



## ASX Report to Shareholders

## AGM Chairman's Address

*Enquiries regarding this report and company business may be directed to:*

**Nicholas Smith**  
Chairman

or

**Greg Edwards**  
Managing Director

*Red 5 Limited is a publicly listed company on the ASX-ticker symbol RED.*

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

Investor Inquiries:  
[info@red5limited.com](mailto:info@red5limited.com)

My address reflects on the important developments for the Company over the last year, and the Board and management view of the immediate outlook.

I will commence with the subject which is undoubtedly uppermost on shareholder's minds – the status of the Siana pre-feasibility study. And, it is with extreme disappointment that I advise that we are not yet in a position to report on capital and operating costs which are acceptable to the Company.

When I reflect on the process chosen some eighteen months ago to deliver a completed feasibility it was predicated on what were at the time logical decisions.

An experienced consultant engineering group was appointed to manage the study. This approach avoided the need for the Company to employ, on a full time basis, five or six professionals across the spectrum of mining, metallurgical and civil engineering disciplines. A parallel benefit was it also allowed our executive directors to focus on their particular areas of expertise, namely – geological evaluation of the ore body and surrounding potential and, additionally develop, thoroughly understand and meet community expectations.

In general, the strategy has worked well. However, in more recent times the need for our own dedicated project manager has become more evident and accordingly a Company appointment to this position has been accelerated.

We also viewed the appointment of well known, respected international mining and process engineering groups as essential. This action was predicated on two factors. At that time there had not been a new mine development in the Philippines in the preceding three decades. Red 5 will also need to secure debt finance. Again at the time the list of interested financiers was relatively short. Engineering reputation was therefore considered a key to meeting and passing the banks' due diligence process in order to secure finance.

In reality, a number of things have changed, particularly in the last six months.

## CHAIRMAN'S ADDRESS

As even casual observers of the industry know, there has been a dramatic increase in resources activity in the last twelve months. This has centred on iron ore, coal and base metals which tend to be more capital intensive than the development of gold operations, offering the potential for more substantial rewards to the large engineering groups. Engineers allocated to our study have become increasingly less available to our study. Given that Red 5 delivered completed data packages for the geotechnical determinations in May 2005 and the resource in June 2005, the slow progress is particularly unacceptable.

The absolute need to have engineers of international repute sign-off on the study has somewhat receded. Australian domestic banks and international banks, have responded to the positive momentum achieved by the Philippines Government in encouraging and more importantly facilitating mining investment. In fact, the number of interested banks awaiting our study conclusions has increased to eight.

This has opened up the opportunity for elements of the infrastructure and process plant fabrication to be completed in-country with the potential for significant savings. An assessment of this potential, including site visits by Philippine engineering groups commenced less than four weeks ago and is not, as yet, complete.

Very preliminary estimates suggest potential capital savings in excess of US\$10 million. This estimate is based on lower delivered costs and implementation changes without compromising operational, engineering, and environmental standards.

To put Australian shareholders minds at rest, the two largest Philippine engineering and fabrication groups, with whom we are currently in advanced discussions are both ISO 9001:2000 certified companies.

The credentials of both have been endorsed by our in - country partner, First Metro Investment Corporation.

In summary, we are not where we expected the project to be at this point. However, the tough and necessary decisions to achieve an acceptable outcome have been made.

Having focused on the current disappointments with the pre-feasibility, it would be remiss not to reflect on the many advances achieved during the year.

The work rate at site was particularly high. On the Siana deposit 27 diamond holes were drilled for 10,816 metres, and a further 16 holes for 5,420 meters in the mine environs. Another 250 air core holes were drilled during the tailings dam evaluation. A total of 44 Siana holes were also geotechnically logged.

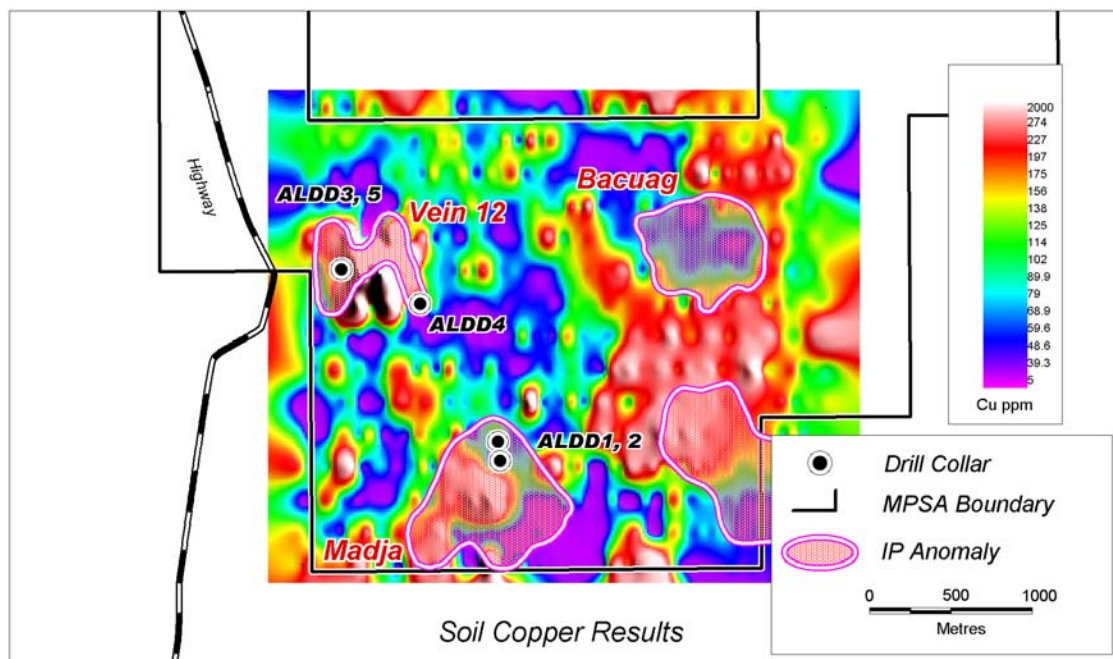
On the corporate front in a transaction that took four months to consummate, beneficial ownership of Siana and associated tenements increased by ten percent to 90 percent. Long term access to land covering the mine footprint was also secured in conjunction with the introduction of a new, and better credentialed local partner in Merrill Crowe Corporation. Each element of this transaction is accretive in value and integral to the achievement of favourable financing arrangements.

An in-country alliance was also formed with First Metro, the investment arm of Metropolitan and Trust Bank, the largest banking organisation in the Philippines. The alliance is expected to result in the combined review of Philippine's mining opportunities as they become available. The chairman of First Metro is also the owner of a leading stockbroking firm which may see Red 5 pursue a secondary listing on the Philippines Stock Exchange.



**Mapawa  
geophysical survey  
commenced  
mid-November 2005**

**Copper-gold porphyry targets - drilling in progress**



## CHAIRMAN'S ADDRESS

Exploration outside the Siana pit development was mainly preparatory to this year's programme. To the immediate south, 56 km of substantial grid access tracks were completed to facilitate an IP survey to complement a 1,006 sample soil geochemistry programme.

The result was the identification of three new copper and gold-copper porphyry targets. Three holes have been drilled at the Vein 12 target, confirming the geological characteristics of a classic porphyry. The first hole on the new Bacuag target is in progress. It is anticipated drilling will continue for the remainder of the year.

Exploration momentum was augmented last week with the first work to be conducted in over ten years on the Mapawa tenements to the north of Siana and Anglo American's 200 million tonne plus Boyongan copper-gold porphyry deposit. The Mines and Geoscience Bureau, and local landowners have given permission for work to commence. Our strategic exploration partner, AngloGold Ashanti rate the tenements highly. A geophysics team has arrived on site and is expected to run a 21 km grid line survey for IP and ground magnetics ahead of drill testing.

My thanks to our new shareholders – AngloGold Ashanti, Mathews Capital, Rothschild and to Ariki Investments, and to our loyal shareholders, particularly ABNAMRO Morgan's principals and clients for your patience.

To conclude my address I reiterate the Board attitude to the Siana development.

Yes, the gold price is at an 18 year high, however, this is not a justification for accepting the current inappropriate indirect cost estimates for both the construction and mining phases of the Siana development.

**The Board is conscious of the need to mine Siana for profit, not for practice. Keeping the capital to a minimum, and therefore debt financier's mandatory gold hedging to a minimum, is in the absolute best interests of shareholders.**

**Nicholas Smith**  
**Chairman**  
**24 November 2005**

*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

Nicholas Smith	(Chairman)
Greg Edwards	(Managing Director)
Lance Govey	(Exploration Director)
Colin Jackson	(Non-executive Director)
Peter Rowe	(Non-executive Director)
Frank Campagna	(Company Secretary)
Manny Ferrer	(Philippines-based)
Attny E Panimogan	(Philippines-based)

### Registered Office

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West Perth WA 6005  
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Facsimile.....+61 8 9481 5950

### Stock Exchange Listing

Australian Stock Exchange  
**Ticker Symbol: RED**

### Issued Capital

As at the date of this report,  
issued capital is 268,903,428 shares.

There are also 2,000,000 unlisted options  
expiring on 31/12/2005.

### Substantial Shareholders

AngloGold Ashanti Australia Limited	14.1%
Mathews Capital Partners	5.6%

### 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