



**Annual General Meeting
25 November 2008**

Red5 Limited
is a publicly listed company
on the ASX
- ticker symbol RED

*The Board strategy is to
focus on the development
of Siana.*

Inquiries regarding
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CHAIRMAN'S ADDRESS

The macro economic landscape has changed dramatically in the last three months with no asset class unaffected by a seismic shift in global credit markets and confidence. Even a casual review of the ASX top 100 shares will show more than 50% are trading at less than half of their year high.

Amongst our peer group, the gold majors – the stocks valued at over \$1 billion are down more than 50%, juniors are down 80% and explorers are down 70% and more. One major Wall Street brokerage firm no longer covers Barrack, AngloGold Ashanti, Newmont or Gold Fields which collectively produce 22 million ounces a year and are capitalised at US\$ 43 billion.

Red 5's share price has not been immune to these events. Shareholders can justifiably be confused and concerned, however, when the share price trades at below net cash backing – with the cash I hasten to add, deposited with two of the four largest Australian street banks. Also we do not hold shares in other juniors, nor do we have any contingent liabilities. We are not alone, however, with the shares of several other miners in production, and profitable production, trading at or around their cash backing.

I am comfortable that we are, and always have been in gold. Our attention was not diverted by the excitement of uranium, iron ore and exotic steel additive commodities, preferring to focus our attention exclusively on the Siana development. I base my comfort with gold largely on the fact that global production is decreasing, South African production is down 17% year on year for example, all a consequence of declining reserves due to no meaningful discoveries in the last decade.

(continued)

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CHAIRMAN'S ADDRESS

Focusing now on the Siana project. Shareholders would have seen the recent release advising that the Environmental Impact Study had been submitted to the Environmental Management Bureau within the Department of Environment and Natural Resources. This is the organisation responsible for approving the award of the Environment Compliance Certificate.

The first review period has now been successfully completed with the final Public Forum meeting in Surigao confirmed for just under two weeks time.

The programme to convert the underground Inferred Resource to an Indicated Resource and then to a mine plan has re-established momentum after delays due to a combination of difficult ground and poor drilling performance. The revised geological model, extended to include seven low tonnage medium to high grade lodes within the adjacent eastern basalts, has been digitised and has been with resource estimation consultants Cube Consulting for the last ten days.

Recently released results, Hole 128 – 5 metres at 13.3 g/t gold, 33 g/t silver and 4.9% zinc, and one of the best to date, is included in the resource data base, together with Hole 130 – 5 metres at 6.7 g/t, which is the deepest intersection to date.

Also included in the data base and released today are the results for Hole 129, abandoned because of difficult ground and deviation from target, but which delivered 15 metres at 18.9 g/t gold and 8.1 metres at 85.0 g/t gold, Hole 132 which included 8 metres at 13.4 g/t gold, and 1 metre of 7.4 g/t gold, 71g/t silver, 3.1% zinc and 1.7% lead, and in-fill Hole 133 with 6 metres at 4.1 g/t gold. Hole 132 is the northern-most intersection to date by 50 metres. This deposit remains open to the south, the north and at depth.

Underground mine design is advanced, and incorporates completed independent geotechnical studies. The final design awaits the resource estimate sign-off.

We recently revised the capital costs to US\$ 73.3 million, however I suspect our next revision will be down. I base this comment on steel billet prices, which are down 41% in the Far East region to approximately US\$400 per tonne and higher percentage declines elsewhere, and on engineering, procurement, construction and management EPCM rates which I am sure will be much lower going forward as the number of resource projects being deferred increases.

The key question for the project today, is however, whether or not debt funding is available to the Company?

It is not possible to give a definitive answer, as the banks themselves don't know. Whilst the London Interbank Offer Rate has been steadily declining, the spread on overnight index swaps to LIBOR remains wide, suggesting that the credit market is still probably a fair way from being functional. Banks are still adjusting their staffing levels and the Board of Barclays Bank in London took the unprecedented decision to have all members seek re-election.

Accordingly, if a bank does not know what their 'cost of funds' are with certainty, it is difficult for them to make a firm commitment to any Company. Gold still remains a preferred commodity amongst the banks, even though recent price volatility means that future prices used to calculate cash flows have become far more conservative.

In the meantime, each of the four banks in the original syndicate has been provided with a copy of the Environmental Impact Study for review by their respective Equator Principles and sustainability experts. Our objective in this regard is simply to be at the head of the queue with the banks' credit departments when they are open for business.

Turning now to the share register. Our shareholder numbers remain steady, at nearly 1,700, and whilst several institutions have left the register due no doubt to portfolio issues, we especially welcome Mr Ross Stanley, as a new significant shareholder with an 8% shareholding.

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The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on, and accurately reflects, information compiled by Mr A L Govey and Mr G C Edwards who are full-time employees of Red 5 Limited and who 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 which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, 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.

CORPORATE INFORMATION

Directors and Executive Management

Colin Jackson (Chairman)
Greg Edwards (Managing Director)
Lance Govey (Executive Director - Tech)
Peter Rowe (Non-executive Director)
Gary Scanlan (Non-executive Director)
Raj Surendran (Chief Financial Officer)
Bill Darcey (Project Manager)
Frank Campagna (Company Secretary)
Lolot Manigsaca (Philippines-based)
Manny Ferrer (Philippines-based)
Attny E Panimogan (Philippines-based)

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Stock Exchange Listing

Australian Stock Exchange
Ticker Symbol: RED

Issued Capital

As at the date of this report,
issued capital –
659,288,043 shares
Unlisted options – 21,300,000

Substantial Shareholders

Mathews Capital Partners 19.0%
AngloGold Ashanti Australia 10.2%
Ross Stanley 8.0%

Shareholder Enquiries

Matters related to shares held,
change of address and tax file
numbers should be directed to:

Securities Transfer Registrar
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233