



ASX Report to Shareholders

AGM Chairman's Address

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

Colin Jackson
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:
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The last six months has seen a dramatic advance in the business plan to develop the Siana one million ounce gold deposit in Surigao del Norte.

After an \$18 million dollar investment over six years, the Board adopted the "Accelerated Case" development option. Production at Siana will commence from a 750,000 tonne per annum open pit which will then be complemented by an underground operation in project year three to deliver gold production in excess of 100,000 ounces per annum.

The project arithmetic is highly attractive based on estimated life-of-mine cash operating costs of US\$309 per ounce. At a gold price of US\$650 per ounce, some US\$175 per ounce below the spot price today, the project pre-tax internal rate of return is calculated at a robust 49 percent.

Importantly, in recent months, the finance to implement this business plan is now essentially in place. This follows commitments for \$35 million in equity funding to complement the earlier senior debt funding offer of US\$42 million. The equity funding is of course subject to shareholder approval at a meeting to be held on the 12 December 2007 whilst the senior debt offer is subject to a number of standard conditions precedent.

Management's immediate task is to focus on assembling an experienced team to manage and monitor the construction phase. Red5 has for the last five years operated with a very lean executive as it focused limited financial resources on evaluating the property. We are currently interviewing for the key positions of Project Manager and Chief Financial Officer and whilst common perceptions are that experienced mining professionals are difficult to find in the current resources boom we are confident of securing experienced and highly motivated individuals.

CHAIRMAN'S ADDRESS

Management is also focused on completing a number of project enhancements. In particular, the company is well advanced in the twelve hole programme targeting the top 150 metres of the underground resource.

This morning the results from the first four holes were released. Hole 112, a geotechnical hole, immediately below the base of the proposed pit, recorded two seven metre intervals at 3.1 g/t and 4.3 g/t in a position adjacent to the Crown Pillar. Hole 113, at approximately 280 metres vertical recovered three strong lens intervals as predicted, 8 metres at 5.6 g/t, 16 metres at 5.9 g/t and 2 metres at 13.3 g/t. Hole 114, at approximately 250 metres vertical recorded 10 metres at 7.2 g/t as predicted and a bonus 1 metre at 18 g/t in a new footwall lens position. In addition, two intersections outside the Inferred Resource boundary were also recorded in the basalts – 5 metres at 5.6 g/t and 3 metres at 5.2 g/t. Hole 115, also at approximately 280 metres vertical recorded 5 metres at 6.6 g/t and a stronger than expected 4 metres at 7.3 g/t in a second lens.

Deep hole 117 was added to the programme to target projected mineralisation 200 metres vertically below the previous deepest intersection (7 metres at 11.7 g/t and 5.8% zinc). This hole has just passed 470 metres of a planned 700 metres.

We await the assay results for another completed hole, with another three holes currently drilling ahead and four holes yet to commence.

It is our reasonable expectation that on conclusion of this programme

approximately 60% of the total Inferred Resource, representing the early years of the underground mine, will move to the Indicated Category. The remaining Inferred resource inventory, between the 300 and 400 metre vertical horizon, will be in-fill drilled much later, with our preferred priority being exploration holes targeting between 500 and 800 metres vertical. Conversion of 60% of the Inferred Resource to the Indicated category is one of the senior debt funding conditions precedent.

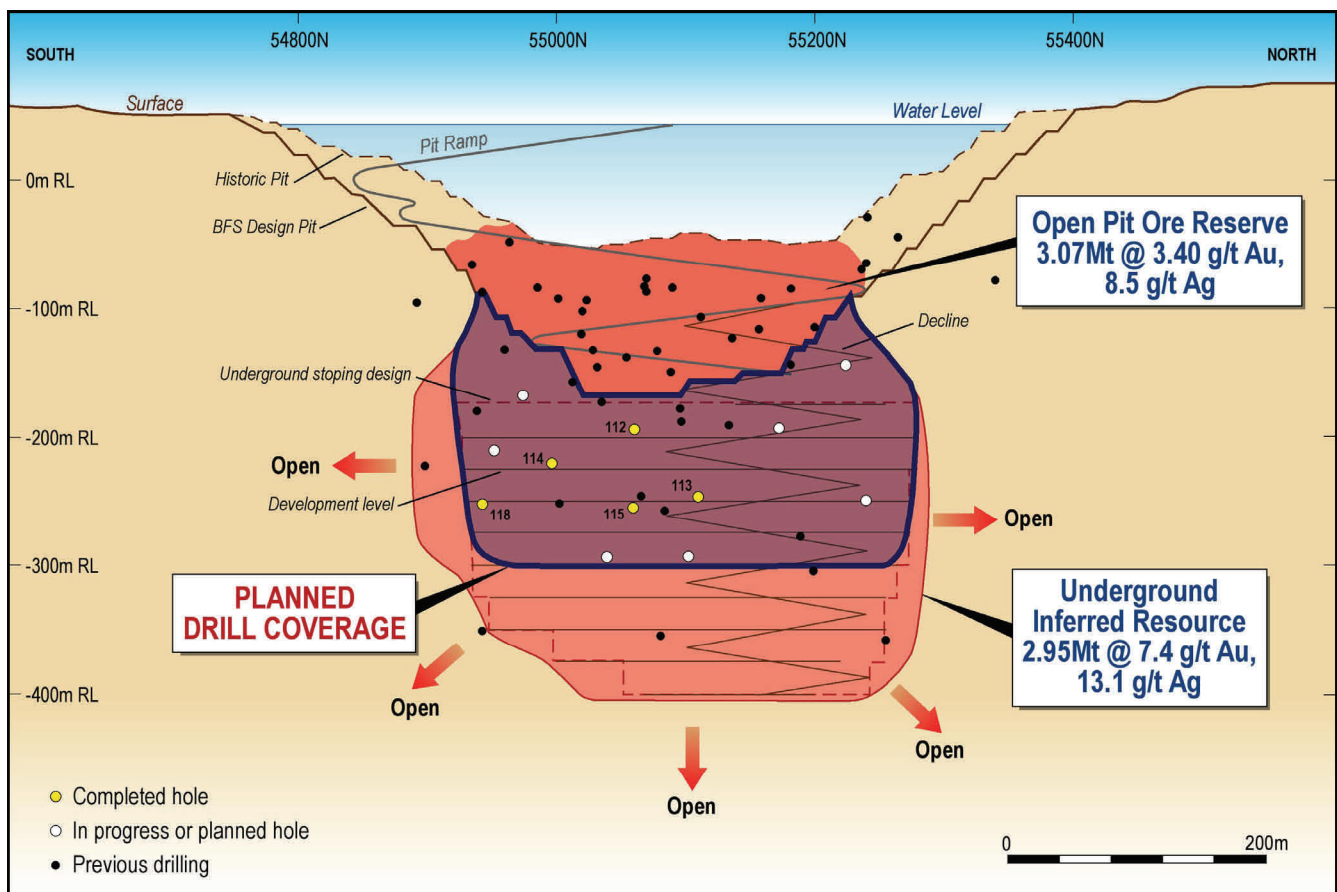
Further evaluation will be necessary to convert the upgraded Indicated Resource component into the mine plan. An integral part of this evaluation will be an assessment of whether the conservative mining rate used in the Accelerated Case, can be ramped up. At the assumed 300,000 tonne per annum underground mining rate this is equivalent to an advance of only 20 vertical metres per annum. The Company will target a doubling of this rate, subject of course to a satisfactory geotechnical review. Such an outcome could see gold production rates approach 125,000 ounces per annum.

A further exciting and more recent development is the co-production from project year five onwards of zinc concentrate. The zinc mineralisation occurs in massive sulphides and whilst originally present at shallower parts of the deposit it was selectively mined out by the former underground operators due to its high gold tenor. Test work demonstrates high recoveries, with the optimum from a smelter return perspective likely to generate a 52 to 54% zinc concentrate, with no penalty for iron, at zinc recoveries of 85 percent.

Modifications to the gold flow sheet are modest and conventional. A flotation circuit will be included post the gravity gold section with minor contaminant copper/lead floated ahead of the zinc. Both concentrates will be intensively cyanided to recover the precious metals content.

The third component of our Siana project enhancements study will be the potential integration of soft near surface material from the Mapawa tenements, 20 km to the north.

An internal review of historic drilling indicates an immediate target of three to four million tonnes at a grade of between 1.7 and 2.5g/t. The crushing and grinding plant equipment capacity will readily accommodate additional material.



Siana longitudinal projection showing current and planned drilling

CHAIRMAN'S ADDRESS

Progress on this element of the enhancements study, and the associated exploration joint venture on the tenement area with our partner, AngloGold Ashanti, awaits grant of the Mineral Production Sharing Agreement. In this regard, we are advised that the prerequisite paperwork is with the Manila head office Mines and Geosciences Bureau Review Committee. Once approved, the final step is securing the signature of the Secretary of the Department of Environment and Natural Resources.

The next twelve months will be an exciting time for the Company and the district in which we operate. Our neighbour to the north, AngloAmerican are advancing their 15 million ounce gold equivalent Boyongan complex with eight rigs and 50,000 metres of drilling. To the west, a Canadian junior has five rigs operating. Red5 will drill the Siana property at depth and recommence drilling at Alegria. Pursuant to the Mapawa MPSA grant, our partner AngloGold Ashanti will commence exploration on this tenement and on the Outer Siana designated area.

The next twelve months will also be a demanding time for the Company with the challenges of team building and project construction, however with the support of a re-invigorated share holder base I am confident Red5 will deliver.

Colin G Jackson
Chairman

28 November 2007

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	(Exploration Director)
Peter Rowe	(Non-executive Director)
Gary Scanlan	(Non-executive Director)
Frank Campagna	(Company Secretary)
Manny Ferrer	(Philippines-based)
Attny E Panimogan	(Philippines-based)

Registered Office

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Stock Exchange Listing

Australian Stock Exchange
Ticker Symbol: RED

Issued Capital

As at the date of this report,
issued capital is 309,288,043 shares.

Substantial Shareholders

Mathews Capital Partners	17.8%
AngloGold Ashanti Australia Limited	13.0%

Shareholder Enquiries

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