

RED 5 LIMITED

ABN 73 068 647 610



NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date and time of meeting

24 November 2005 at 10.00 a.m.

Place of meeting

Constitutional Centre of Western Australia
Corner of Havelock Street and Parliament Place
West Perth, Western Australia

RED 5 LIMITED

ABN 73 068 647 610

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Red 5 Limited ("Company") will be held at the Constitutional Centre of Western Australia, corner of Havelock Street and Parliament Place, West Perth, Western Australia on Thursday, 24 November 2005 at 10.00 a.m.

The explanatory memorandum and proxy form accompanying this notice of meeting are incorporated in and comprise part of this notice of meeting.

AGENDA

ORDINARY BUSINESS

To receive and consider the annual financial report of the Company and the reports of the directors and auditors for the financial year ended 30 June 2005.

To consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution.

1. Re-election of Nicholas Smith as a director

"That Mr Nicholas James Smith, being a director of the Company, retires by rotation in accordance with Clause 7.3(a) of the Constitution of the Company and being eligible for re-election, be hereby re-elected as a director of the Company."

To consider and if thought fit to pass with or without amendment the following resolution as a non-binding resolution.

2. Remuneration report

"That for the purposes of Section 250R(2) of the Corporations Act, the Company adopt the Remuneration Report."

The resolution to adopt the Remuneration Report is advisory only and does not bind the directors or the Company.

SPECIAL BUSINESS

The special business of the meeting is to consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution.

3. Ratification of share allotment

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the allotment of 16,829,865 ordinary fully paid shares in the Company to Merrill Crowe Corporation, at a deemed issue price of 12.9 cents each, in consideration for the purchase of an additional beneficial interest in the Siana project, further details of which are set out in the explanatory memorandum accompanying the notice of meeting."

In accordance with ASX Listing Rules, the Company will disregard any votes cast on this resolution by Merrill Crowe Corporation and any of its associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board

Frank Campagna
Company Secretary

Perth, Western Australia
10 October 2005

NOTES

A member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote for the member at the meeting. A proxy need not be a member of the Company.

A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the proxy instructions on that form.

In accordance with Regulation 7.11.37 of the Corporations Regulations, the directors have determined that the identity of those entitled to attend and vote at the meeting is to be taken as those persons who held shares in the Company as at 10.00 a.m. on 22 November 2005.

RED 5 LIMITED

ABN 73 068 647 610

EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared for the information of shareholders of Red 5 in connection with the business to be considered at the forthcoming annual general meeting of the Company and should be read in conjunction with the accompanying notice of meeting.

ANNUAL FINANCIAL REPORT

The financial report of the Company for the year ended 30 June 2005 (including the financial statements, directors' report and auditors' report) was included in the 2005 annual report of the Company, which was distributed to shareholders along with this notice of meeting.

Time will be allowed during the annual general meeting for consideration by shareholders of the financial statements and the associated directors' and auditors' reports.

RESOLUTION 1 – RE-ELECTION OF NICHOLAS SMITH AS A DIRECTOR

The Constitution of the Company requires that one third of the directors in office (other than a managing director) must retire by rotation at each annual general meeting of the Company.

Mr Nicholas Smith therefore retires at the forthcoming annual general meeting in accordance with the Constitution and being eligible, has offered himself for re-election at the meeting.

Mr Smith has been a director of the Company since April 2002. He is a solicitor with considerable international mining business experience, including 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.

RESOLUTION 2 – REMUNERATION REPORT

In accordance with Section 250(R)(2) of the Corporations Act, shareholders are required to vote on the Company's Remuneration Report.

The Remuneration Report is contained in the Directors' Report section of the 2005 annual report. The Remuneration Report describes the underlying policies and structure of the remuneration arrangements of the Company and sets out the remuneration arrangements in place for directors and where relevant, senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. However, shareholders should note that the vote on Resolution 2 is not binding on the Company or the directors.

RESOLUTION 3 – RATIFICATION OF SHARE ALLOTMENT

On 22 August 2005, the Company announced that it had entered into an agreement to purchase an additional 10% beneficial interest in the Siana project from Philippines-based mining investment group, Merrill Crowe Corporation.

Merrill Crowe Corporation had purchased the 20% interest in the Siana project previously held by JCG Resources Corporation (Red 5's previous joint venture partner). Red 5 exercised its pre-emptive rights under the joint venture arrangements, to increase its beneficial interest in the Siana project to 90%. As part of the agreement with Merrill Crowe Corporation, Red 5 also gained an interest in land access rights relating to the Siana project area and acquired a beneficial interest in four additional gold exploration properties in the Philippines.

The consideration for the acquisition was US\$1,650,000 which was satisfied by the allotment and issue of 16,829,865 ordinary fully paid shares in Red 5 to Merrill Crowe Corporation, at a deemed issue price of 12.9 cents each. The number of shares was calculated using the volume weighted average market price of Red 5's ordinary shares in the 5 trading days prior to the agreement and applying the prevailing United States dollar exchange rate.

At the same time as the Merrill Crowe transaction, Red 5 also entered into a strategic alliance with First Metro Investment Corporation, the investment banking subsidiary of Metropolitan Bank and Trust Company, the largest investment bank in the Philippines. Under this alliance, First Metro Investment Corporation will act as adviser to Red 5 in the identification of project acquisition opportunities in the Philippines and to provide, on an as required basis, corporate advice, including capital raisings involving a Philippine nexus.

As a result of the transactions, Red 5 has increased its beneficial interest in the Siana project from 80% to 90%, obtained an interest in land access rights which will be required as part of the Siana mine development, gained four additional gold exploration properties in the Philippines, secured a substantial new joint venture partner in Merrill Crowe Corporation and a strategic alliance with First Metro Investment Corporation.

ASX Listing Rule 7.1 prohibits a listed company from issuing shares representing more than 15% of its issued capital in any 12 month period without obtaining shareholder approval (subject to certain exceptions). Under ASX Listing Rule 7.4, a company can seek ratification of issues that have been made within the 12 month period. The effect of such ratification is that the issue of shares is then deemed to have been made as if shareholder approval had been obtained, thus not counting towards the 15% limit.

Resolution 3 seeks the ratification by shareholders of the issue of the 16,829,865 shares to Merrill Crowe Corporation. If the resolution is approved then those shares will be deemed to have been issued pursuant to shareholder approval thus they will not be counted in the 15% capacity. Resolution 3 is to be considered as an ordinary resolution.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of securities issued was 16,829,865 fully paid shares.
- (b) the deemed issue price for the securities was 12.9 cents per share.
- (c) the shares were allotted and credited as fully paid and rank equally with the existing shares on issue.
- (d) the shares were allotted and issued to Merrill Crowe Corporation.
- (e) no funds were raised by the issue. The shares were issued in satisfaction for the purchase of an additional 10% beneficial interest in the Siana project, interests in land access rights relating to the Siana project area and beneficial interests in four additional gold exploration properties in the Philippines.

The Company will disregard any votes cast on Resolution 3 by Merrill Crowe Corporation and any of its associates. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

GLOSSARY OF TERMS

“ASX” means Australian Stock Exchange Limited;

“ASX Listing Rules” means the official listing rules of ASX;

“Board” means the board of directors of the Company;

“Company or Red 5” means Red 5 Limited (ABN 73 068 647 610);

“Constitution” means the constitution of the Company as amended from time to time;

“Corporations Act” means the Corporations Act 2001 (Commonwealth);

“Corporations Regulations” means the Corporations Regulations 2001 (Commonwealth).

RED 5 LIMITED

ABN 73 068 647 610

PROXY FORM

Company Secretary
Red 5 Limited
Level 2, 35 Ventnor Avenue
West Perth WA 6005

FACSIMILE: (08) 9481 5950

I/We _____
being a member of Red 5 Limited,

holding _____ shares in the capital of the Company,

hereby appoint _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the annual general meeting of the Company to be held on Thursday, 24 November 2005 at the Constitutional Centre of Western Australia, corner of Havelock Street and Parliament Place, West Perth, Western Australia, and at any adjournment thereof. If no voting directions are given, the Chairman will vote in favour of each resolution.

Instructions on voting

	FOR	AGAINST	ABSTAIN
Resolution 1 Re-election of Nicholas Smith as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of share allotment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box. ☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he/she has an interest in the outcome of the resolution and votes cast by him/her other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote in favour of each resolution.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

Dated this _____ day of _____ 2005

Individuals and joint holders to sign:

Companies to sign (affix common seal if applicable):

Usual signature

Director, or sole director and sole secretary
(please delete as applicable)

Usual signature

Director or Company Secretary

VOTING BY PROXY

1. A member of the Company entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (who need not be a member) to attend and vote on his/her behalf.
2. If the member is entitled to cast two or more votes at the meeting, they may appoint two proxies. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
3. The proxy form must be received at the Company's registered office at Level 2, 35 Ventnor Avenue, West Perth, Western Australia, 6005, or by facsimile on (08) 9481 5950 and in both cases, not less than 48 hours before the time of the holding of the meeting.
4. In the case of joint holders of a share in the Company the vote of the senior who tenders a vote, whether in person or by proxy, attorney or representative, must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the register.
5. An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney, duly authorised in writing or, if the appointor is a corporation, under seal. A copy of the power of attorney must be lodged for any proxy appointed under a power of attorney.
6. A proxy for a corporation must be appointed under the common seal of the corporation or signed in accordance with the requirements of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company; or
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary, that director.

For the Company to rely on the assumptions set out in Sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

7. If no voting instructions are marked on the proxy form then the proxy may vote as he/she thinks fit or may abstain from voting.

If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on a poll and the shares the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned and the nominated proxy does not attend the meeting, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the meeting which do not contain a direction how to vote will be used to support each of the resolutions proposed in the notice of meeting.