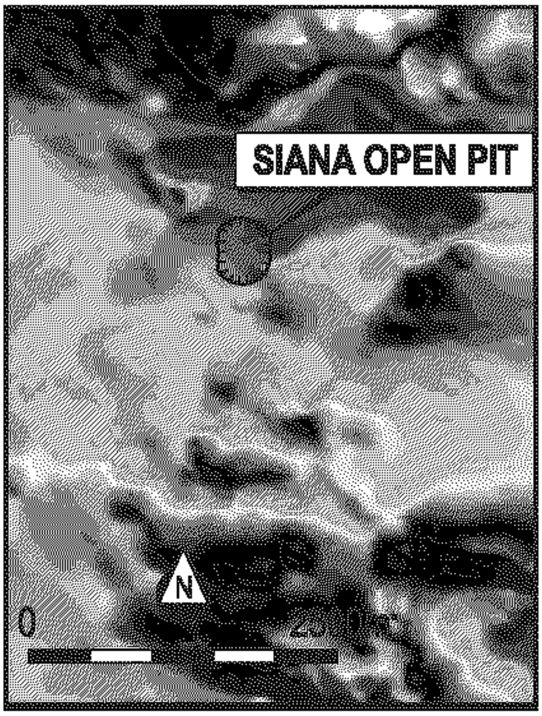
*Datum WGS84

Management Discussion and Analysis - *Siana*

Geophysics

Reprocessing of historic Dipole-Dipole IP (Induced Polarisation) geophysical data at Siana using modern software has yielded a number of near mine targets that potentially are sourced from sulphides occurring from near surface to a depth in excess of 250 metres. None of the targets have been effectively drill tested.

Interpretation of recently acquired historic aeromagnetic and radiometric data has confirmed the presence of the prospective "Boyongan Corridor" along which Siana is located. This zone now extends over a distance of nine kilometres within the MPSA area, from three kilometres north-west of the Siana Mine to six kilometres south, with likely further extensions to the southern MPSA boundary.



Siana regional aeromagnetics

Metallurgy

The Main Zone gold mineralisation is accompanied by lead, zinc and silver credits. Historically, the Siana Mine produced separate high quality, high recovery lead and zinc concentrates as a by-product of the gold operation.

The gold mineralisation was free milling, and in excess of 30% of the total gold was recovered from a gravity circuit before conventional cyanide leaching. Total gold recovery averaged approximately 90%.

It is considered a future operation could likely improve the process design and overall gold recovery, and also recover lead and zinc from a small scale, low capital cost flotation circuit that would add value to the economics of the operation.

Environmental Studies

Regular monitoring of surface and groundwater quality in the mine area and surrounding district commenced with the objective of establishing baseline levels ahead of future development.

Indigenous Peoples' MOU

A landmark Memorandum of Understanding was signed with the local Mamanwa Tribe to effect access to a small area in the south of the MPSA. The agreement is the first of its kind to be executed in the Philippines and is similar in nature and intent to Native Title Agreements in Australia.

Community Relations

Two Community Technical Working Groups were established to foster effective bilateral communication with all local stakeholders through regular meetings and site visits.

These groups represent, amongst others municipal governments, religious groups, environmentalists, indigenous peoples, the regional mines department, local development committees and other non-government organisations.

2004 Exploration Programme

The acceleration of the exploration and evaluation of the Siana deposit and surrounding project area will commence in October 2003.

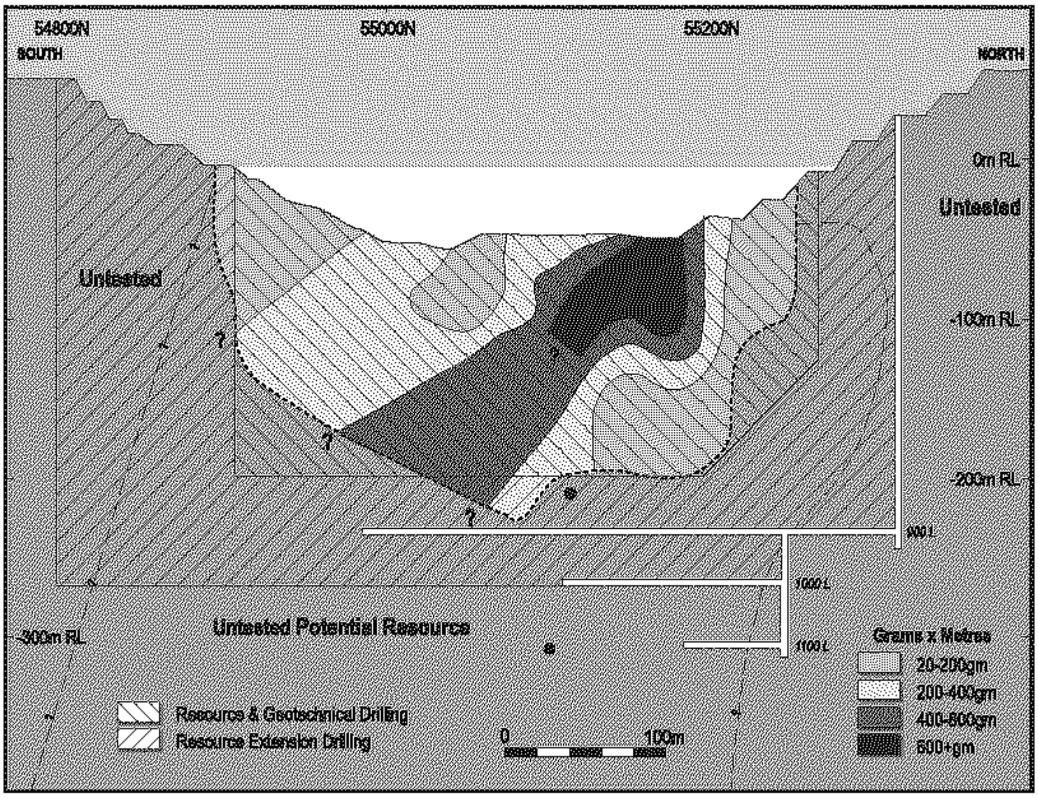
At the minesite drilling will comprise up to fifteen diamond drill holes for a total in excess of 6,000 metres that will seek to upgrade and extend the current Indicated Resource.

Upgrade holes on sections spaced at approximately 80 metres are planned to intersect the Main Zone 200 metres below surface, while the extension focused holes will target mineralisation between 100 and 300 metres below surface.

The programme is planned to include metallurgical testing, a comprehensive engineering study, and continuation of environmental baseline surveys.

Additional exploration targets in the near mine environs and elsewhere within the project area will be tested by reverse circulation drilling (in excess of 3,000 metres) and diamond drilling. These targets include a combination of high quality IP and magnetic geophysical anomalies, identified prospects (Crackerjack, Fritz Weber and Alegria) and geochemical anomalies.

A fully funded budget of $3.3 million has been allocated to the programme and is estimated to continue until at least mid 2004.



Longitudinal projection showing planned drilling zones

Indee gold project (earning 51% interest)

The Indee Joint Venture commenced in October 2001. Through wholly owned subsidiary, Opus Exploration Pty Ltd, RED 5 Limited was earning a 51 percent interest from project owner Resolute Limited by spending $1.5 million on exploration before April 2004.

Inferred gold resources for eight identified prospects reported by Resolute in December 1997 aggregated to approximately 5.2Mt at 2.2 g/t Au (at a 0.8g/t Au cut-off) for 368,000 ounces. Drilling programmes and direct expenditure of $0.93 million resulted in re-estimation of Identified Mineral Resources by RED 5 Limited with an increase to a combined 8.0Mt at 1.93 g/t Au (0.8 g/t Au cut-off) for 494,000 ounces.

RC drilling (17 holes for 2,143 metres) was completed at Withnell to partially infill the southern zone of mineralisation. Several high grade intersections included up to 7 metres at 13.9g/t gold from 81 metres downhole, while broader more modest grade intersections included up to 20 metres at 2.49 g/t gold from 108 metres.

The results confirmed the presence of an extension to the southern zone of mineralisation. In addition, two holes in the main northern zone confirmed mineralisation in a previous gap between the western and eastern portions.

The Company interest in Indee, post September 2003 is held through a shareholding in Range River Gold NL.

Telfer gold project (100% interest)

RED 5 subsidiary Opus Exploration Pty Ltd held applications for two exploration licences at 17 Mile Hill and Black Hills in the Telfer region. The tenements cover a combined area of approximately 195 km^2 within 30 kilometres of the Telfer Gold Mine. An exploration licence (E45/2344) was granted over the Black Hills area, whilst the application over 17 Mile Hill is still pending.

The Company interest in Telfer, post September 2003 is held through a shareholding in Range River Gold NL.

Montague gold project (25% free carried interest)

The Company has a 25% free carried interest to feasibility in the Montague Joint Venture, located 80km NNE of Sandstone, Western Australia, in the Gum Creek Greenstone Belt. The project is managed by Gateway Mining NL.

The RED 5 tenements cover a seven kilometre northern extension of the stratigraphy and structures that host Gateway's high-grade gold discovery at the Airport Prospect.

Aeromagnetic images of the concealed greenstone stratigraphy in the project area closely resemble the overall structural form of the famous Golden Mile in the Kalgoorlie-Boulder goldfield. Similar Archaean age geological architecture can also be observed in other highly endowed gold districts, such as at Timmins in the Abitibi Greenstone Belt.

Prospectivity at Montague is rated as high, based on the above observation, a lack of effective historic exploration beneath widespread transported cover, and strong geochemical and geophysical results achieved to date.

Further encouraging results were achieved during the year with completion of rotary air blast (RAB) drilling (37 holes for 1,854 metres) at the Victory Creek and Hypotenuse prospects.

Further deep RC drilling is planned at both prospects.

Other projects

No progress has been reported for the Kooline West gold prospect in the Ashburton Province (under farm out offer to St Barbara Mines) nor the Rabbit Well Joint Venture with operator Mines and Resources Australia (in effect over pending application E69/1382).

Ravensthorpe (75%-100% interest)

In early 2003 Red 5 granted an option to new nickel company, Traka Resources Limited to purchase the Ravensthorpe nickel tenements.

Red 5 will receive either $350,000 in cash prior to 31 December 2003, or $400,000 in cash and shares following the successful listing of Traka on the ASX.

Ajana (50% interest)

The project is located near Northampton in Western Australia. The primary target is a prominent gravity and magnetic geophysical anomaly in basement rocks below a thick sequence of Permian age sandstone. Anomalies of this type may be associated with copper-gold mineralisation of Olympic Dam style.

RED 5 subsidiary Greenstone Resources (WA) Pty Ltd can earn an 85% interest from Platinum Australia by completing one drill hole to test the anomaly before 13 May 2004. Modelling of the available geophysical data suggests that the source could be as deep as 1,000 metres. Due to the high cost of exploring at these depths the Board is seeking to reduce the Company's exposure by introducing a suitable third party to the joint venture.

Divestments

Opus Exploration Pty Ltd

In the post reporting period the Company accepted an offer from Range River Gold NL to purchase Opus Exploration Pty Ltd and its underlying assets, including the rights under the Indee Joint Venture, and the tenement holdings near Telfer.

The remaining expenditure to complete the first earn-in phase at Indee was approximately $0.8 million with further minimum commitments at Telfer of $40,000.

The consideration included $0.5 million cash and 7.5 million shares in Range River Gold NL, with an additional 1.6 million shares or cash equivalent payable. The total value of the consideration on execution of the sale agreement was $1.7 million.

North Bullfinch Gold Project

RED 5 held the right to earn an 85% interest in this small gold project located 15km north-west of Bullfinch in the Southern Cross Greenstone Belt of Western Australia. Work in the previous year had demonstrated the existence of an Inferred Resource of 14,500 ounces. This resource failed to meet corporate development objectives and subsequently the Company withdrew from the Joint Venture in early 2003.

Western Arm Tantalum

Efforts to attract interest from prospective joint venture partners or purchasers met with little success and subsequently the tenements, located west of Ravensthorpe were surrendered.

Roger River

The Company withdrew from the agreement, that essentially provided an option to purchase all or part of the tenement holdings, in November 2002. Exploration completed to that time failed to define strong precious metal geochemistry that warranted drill testing.

Black Shale

Three remaining properties south of Ravensthorpe with scope for lead-zinc mineralisation are currently the subject of due diligence studies by third parties.

Management Discussion and Analysis - *Resources*

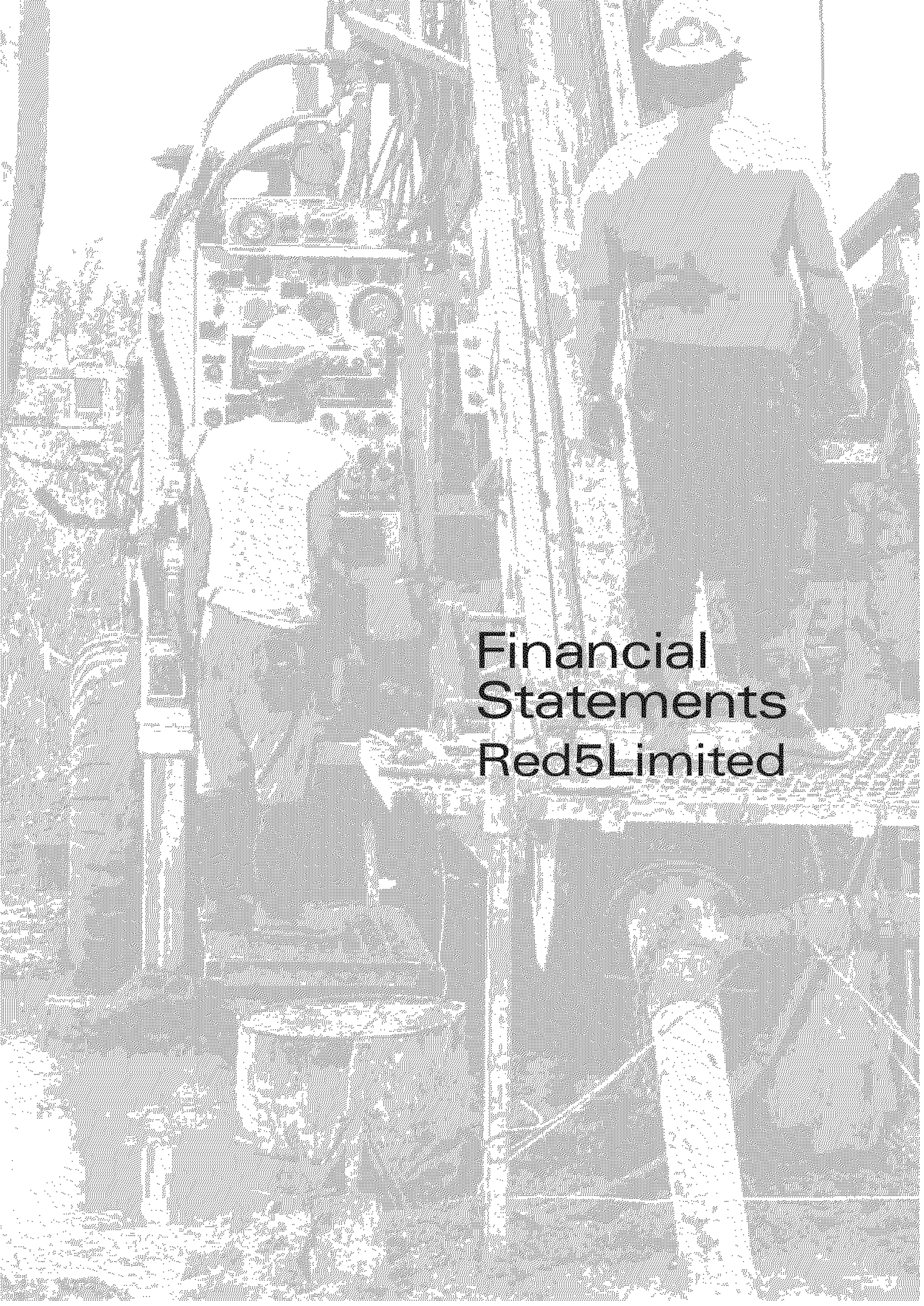
The estimates of Mineral Resources shown in the table below are prepared as per the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code).

The figures represent 100% of the project and are calculated at a 1.0 g/t cut-off using an ordinary Kriged block model.

Not included is the Indee total resource of 7.96 Mt at 1.93g/t gold (494,000 ounces) which was managed at 30 June 2003 but has been subsequently transfered to Range River Gold NL.

	Managed Mineral Resources as at 30 June 2003		
Deposit	Indicated Mineral Resource		
	Tonnes (M)	Grade (g/t Gold)	Ounces
Siana	7.7	3.3	825,000

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Allen L Govey and Mr Gregory C Edwards, who are full-time employees of Red 5 Limited and are Members of The Australasian Institute of Mining and Metallurgy. Mr Govey and Mr Edwards have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Person(s) as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Govey and Mr Edwards consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Financial Statements
Red5Limited

The directors of Red 5 Limited (formerly Greenstone Resources NL) ("Red 5" or "parent entity") provide hereunder their report on the results and state of affairs of the parent entity and the consolidated entity for the financial year ended 30 June 2003.

DIRECTORS

The names of the directors of Red 5 in office during the course of the financial year and at the date of this report are as follows:

Nicholas James Smith
Gregory Charles Edwards
Allen Lance Govey
John Wilson Fraser (resigned on 2 October 2002)

Unless otherwise indicated, all directors held their position as a director throughout the entire financial year and up to the date of this report.

PRINCIPAL ACTIVITIES

The principal activities of Red 5 and the consolidated entity (which includes the controlled entities of Red 5) during the financial year were mineral exploration and evaluation. There was no significant change in the nature of these activities during the year.

RESULTS OF OPERATIONS

The net loss of the consolidated entity after provision for income tax was $1,753,093.

REVIEW OF OPERATIONS

During the financial year the consolidated entity continued its exploration and evaluation activities on tenements located within Australia and the Philippines.

The name and legal status of the parent entity was changed from Greenstone Resources NL to Red 5 Limited with effect from 6 September 2002.

Red 5 raised equity funds during the year of $1,697,975 before costs, through a share purchase plan offer to shareholders in October 2002 and through two private share placements.

A Mineral Production Sharing Agreement (MPSA) was granted by Philippine authorities in December 2002 over the area of the Siana gold project. The MPSA provides authority for all exploration, development and mining activities on the project.

In January 2003, an option was granted to third party interests over the consolidated entity's Ravensthorpe nickel tenements. The third party may elect to acquire the tenements for up to $350,000 in cash or $400,000 in a mix of cash and securities.

The directors of Red 5 are continuing a rationalisation of the consolidated entity's tenement portfolio and have also reviewed other advanced resources projects in which the consolidated entity may participate.

DIVIDENDS

No amounts were paid by way of dividend since the end of the previous financial year. The directors do not recommend the payment of a dividend.

LIKELY DEVELOPMENTS

During the course of the next financial year, the consolidated entity intends to continue its mineral exploration and development activities and to investigate additional resources projects in which the consolidated entity may participate.

In the opinion of the directors there is no additional information available as at the date of this report on any likely developments which may materially affect the operations of the consolidated entity and the expected results of those operations in subsequent years.

OPTIONS GRANTED OVER UNISSUED SHARES

At the date of this report, 79,369,620 ordinary fully paid shares which are subject to options were unissued. The terms of these options are as follows:

Options granted over ordinary fully paid shares exercisable:

	Number
- at 10 cents each on or before 30 January 2004	10,000,000
- at 20 cents each on or before 31 January 2004	54,419,620
- at 12 cents each on or before 31 October 2003	250,000
- at 10 cents each on or before 16 November 2003	9,000,000
- at 25 cents each on or before 31 December 2003	1,000,000
- at 12 cents each on or before 31 July 2004	250,000
- at 15 cents each on or before 31 July 2004	125,000
- at 20 cents each on or before 31 July 2004	125,000
- at 40 cents each on or before 31 December 2004	2,000,000
- at 15 cents each on or before 8 January 2005	100,000
- at 20 cents each on or before 17 June 2005	100,000
- at 60 cents each on or before 31 December 2005	2,000,000
	79,369,620

Details of options issued and exercised during the financial year are contained in Note 14(c) to the financial report.

The following movements in options occurred subsequent to the end of the financial year:

- 9,000,000 unlisted options were issued as part of a share placement by the parent entity; and
- 1,000,000 unlisted options were issued to participating brokers to the share placement.

No person entitled to exercise the options has any right by virtue of the option to participate in any share issue of the parent entity or any other corporation.

SIGNIFICANT CHANGES

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

(a) Equity funds of $1,697,975 before costs were raised during the year through private share placements and a share purchase plan offer to shareholders of the parent entity.

(b) A Mineral Production Sharing Agreement (MPSA) was granted by Philippine authorities over the area of the Siana gold project. The MPSA provides authority for all exploration, development and mining activities on the project.

(c) An option was granted to third party interests over the consolidated entity's Ravensthorpe nickel tenements. The third party may elect to acquire the tenements for up to $350,000 in cash or $400,000 in a mix of cash and securities.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Significant events which have occurred subsequent to the end of the financial year are set out in Note 30 to the financial report.

INFORMATION ON DIRECTORS

DIRECTORS	QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES	SHARES BENEFICIALLY HELD IN PARENT ENTITY
Nicholas J Smith (Chairman)	LL.B A director since April 2002. Mr Smith is a solicitor with considerable international mining business experience, more recently spending 12 years as group general counsel for the Normandy Mining group. Mr Smith operates a corporate consultancy business and specialises in advice on sovereign risk issues in developing countries.	65,000 shares 5,000,000 options
Gregory C Edwards (Managing Director)	B.Sc. (Hons), AusIMM A director since November 2001. Mr Edwards is a geologist with 18 years experience. He has a broad gold and base metals exploration and development background, spending 13 years with the Normandy Mining group, holding various positions including Exploration Manager – Western Australia and Manager – Business Analysis, where he focussed on commercial evaluations of potential project and corporate acquisitions.	6,055,000 shares 5,500,000 options
Allen L Govey (Exploration Director)	B.Sc. (Hons), M.Sc., MAusIMM A director since November 2001. Mr Govey is a senior geologist with wide ranging exploration and mining geology experience within Australia and Indonesia. He has been involved with the successful exploration and mining of Archean lode gold deposits for the last 16 years. Mr Govey spent 12 years with the Normandy Mining group, his most recent role being Principal Geologist responsible for project generation and evaluation of new business opportunities within Western Australia.	6,055,000 shares 5,500,000 options

MEETINGS OF DIRECTORS

The number of meetings of the Board of Directors of Red 5 held during the year ended 30 June 2003 and the number of meetings attended by each director are as follows:

	Number held whilst in office	Number attended
N J Smith	10	10
G C Edwards	10	10
A L Govey	10	10
J W Fraser (resigned on 2 October 2002)	3	3

Red 5 does not have a separate audit committee. The directors believe that Red 5 is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate audit committee. Accordingly, all matters capable of delegation to an audit committee are considered by the full Board of Directors.

DIRECTORS AND EXECUTIVES REMUNERATION

The Board of Directors considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for executive directors, senior management and non-executive directors. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance, relevant comparative information and independent expert advice.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the consolidated entity's Australian and overseas operations.

Details of the nature and amount of each element of the emoluments of each director of Red 5 are as follows:

Name	Base Salary	Directors Fees	Superannuation	Consulting Fees	Options	Options
	$	$	$	$	Number	$
Directors						
Executive directors						
G C Edwards	142,917		12,862			
A L Govey	95,000		8,550			
Non-executive directors						
N J Smith		25,000	1,688	78,000	5,000,000	183,000
J W Fraser		22,500				

Unlisted options were granted to Mr Smith in accordance with a resolution of shareholders passed at a general meeting of Red 5 held on 19 July 2002. The assessed fair value of the options as at the date of grant has been determined using the Black Scholes option pricing model, which takes account of factors such as the option exercise price, the level and volatility of the underlying share price and the time to maturity of the options.

Other than directors of Red 5, there were no other executive officers of the consolidated entity during the year.

Information on any benefits received by directors of Red 5 by reason of a contract made by the consolidated entity with a director or a director-related entity are contained in Note 24(b) of the financial report.

During the financial year, Red 5 paid premiums of $16,320 to insure the directors and other officers of the consolidated entity. The liabilities insured are for costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity.

ENVIRONMENTAL REGULATIONS

The consolidated entity is subject to significant environmental regulation in respect to its mineral exploration activities. These obligations are regulated under relevant government authorities within Australia and overseas. The consolidated entity is a party to exploration and development licences and a mineral production sharing agreement. Generally, these licences and agreements specify the environmental regulations applicable to exploration and mining operations in the respective jurisdictions. The consolidated entity aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

Compliance with environmental obligations is monitored by the Board of Directors. No environmental breaches have been notified to the consolidated entity by any government agency during the year ended 30 June 2003.

Signed in accordance with a resolution of the directors.

G C Edwards
Managing Director

Perth, Western Australia
19 September 2003

Statement of Financial Performance for the year ended 30 June 2003

	NOTE	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Revenue from ordinary activities		12,053	46,035	12,011	45,851
Revenue from option fees on mining tenements		30,000	-	30,000	-
Total revenue	2	42,053	46,035	42,011	45,851
Depreciation expenses		6,681	10,234	6,681	10,234
Employee expenses		441,577	308,789	441,577	308,789
Exploration expenditure written-off		969,003	1,015,029	518,417	899,726
Occupancy expenses		57,330	39,971	57,330	39,971
Provision for diminution in investments		50,000	-	50,000	-
Provision for non-recovery of loans		-	-	178,141	56,342
Regulatory expenses		59,781	46,534	59,781	46,534
Other expenses from ordinary activities		210,774	161,417	210,677	161,315
Loss from ordinary activities before income tax expense	3	(1,753,093)	(1,535,939)	(1,480,593)	(1,477,060)
Income tax expense	4	-	-	-	-
Net loss attributable to members of Red 5 Limited		(1,753,093)	(1,535,939)	(1,480,593)	(1,477,060)
		Cents	Cents		
Basic and diluted earnings/(loss) per share	29	(1.48)	(1.52)		

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2003

	NOTE	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
CURRENT ASSETS					
Cash assets	5	367,834	748,398	198,056	740,114
Receivables	6	93,986	89,226	93,986	89,226
TOTAL CURRENT ASSETS		461,820	837,624	292,042	829,340
NON-CURRENT ASSETS					
Receivables	7	17,000	17,000	1,813,403	1,074,474
Other financial assets	8	-	50,000	1,325,540	1,040,000
Property, plant and equipment	9	24,155	21,894	24,155	21,894
Deferred exploration expenditure	10	3,036,213	2,816,935	307,219	728,416
TOTAL NON-CURRENT ASSETS		3,077,368	2,905,829	3,470,317	2,864,784
TOTAL ASSETS		3,539,188	3,743,453	3,762,359	3,694,124
CURRENT LIABILITIES					
Payables	11	231,226	333,201	231,226	333,201
Provisions	12	31,072	10,644	31,072	10,644
TOTAL CURRENT LIABILITIES		262,298	343,845	262,298	343,845
NON-CURRENT LIABILITIES					
Borrowings	13	322,846	322,846	-	-
TOTAL NON-CURRENT LIABILITIES		322,846	322,846	-	-
TOTAL LIABILITIES		585,144	666,691	262,298	343,845
NET ASSETS		2,954,044	3,076,762	3,500,061	3,350,279
EQUITY					
Contributed equity	14	14,084,079	12,453,704	14,084,079	12,453,704
Accumulated losses	15	(11,130,035)	(9,376,942)	(10,584,018)	(9,103,425)
TOTAL EQUITY	16	2,954,044	3,076,762	3,500,061	3,350,279

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2003

	NOTE	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Cash flows from operating activities					
Receipts from customers		30,000	-	30,000	-
Payments to suppliers and employees		(733,103)	(501,125)	(733,006)	(503,554)
Interest received		12,053	48,895	12,011	48,711
Net cash outflow from operating activities	27	(691,050)	(452,230)	(690,995)	(454,843)
Cash flows from investing activities					
Payments for controlled entities, net of cash acquired		-	67	(335,540)	-
Payments for mineral exploration expenditure		(1,264,328)	(1,281,147)	(330,672)	(289,677)
Payments for plant and equipment		(12,008)	(24,205)	(12,008)	(24,205)
Payments for purchase of mining tenements		(43,553)	(87,452)	-	(87,452)
Payments for security deposits		-	(17,000)	-	(17,000)
Advances to other corporations		-	(50,000)	-	(50,000)
Net cash outflow from investing activities		(1,319,889)	(1,459,737)	(678,220)	(468,334)
Cash flows from financing activities					
Proceeds from issues of shares		1,697,975	1,118,779	1,697,975	1,118,779
Payments for share issue expenses		(67,600)	-	(67,600)	-
Loans to controlled entities		-	-	(803,218)	(991,468)
Net cash inflow from financing activities		1,630,375	1,118,779	827,157	127,311
Net increase/(decrease) in cash held		(380,564)	(793,188)	(542,058)	(795,866)
Cash at the beginning of the financial year		748,398	1,541,586	740,114	1,535,980
Cash at the end of the financial year	5	367,834	748,398	198,056	740,114
Non-cash financing and investing activities	28				

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

This financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on an accruals basis and is based on historical cost and does not take into account changing money values or, except where stated, fair values of non-current assets.

Cost is based on the fair values of the consideration given in exchange for assets. Accounting policies adopted are consistent with those applied in the previous financial year, except as specifically noted.

Change in basis of employee benefits policy

The consolidated entity has applied the revised Accounting Standard AASB 1028 "Employee Benefits" (issued in June 2001) for the first time from 1 July 2002, which has resulted in a change in the accounting policy for the measurement of the provision for employee benefits. There was no impact on initial application as at 1 July 2002.

Change in basis of provisions, contingent liabilities and contingent assets policy

The consolidated entity has applied Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" (issued in October 2001) for the first time from 1 July 2002. There was no impact on initial application as at 1 July 2002.

1.2 GOING CONCERN

The statement of financial position of the parent entity and the consolidated entity as at 30 June 2003 discloses a net working capital position of $29,744 and $199,522 respectively. The financial statements have been prepared on the basis that the parent entity and the consolidated entity can meet their commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Subsequent to the end of the financial year, the parent entity made a share placement to raise equity funds of $450,000 before costs and also entered into an agreement for the sale of the consolidated entity's interests in the Indee project for a consideration comprising $500,000 in cash and $1,200,000 in shares in a listed company. The parent entity has also announced a fully underwritten pro-rata rights issue to shareholders (Refer Note 30). Given the stage of the consolidated entity's development, it will remain reliant upon equity capital for ongoing funding requirements. Based upon these circumstances, the directors believe that it is appropriate for the financial statements to be prepared on the basis of the parent entity and the consolidated entity as a going concern.

1.3 PRINCIPLES OF CONSOLIDATION

The consolidated financial report incorporates the assets and liabilities of all entities controlled by Red 5 Limited ("parent entity") as at 30 June 2003 and the results of all controlled entities for the year then ended. Red 5 Limited and its controlled entities together are referred to in this financial report as the consolidated entity. A list of controlled entities appears in Note 26. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included only from the date upon which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed.

1.4 INVESTMENTS

Investments classified as current assets represent securities in listed companies purchased for resale and are valued at the lower of cost or net realisable value as at balance date.

Investments classified as non-current assets represent securities in listed and unlisted companies acquired as investments and are shown at cost except where in the opinion of the directors there has been a permanent diminution in value, in which case the investments are written down to their recoverable amount.

1.5 INCOME TAX

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit or loss, after allowing for permanent differences. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt, or if relating to tax losses, when realisation is virtually certain. Income tax on net cumulative timing differences is set aside to the deferred income tax and future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

1.6 EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs for each area of interest are carried forward where rights of tenure of the area of interest are current and the costs are expected to be recouped through the successful development and exploitation of the area of interest, or by its sale, or where exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial year in which the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated expenditure is written off to the extent that it is considered that the costs will not be recoverable in the future.

1.7 PROPERTY, PLANT AND EQUIPMENT

All assets acquired, including property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

1.8 DEPRECIATION

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of plant and equipment over its expected useful life to the consolidated entity.

1.9 RECOVERABLE AMOUNT

Where the carrying value of an individual non-current asset, other than exploration expenditure, is greater than its recoverable amount, the asset is written down to its recoverable amount. The directors periodically review the carrying values of non-current assets and in determining recoverable amount, the expected net cash flows are not discounted to their present values.

1.10 EMPLOYEE ENTITLEMENTS

Provision for employee entitlements represents the amount which the consolidated entity has a present obligation to pay resulting from employees' service provided up to the balance date. The provision is based on remuneration rates including related on-costs and is measured using undiscounted amounts expected to be paid when the liability is settled.

1.11 EARNINGS PER SHARE

Basic earnings per share is determined by dividing net operating results after income tax attributable to members of the parent entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to potential ordinary shares.

1.12 GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable or payable is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable or payable are classified as operating cash flows.

1.13 CASH

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
2. REVENUE				
(a) Revenue from ordinary activities				
- interest received	12,053	46,035	12,011	45,851
(b) Revenue from outside operating activities				
- option fees on mining tenements	30,000	-	30,000	-
	42,053	46,035	42,011	45,851

3. LOSS FROM ORDINARY ACTIVITIES

Loss from ordinary activities before income tax expense includes the following specific net gains and expenses:

	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Net gains				
Interest received - other corporations	12,053	46,035	12,011	45,851
Expenses				
Depreciation of property, plant and equipment	6,681	10,234	6,681	10,234
Provision for employee entitlements	20,428	10,644	20,428	10,644
Provision for diminution in investments	50,000	-	50,000	-
Provision for non-recovery of loans	-	-	178,141	56,342
Rental and outgoings relating to operating lease	57,330	34,610	57,330	34,610
Individually significant items				
Expenses				
Deferred exploration expenditure written-off on:				
- areas abandoned	255,906	602,285	256,401	486,982
- areas retained	713,097	412,744	262,016	412,744

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
4. INCOME TAX				
The difference between income tax expense provided in the financial statements and the prima facie income tax expense is reconciled as follows:				
Operating loss	(1,753,093)	(1,535,939)	(1,480,593)	(1,477,060)
Prima facie tax benefit at 30%	(525,928)	(460,781)	(444,178)	(443,118)
Tax effect of permanent differences:				
Exploration expenditure written-off	216,592	304,509	155,525	269,918
Non-deductible expenses	13,215	12,804	13,215	12,804
Non-deductible capital items	920	692	920	692
Other deductible items	(139,052)	-	(28,331)	-
	(434,253)	(142,776)	(302,849)	(159,704)
Timing differences not brought to account	87,668	21,896	87,668	21,896
Current year tax losses not brought to account	346,585	120,880	215,181	137,808
Income tax expense	-	-	-	-
Income tax provision	-	-	-	-
The directors estimate that the potential future income tax benefit in respect of tax losses not brought to account is:	2,755,533	2,394,344	2,102,071	2,038,375

The potential benefit of tax losses has not been brought to account in this financial report as realisation of the benefit cannot be regarded as being virtually certain.

The potential future income tax benefit will be obtainable by the consolidated entity only if:

(a) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;

(b) the consolidated entity continues to comply with the conditions for deductibility imposed by income tax law; and

(c) no changes in income tax legislation adversely affects the consolidated entity in realising the benefit of the deduction for the loss.

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
CURRENT ASSETS				
5. CASH ASSETS				
Cash at bank	243,845	349,660	74,067	341,376
Cash on deposit	123,789	398,538	123,789	398,538
Cash on hand	200	200	200	200
	367,834	748,398	198,056	740,114
6. RECEIVABLES				
Sundry debtors - other corporations	93,986	89,226	93,986	89,226
	93,986	89,226	93,986	89,226
NON-CURRENT ASSETS				
7. RECEIVABLES				
Security deposits	17,000	17,000	17,000	17,000
Unsecured loans - wholly owned controlled entities	-	-	3,859,179	2,942,109
Provision for doubtful recovery	-	-	(2,062,776)	(1,884,635)
	-	-	1,796,403	1,057,474
	17,000	17,000	1,813,403	1,074,474

Unsecured loans to controlled entities are interest free and have no fixed terms of repayment.

	CONSOLIDATED		PARENT ENTITY	
8. OTHER FINANCIAL ASSETS				
Unquoted investments - at cost	50,000	50,000	50,000	50,000
Less provision for diminution	(50,000)	-	(50,000)	-
	-	50,000	-	50,000
Shares in controlled entities - at cost	-	-	1,925,540	1,590,000
Less provision for diminution	-	-	(600,000)	(600,000)
	-	-	1,325,540	990,000
	-	50,000	1,325,540	1,040,000

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
9. PROPERTY, PLANT AND EQUIPMENT				
Office furniture and equipment - at cost				
Opening balance	37,621	16,389	37,621	16,389
Additions	12,008	24,207	12,008	24,207
Plant and equipment written-off	(11,968)	(2,975)	(11,968)	(2,975)
Closing balance	37,661	37,621	37,661	37,621
Accumulated depreciation				
Opening balance	15,727	6,158	15,727	6,158
Depreciation for the year	6,681	10,234	6,681	10,234
Plant and equipment written-off	(8,902)	(665)	(8,902)	(665)
Closing balance	13,506	15,727	13,506	15,727
Net book value	24,155	21,894	24,155	21,894
10. DEFERRED EXPLORATION EXPENDITURE				
Opening balance	2,816,935	1,391,551	728,416	1,225,945
Acquisition costs	43,553	1,079,818	-	92,417
Exploration expenditure incurred in current year	1,144,728	1,360,595	97,220	369,127
Exploration expenditure written-off	(969,003)	(1,015,029)	(518,417)	(899,726)
Reclassification of expenditure	-	-	-	(59,347)
	3,036,213	2,816,935	307,219	728,416

The ultimate recoupment of deferred exploration expenditure carried forward is dependent upon the successful development and exploitation, or alternatively sale, of the respective areas of interest at an amount greater than or equal to the carrying value.

CURRENT LIABILITIES

	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
11. PAYABLES				
Sundry creditors and accruals	231,226	333,201	231,226	333,201
	231,226	333,201	231,226	333,201

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
12. PROVISIONS				
Provision for employee entitlements	31,072	10,644	31,072	10,644
	31,072	10,644	31,072	10,644

The consolidated entity makes superannuation contributions in compliance with superannuation guarantee legislation. Superannuation contributions are made to complying funds nominated by each employee. The average number of employees of the consolidated entity during the financial year was 4 (2002: 4).

NON-CURRENT LIABILITIES

13. BORROWINGS

Unsecured loans – other corporations	322,846	322,846	-	-
	322,846	322,846	-	-

Loans due to other corporations are unsecured and interest free.

14. CONTRIBUTED EQUITY

(a) Share capital

127,558,467 (2002: 108,080,967) ordinary fully paid shares	12,908,300	11,277,925	12,908,300	11,277,925
69,369,620 (2002: 66,269,620) options over fully paid shares	1,175,779	1,175,779	1,175,779	1,175,779
	14,084,079	12,453,704	14,084,079	12,453,704

(b) Movements in ordinary share capital

	Number of Shares	$
Opening balance 1 July 2002	108,080,967	11,277,925
Share purchase plan	3,477,500	312,975
Share placements	16,000,000	1,385,000
Less share issue expenses	-	(67,600)
Balance 30 June 2003	127,558,467	12,908,300

Ordinary shares entitle the holder to participate in dividends and proceeds on the winding up of the parent entity in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

As at balance date, 4,500,000 fully paid shares were held in voluntary escrow and will only be released upon specified hurdles being met within 4 years from their date of issue of November 2001. The shares will be cancelled if the hurdles are not met within the 4 year period.

(c) Movements in share options

	Number of Options	$
Opening balance 1 July 2002	66,269,620	1,175,779
Issue of options to director	5,000,000	-
Issue of options to consultant	100,000	-
Cancellation of unlisted options	(1,000,000)	-
Lapse of options without being exercised	(1,000,000)	-
Balance 30 June 2003	69,369,620	1,175,779

As at 30 June 2003, the following options over ordinary fully paid shares were outstanding:

	Options
- exercisable at 20 cents each on or before 31 January 2004	54,419,620
- exercisable at 12 cents each on or before 31 October 2003	250,000
- exercisable at 10 cents each on or before 16 November 2003	9,000,000
- exercisable at 25 cents each on or before 31 December 2003	1,000,000
- exercisable at 12 cents each on or before 31 July 2004	250,000
- exercisable at 15 cents each on or before 31 July 2004	125,000
- exercisable at 20 cents each on or before 31 July 2004	125,000
- exercisable at 40 cents each on or before 31 December 2004	2,000,000
- exercisable at 15 cents each on or before 8 January 2005	100,000
- exercisable at 20 cents each on or before 17 June 2005	100,000
- exercisable at 60 cents each on or before 31 December 2005	2,000,000
	69,369,620

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
15. ACCUMULATED LOSSES				
Accumulated losses at the beginning of the financial year	9,376,942	7,841,003	9,103,425	7,626,365
Net loss attributable to members of the parent entity	1,753,093	1,535,939	1,480,593	1,477,060
Accumulated losses at the end of the financial year	11,130,035	9,376,942	10,584,018	9,103,425
16. TOTAL EQUITY RECONCILIATION				
Total equity at the beginning of the financial year	3,076,762	2,503,925	3,350,279	2,718,560
Total changes in equity recognised in the statement of financial performance	(1,753,093)	(1,535,939)	(1,480,593)	(1,477,060)
Transactions with owners as owners: Contributions of equity, net of transaction costs	1,630,375	2,108,776	1,630,375	2,108,779
Total equity at the end of the financial year	2,954,044	3,076,762	3,500,061	3,350,279
17. REMUNERATION OF AUDITORS				
Amounts paid or due and payable to the auditors for:				
Auditing the financial report	20,596	10,100	20,596	10,100
Other services	-	2,500	-	2,500
	20,596	12,600	20,596	12,600
18. REMUNERATION OF DIRECTORS				
Amounts paid or due and payable to directors from the parent entity and related parties in connection with the management of those entities	308,517	293,475	308,517	293,475

Number of directors of the parent entity whose remuneration from the parent entity and all related parties was within the following bands:

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
0 - $9,999	-	2	-	2
$10,000 - $19,999	-	1	-	1
$20,000 - $29,999	2	1	2	1
$70,000 - $79,999	-	2	-	2
$100,000 - $109,999	1	1	1	1
$150,000 - $159,999	1	-	1	-

Remuneration bands for directors emoluments differ from amounts disclosed in the Directors' Report as the basis of calculation is based on the differing requirements of accounting standards and the Corporations Act 2001.

Information on transactions with directors and director-related entities is contained in Note 24(b).

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
19. REMUNERATION OF EXECUTIVES OFFICERS				
Remuneration paid or due and payable to executive officers (including executive directors) whose remuneration exceeded $100,000, from the parent entity and all related parties:				
Executive officers	259,329	105,300	259,329	105,300
The number of executive officers (including executive directors) of the consolidated entity and the parent entity whose remuneration exceeded $100,000, was within the following bands:				
$100,000 - $109,999	1	1	1	1
$150,000 - $159,999	1	-	1	-
20. EXPENDITURE COMMITMENTS				
(a) Commitments in relation to non-cancellable operating leases are payable as follows:				
- not later than one year	26,051	22,925	26,051	22,925
- later than one year but not later than two years	19,104	22,925	19,104	22,925
- later than two years but not later than five years	-	19,104	-	19,104
	45,155	64,954	45,155	64,954

(b) Commitments for the payment of remuneration under long-term employment contracts in existence at balance date but not recorded as liabilities:

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
- not later than one year	195,746	261,060	195,746	261,060
- later than one year but not later than five years	43,146	238,892	43,146	238,892
	238,892	499,952	238,892	499,952

(c) The consolidated entity has the right to earn an 80% interest in the Siana project by funding a bankable feasibility study on the project within a period of 5 years commencing from January 2003.

(d) The consolidated entity has the right to earn a 51% interest in the Indee project by spending $1,500,000 by April 2004. Subsequent to the end of the financial year the parent entity entered into an agreement to dispose of its beneficial interests in the Indee gold project, through the sale of all the shares in its wholly owned controlled entity, Opus Exploration Pty Ltd (Refer Note 30).

(e) Under the terms of mineral tenement licences held by the consolidated entity, minimum annual expenditure obligations of $1,940,000 (2002: $1,975,000) may be required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing. This expenditure may be incurred by the consolidated entity or its joint venture partners and may be subject to variation from time to time in accordance with Department of Industry and Resources regulations.

21. AMOUNTS PAYABLE/RECEIVABLE IN FOREIGN CURRENCIES

Australian dollar equivalents of unhedged amounts payable or receivable in foreign currencies, calculated at year end exchange rates:

Amounts payable

United States dollars				
- current	113,852	43,025	113,852	43,025
	113,852	43,025	113,852	43,025

22. CONTINGENT LIABILITIES

The consolidated entity has provided a performance bond of $17,000 to secure rehabilitation commitments on a mining tenement. Funds are held on deposit as security against the performance bond.

23. SEGMENT INFORMATION

Business segments

The consolidated entity is involved in mineral exploration activities on mining tenements located within Australia and the Philippines.

	Australia 2003 $	Philippines 2003 $	Consolidated 2003 $	Australia 2002 $	Philippines 2002 $	Consolidated 2002 $
Geographical segments						
Segment revenue and expenses						
Revenue from ordinary activities	12,053	-	12,053	46,035	-	46,035
Revenue from other activities	30,000	-	30,000	-	-	-
Total segment revenue	42,053	-	42,053	46,035	-	46,035
Depreciation expenses	6,681	-	6,681	10,234	-	10,234
Exploration expenditure written-off	969,003	-	969,003	1,015,029	-	1,015,029
Acquisition of plant and equipment	12,008	-	12,008	24,207	-	24,207
Segment result	(1,721,348)	(31,745)	(1,753,093)	(1,535,939)	-	(1,535,939)
Income tax expense	-	-	-	-	-	-
Net loss	(1,721,348)	(31,745)	(1,753,093)	(1,535,939)	-	(1,535,939)
Segment assets	2,311,004	1,228,184	3,539,188	3,395,468	347,985	3,743,453
Segment liabilities	471,292	113,852	585,144	588,687	78,004	666,691
Net cash flow from operating activities	(689,305)	(31,745)	(721,050)	(452,230)	-	(452,230)

24. RELATED PARTIES

(a) DIRECTORS

The names of persons who were directors of the parent entity at any time during the financial year are as follows:

N J Smith

G C Edwards

A L Govey

J W Fraser (resigned on 2 October 2002)

(b) RELATED PARTY TRANSACTIONS

(i) Directors and director-related entities

Aggregate numbers of shares and options of the parent entity acquired or disposed of by directors or their director-related entities from the parent entity, except for on-market transactions, was as follows:

	Fully paid shares	Options
	165,000	5,000,000

Interests in the securities of the parent entity held by directors and their director-related entities as at 30 June 2003 are as follows:

	Fully paid shares	Options
N J Smith	65,000	5,000,000
G C Edwards	6,055,000	5,500,000
A L Govey	6,055,000	5,500,000

Fees were paid in the normal course of business to directors and director-related entities for the provision of services to the consolidated entity at normal commercial rates, as follows:

	2003 $	2002 $
Portcullis Corporate Advisory Pty Ltd (N J Smith) for the provision of legal and corporate advisory services.	78,000	45,993
Pickup Golding, Chartered Accountants, (P C Golding, former director) for the provision of accounting and taxation services.	-	22,466

These amounts are not included in remuneration of directors set out in Note 18.

During the previous financial year, the consolidated entity contributed an amount of $53,029 to the office expenditure of a public company of which Mr G D Riley (former director) is a director, on normal commercial terms.

During the previous financial year, the parent entity acquired all the issued capital of Opus Exploration Pty Ltd for a consideration of $990,000 which was satisfied by the issue of 18,000,000 fully paid shares and 9,000,000 options over fully paid shares. Messrs G C Edwards and A L Govey held financial interests in Opus Exploration Pty Ltd and were subsequently appointed as directors of the parent entity.

(ii) Wholly owned group

During the financial year, unsecured loan advances were made between the parent entity and its controlled entities. All such loans were interest free. Loan balances between the parent entity and its controlled entities are disclosed in the financial report of the parent entity. Intra-entity loan balances have been eliminated in the financial report of the consolidated entity.

25. FINANCIAL INSTRUMENTS

(a) Credit risk exposure

Credit risk relates to the risk that a counter party will default on its contractual obligations resulting in financial loss to the consolidated entity. The exposure of the consolidated entity to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of the assets as indicated in the statement of financial position.

(b) Net fair values

The fair values of all financial assets and liabilities approximate their carrying values as indicated in the statement of financial position.

(c) Interest rate risk exposure

Interest rate risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. The exposure of the consolidated entity to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below.

30 June 2003

	Note	Floating interest rate	Fixed interest maturing in: 1 year or less	Over 1 year to 5 years	Non-interest bearing	Total
		$	$	$	$	$
Financial assets						
Cash assets	5	367,634	-	-	200	367,834
Receivables	6,7	-	-	-	110,986	110,986
		367,634	-	-	111,186	478,820
Weighted average interest rate		2.1%	-	-		
Financial liabilities						
Payables	11	-	-	-	231,226	231,226
Provisions	12	-	-	-	31,072	31,072
Borrowings	13	-	-	-	322,846	322,846
		-	-	-	585,144	585,144
Weighted average interest rate		-	-	-		
30 June 2002						
Financial assets						
Cash assets	5	349,660	398,538	-	200	748,398
Receivables	6,7	-	-	-	106,226	106,226
Other financial assets	8	-	-	-	50,000	50,000
		349,660	398,538	-	156,426	904,624
Weighted average interest rate		3.4%	4.7%	-		
Financial liabilities						
Payables	11	-	-	-	333,201	333,201
Provisions	12	-	-	-	10,644	10,644
Borrowings	13	-	-	-	322,846	322,846
		-	-	-	666,691	666,691
Weighted average interest rate		-	-	-		

26. INVESTMENTS IN CONTROLLED ENTITIES

Name of entity	Country of incorporation	Class of shares	Equity holding 2003 %	Equity holding 2002 %
Bremer Resources Pty Ltd	Australia	Ordinary	100	100
Estuary Resources Pty Ltd	Australia	Ordinary	100	100
Greenstone Resources (WA) Pty Ltd	Australia	Ordinary	100	100
Oakborough Pty Ltd	Australia	Ordinary	100	100
Opus Asia (Philippines) Pty Ltd	Australia	Ordinary	100	-
Opus Exploration Pty Ltd	Australia	Ordinary	100	100
Opus Resources Pty Ltd	Australia	Ordinary	100	100
Bremer Binaliw Corporation	Philippines	Ordinary	100	100
Greenstone Resources Corporation	Philippines	Ordinary	100	-

Bremer Binaliw Corporation is a wholly owned subsidiary company of Bremer Resources Pty Ltd.

Acquisition of controlled entities

In April 2003 a wholly owned subsidiary company, Greenstone Resources Corporation, was incorporated with a capital subscription by the parent entity of $335,540. The consolidated entity's interests in the Siana project were subsequently assigned to Greenstone Resources Corporation.

During the year, the parent entity acquired a 100% interest in Opus Asia (Philippines) Pty Ltd for a consideration of $1, being shares issued upon incorporation of the controlled entity.

During the previous financial year, the parent entity acquired all the issued capital of Opus Exploration Pty Ltd for a consideration of $990,000, which was satisfied by the issue of 18,000,000 fully paid shares in the parent entity at an issue price of 5.5 cents per share and 9,000,000 options over fully paid shares. Details of the acquisition are as follows:

	2003 $	2002 $
Fair value of identifiable net assets of controlled entity acquired		
Cash assets	-	67
Receivables	-	2,532
Deferred exploration expenditure	-	987,401
Consideration	-	990,000
Inflow of cash to acquire controlled entity, net of cash acquired		
Cash consideration	-	-
Cash acquired	-	67
Inflow of cash	-	67

	CONSOLIDATED 2003 $	CONSOLIDATED 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
27. RECONCILIATION OF NET CASH OUTFLOW FROM OPERATING ACTIVITIES TO OPERATING LOSS AFTER INCOME TAX				
Net cash outflow from operating activities	(691,050)	(452,230)	(690,995)	(454,843)
Depreciation	(6,681)	(10,234)	(6,681)	(10,234)
Exploration expenditure written-off	(969,003)	(1,015,029)	(518,417)	(899,726)
Plant and equipment written-off	(3,066)	(2,308)	(3,066)	(2,308)
Provision for diminution in investments	(50,000)	-	(50,000)	-
Provision for non-recovery of loans	-	-	(178,141)	(56,342)
Changes in operating assets and liabilities				
Increase/(decrease) in receivables	118,612	(7,998)	118,612	(5,467)
Increase/(decrease) other operating assets	(233,452)	84,415	(233,452)	84,415
(Increase)/decrease in payables	101,975	(121,911)	101,975	(121,911)
(Increase)/decrease in provisions	(20,428)	(10,644)	(20,428)	(10,644)
Operating loss after income tax	(1,753,093)	(1,535,939)	(1,480,593)	(1,477,060)
28. NON CASH FINANCING AND INVESTING ACTIVITIES				
Issue of shares as consideration for the purchase of controlled entity	-	990,000	-	990,000
29. EARNINGS PER SHARE				
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	118,143,501	101,080,967		
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share	118,143,501	101,507,542		

No dilutive potential ordinary shares existed as at balance date, therefore diluted earning per share has not been calculated or disclosed.

The following movements in ordinary shares and options occurred subsequent to balance date:

- 9,000,000 fully paid shares and 9,000,000 unlisted options were issued pursuant to a prospectus dated 9 July 2003.
- 1,000,000 unlisted options were issued to participating brokers to a share placement.

30. SUBSEQUENT EVENTS

(a) In July 2003, the parent entity raised $450,000 in equity capital through a placement of 9,000,000 fully paid shares at an issue price of 5 cents each and 9,000,000 free attaching unlisted options. A further 1,000,000 unlisted options were issued in payment of fees to participating brokers.

(b) In August 2003, the parent entity entered into an agreement for the sale of a controlled entity, Opus Exploration Pty Ltd, for a total consideration of $1,700,000, which is payable $500,000 in cash and $1,200,000 in shares in the purchaser, Range River Gold NL. Opus Exploration Pty Ltd holds the right to earn an interest in the Indee project and owns additional mining tenements in Western Australia.

(c) In September 2003, the parent entity announced a non-renounceable pro-rata rights issue to shareholders on the basis of three shares at a subscription price of 7.3 cents each for every ten shares held as at the record date. The rights issue is fully underwritten and funds raised will be $2,990,630 before costs.

Declaration by Directors

The Board of Directors of Red 5 Limited declares that:

(a) the financial statements and associated notes comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the financial statements and associated notes give a true and fair view of the financial position as at 30 June 2003 and performance of the parent entity and the consolidated entity for the financial year ended on that date;

(c) at the date of this declaration, there are reasonable grounds to believe that the parent entity will be able to pay its debts as and when they fall due.

The consolidated financial report has been made out in accordance with Australian Accounting Standards and the Corporations Act 2001.

Signed in accordance with a resolution of the directors.

G C Edwards
Managing Director

Perth, Western Australia
19 September 2003

Independent Audit Report

Independent audit report to members of Red 5 Limited

SCOPE

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Red 5 Limited (formerly Greenstone Resources NL) (the "Company") and the consolidated entity, for the year ended 30 June 2003. The consolidated entity comprises both the Company and the entities it controlled during that year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of Red 5 Limited is in accordance with:

(a) the Corporations Act 2001, including:

i. giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the financial year ended on that date; and

ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

KPMG

B C Fullarton
Partner

Perth
22 September 2003

Corporate Governance Statement

This statement outlines the main corporate governance practices that have been adopted by the Board of Directors of the Company.

BOARD OF DIRECTORS

The Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of those goals. The Board meets regularly in order to retain full and effective control over the Company and to monitor the executive management.

Each director has the right to seek independent professional advice on matters relating to his/her position as a director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

The procedures for election and retirement of directors are governed by the Constitution of the Company. The composition of the Board is determined using the following principles:

- the Board shall comprise a balance of executive and non-executive directors;
- the Board shall comprise directors with a range of expertise encompassing the current and proposed activities of the Company; and
- where a vacancy is considered to exist, the Board selects an appropriate candidate through consultation with external parties and consideration of the needs of shareholders and the Company. Such appointments are referred to shareholders at the next available opportunity for re-election in general meeting.

The Board reviews the remuneration packages and policies applicable to executive directors, senior executives and non-executive directors on an annual basis. Remuneration levels are competitively set to attract appropriately qualified and experienced directors and senior executives. Where necessary, the Board obtains independent advice on the appropriateness of remuneration packages.

EXTERNAL AUDITORS

The Board reviews the performance of the external auditors on an annual basis and meets with them during the year to discuss the external audit plan and to review the results and findings of the audit, the adequacy of financial and operating controls and to monitor the implementation of any recommendations made.

The Company's current auditors, KPMG, were appointed in November 1998. Audit engagement partners are rotated at least every 7 years.

INTERNAL CONTROL FRAMEWORK

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that includes:

- a financial and budgeting reporting system;
- procedures to ensure that price sensitive information is reported to the stock exchanges on which the Company's securities are listed and in accordance with continuous disclosure requirements;
- comprehensive reviews of potential employees and ongoing appraisal and training of employees;
- operational controls are monitored by executive directors maintaining regular contact with senior personnel at the Company's operating sites, together with regular reporting and periodic site visits.

BUSINESS RISKS

The Board adopts practices designed to identify areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk. The Company's main areas of risk include exploration and development activities, fluctuating commodity prices and exchange rates, environmental factors, financing, sovereign risk and title to assets.

Regular consideration is given to all these matters by the Board.

ETHICAL STANDARDS

The Board's policy is for directors and management to conduct themselves with the highest ethical standards. All directors and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

ENVIRONMENT AND COMMUNITY RELATIONS

The Company aims to ensure that the highest standard of environmental care is achieved and that it complies with all relevant environmental legislation. The Board also has a policy aimed at fostering trusting, respectful and co-operative relations with indigenous people and communities in areas in which the Company operates.

Statement of Shareholders

The following information was reflected in the records of the Company as at 30 September 2003.

DISTRIBUTION OF SHARE AND OPTION HOLDERS

	Number of holders		
	Fully Paid Shares	Listed Options	Unlisted Options
1 - 1,000	15	3	-
1,001 - 5,000	68	19	-
5,001 - 10,000	149	23	-
10,001 - 100,000	442	90	-
100,001 and over	170	60	39
	844	195	39
Including less than a marketable parcel	98		

TWENTY LARGEST HOLDERS OF FULLY PAID SHARES

Shareholder	Shares	%
1. Topspeed Pty Ltd	8,284,590	6.07
2. James Skinner and Janice Skinner	6,513,761	4.77
3. Gregory Charles Edwards	6,055,000	4.43
4. Allen Lance Govey	6,055,000	4.43
5. Bruce Neville Tomich	5,176,000	3.79
6. Breamlea Pty Ltd	5,000,000	3.66
7. Mark Kennard Connell	4,970,000	3.64
8. James Skinner and Janice Skinner (Topspeed No. 2 Account)	2,488,203	1.82
9. Arrowvale Pty Ltd	2,443,000	1.79
10. Stichting Rutherglen	2,298,941	1.68
11. Mining Finance Associates Pty Ltd	2,002,938	1.47
12. Bryan Welch	2,000,000	1.47
13. Raymond Butler	1,867,500	1.37
14. Torbay Nominees Pty Ltd	1,844,518	1.35
15. Creekwood Nominees Pty Ltd	1,746,400	1.28
16. Weelara Holdings Pty Ltd	1,614,000	1.18
17. Karari Australia Pty Ltd	1,600,000	1.17
18. Euan William Jenkins	1,355,800	0.99
19. Jonathon Kur	1,331,439	0.98
20. Berne No. 132 Nominees Pty Ltd	1,310,000	0.96
	65,957,090	48.30

SUBSTANTIAL SHAREHOLDERS

The following shareholders have lodged a notice of substantial shareholding in the Company.

Shareholder	Number of shares	%
James Skinner, Janice Skinner, Topspeed Pty Ltd	15,681,554	11.48
Bruce Neville Tomich	8,002,938	5.86

CLASSES OF SHARES AND VOTING RIGHTS

At meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or attorney. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and on a poll, every person present in person or by proxy has one vote for each ordinary share held.

TWENTY LARGEST HOLDERS OF LISTED OPTIONS

Optionholder	Options	%
1. Bruce Neville Tomich	5,368,000	9.86
2. Topspeed Pty Ltd	5,064,795	9.31
3. Mark Kennard Connell	5,000,000	9.19
4. James Skinner and Janice Skinner	4,696,860	8.63
5. Gregory Charles Edwards	2,500,000	4.59
6. Allen Lance Govey	2,500,000	4.59
7. Dacoma Holdings Pty Ltd	2,000,000	3.68
8. James Skinner and Janice Skinner (Topspeed No. 2 Account)	1,976,602	3.63
9. Pine Creek Holdings Pty Ltd	1,510,000	2.77
10. Brian Robert Nockolds	1,450,000	2.66
11. Giralia Resources NL	1,125,000	2.07
12. John Rupert Edwards	1,000,000	1.84
13. Robert John Wright	1,000,000	1.84
14. Euan William Jenkins	1,000,000	1.84
15. Five Talents Trading Limited	1,000,000	1.84
16. Walthamstow Pty Ltd	700,000	1.29
17. Mining Finance Associates Pty Ltd	700,000	1.29
18. Douglas William King	622,554	1.14
19. Reginald Lomas and Doreen Lomas	600,000	1.10
20. Glen Whisson and Tania Whisson	580,200	1.07
	40,394,011	74.23

Statement of Shareholders

UNQUOTED SECURITIES

The following classes of unquoted equity securities are on issue:

	Exercise	Number	Holders of greater than 20% of each class of security		
Security	price	on issue	Name of holder	Number	%
Options over fully paid shares exercisable on or before:					
31 October 2003	12 cents	250,000	Geoffrey Davis and Susan Davis	250,000	100.00
16 November 2003	10 cents	9,000,000	Gregory Charles Edwards	3,000,000	33.33
			Allen Lance Govey	3,000,000	33.33
			Bruce Neville Tomich	3,000,000	33.33
31 December 2003	25 cents	1,000,000	Nicholas James Smith	500,000	50.00
			Gandalf Holdings Pty Ltd	500,000	50.00
30 January 2004	10 cents	10,000,000			
31 July 2004	12 cents	250,000	Geoffrey Davis and Susan Davis	250,000	100.00
31 July 2004	15 cents	125,000	Geoffrey Davis and Susan Davis	125,000	100.00
31 July 2004	20 cents	125,000	Geoffrey Davis and Susan Davis	125,000	100.00
31 December 2004	40 cents	2,000,000	Nicholas James Smith	1,000,000	50.00
			Gandalf Holdings Pty Ltd	1,000,000	50.00
8 January 2005	15 cents	100,000	Geoffrey Davis and Susan Davis	100,000	100.00
17 June 2005	20 cents	100,000	Ernesto Apostol	100,000	100.00
31 December 2005	60 cents	2,000,000	Nicholas James Smith	1,000,000	50.00
			Gandalf Holdings Pty Ltd	1,000,000	50.00

RESTRICTED SECURITIES

A total of 4,500,000 fully paid shares are the subject of a voluntary escrow agreement and will only be released upon specified hurdles being met within 4 years from the date of issue, being 16 November 2001. The shares will be cancelled if the hurdles are not met within the 4 year period.

Tenement Schedule as at 30 September 2003

Project	Tenement number	Beneficial interest or joint venture details
Philippines		
Siana gold project	MPSA 184-2002-XIII	Right to earn an 80% interest
	APSA 46-XIII	Right to earn an 80% interest
Western Australia		
Ravensthorpe Black Shale	EL74/132, EL74/144, EL74/209	100%
	EL74/243, ML74/86	100%
	MLA74/153-154	100%
Mt Short	EL74/152	100%
	EL74/272, ML74/83	100%
	ML74/82, ML74/84-85	100%
	MLA74/126-130	100%
	ML74/105, MLA74/106, EL74/73	75%
	MLA74/107	75%
Western Arm	EL74/219, ELA74/294	100%
Rabbit Well	ELA69/1382	49% (joint venture partner funding)
Montague	EL57/239, ELA57/390, MLA57/429	25% free carried
	ELA57/561, MLA57/485	25% free carried
Ajana	EL70/2228, ELA70/2432	50%
Kooline West	EL08/1287	100% (joint venture partner funding)
Mt Cattlin	EL74/176, MLA74/156-157	100%

Abbreviations:

EL	Exploration Licence
ELA	Exploration Licence Application
ML	Mining Lease
MLA	Mining Lease Application
MPSA	Mineral Production Sharing Agreement
APSA	Application for MPSA

Investor Information

INVESTOR INFORMATION

As at 30 September 2003

Share Price Movements

Share price ranges on the Australian Stock Exchange during the 2002-2003 year were:

Quarter Ended	High (cents)	Low (cents)
September 2002	14.0	9.2
December 2002	10.5	8.5
March 2003	12.5	8.5
June 2003	10.5	4.6

The closing share price on 30 June 2003 and on the date of this report was 7.9 cents and 8.0 cents respectively.

Announcements

The Company makes both statutory announcements (Activities or quarterly reports, financial reports, quarterly cash flow statements, changes to Directors' interests) and specific announcements under Continuous Disclosure provisions on a timely basis. Significant announcements made during the year include:

Date	Announcement
30/09/2003	New Drilling at Siana
08/09/2003	Rights Issue to Raise $2.99M
21/08/2003	Portfolio Rationalisation
04/08/2003	Siana Drilling Results
31/07/2003	June 2003 Quarterly Report
25/06/2003	Siana High Grade Results
14/05/2003	Siana Depth Potential Extended
29/04/2003	March 2003 Quarterly Report
10/04/2003	Montague JV Drilling Results -
09/04/2003	New Zones Discovered at Siana
25/03/2003	Indee Final RC Drilling Results
17/02/2003	Drilling Commences at Siana
29/01/2003	December 2002 Quarterly Report
14/01/2003	Option Granted over Nickel Assets
31/12/2002	Share Placement
13/12/2002	Mining Title Granted at Siana
29/10/2002	September 2002 Quarterly Report
27/09/2002	Share Purchase Plan Offer
18/09/2002	Indee Gold Resource Upgrade
3/07/2002	Second Joint Venture at Siana
30/07/2002	June 2002 Quarterly Report

Investor Relations

This annual report has been produced with the objective of ensuring that shareholders are informed on Company strategy and performance sufficient to make or retain an investment in the Company.

Announcements, statutory reports and the latest information on the Company's projects are available on the Red 5 Limited website: www.red5limited.com

Financial institutions, stockbrokers and other non-shareholder entities requiring copies of this report, Activities Reports and other corporate information should contact the Directors at:

Red 5 Limited
Level 1, 43 Ventnor Avenue
West Perth 6005
Western Australia
Australia
Phone +61 8 9322 4455
Facsimile +61 8 9481 5950

SHAREHOLDER ENQUIRIES

Enquiries relating to shareholding, tax file number and notification of change of address should be directed to:

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: (61 8) 9315 0933
Facsimile: (61 8) 9315 2233
E-mail: registrar@securitytransfer.com.au

Corporate Directory

BOARD OF DIRECTORS

Nicholas J Smith (Chairman)

Gregory C Edwards (Managing Director)

Allen L Govey (Exploration Director)

COMPANY SECRETARY

Frank J Campagna

REGISTERED OFFICE

Level 1
43 Ventnor Avenue
West Perth
Western Australia 6005

Telephone: (61 8) 9322 4455
Facsimile: (61 8) 9481 5950
E-mail: info@red5limited.com
Web-site: www.red5limited.com

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone: (61 8) 9315 0933
Facsimile: (61 8) 9315 2233
E-mail: registrar@securitytransfer.com.au

BANKERS

Bank of New Zealand, Australia

AUDITORS

KPMG

Chartered Accountants

SOLICITORS

Pullinger Readhead Stewart

STOCK EXCHANGE LISTING

Shares in Red 5 Limited are quoted on Australian Stock Exchange Limited.

ASX code: RED