



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

Business and investment environment

Prior to reflecting on the important developments for the company over the last year, and the Board and management outlook for the future, I believe it is useful to reflect on the macro environment affecting the business.

The scarcity of mining services professionals, which has determined the rate of progress at Siana, and for many other companies continued throughout the year. The availability of major equipment lessened and manufacture lead times increased.

The investment community turned its attention to uranium, base metals and iron ore rather than gold. Investment in uranium floats has to date already exceeded \$250 million. And sadly we also saw the Australian Gold Council demise.

Although the gold price increased substantially from \$470 per ounce to \$630 per ounce since our last shareholder meeting, gold equity share prices have shown a major disconnect. Normally, equity prices rise by one and a half to two and half times the metal price rise due to leverage, whereas in the last twelve months the equity increase has been less than the metal price increase.

The only interest in the gold sector has been Merger and Acquisition activity generally driven by a desire for size, the difficulty in replacing reserves or companies being rescued. In Australia, there has been a couple of gold company failures and in the Philippines, the first new mine in several decades had a series of problems.

Moving now to specific comments on Red 5 business.

Red 5 advances

There are a number of positives which it would be remiss not to mention. Our Managing Director and Exploration Director renegotiated the Gidgee Joint Venture in the Laverton district of Australia. Our free carry arrangements changed only marginally from a 25 percent free carry to 20 percent free carry whilst simultaneously significantly upgrading the capabilities of the partner from a junior to the world's largest gold producer.

CHAIRMAN'S ADDRESS

Barrick are drilling there today with the first of two holes programmed to 600 metres depth. The target is a large sediment hosted deposit similar to Granny Smith which Barrick's predecessor company, Placer has operated for over 15 years.

Our Exploration Director also had an outstanding success with exploration below the Siana pit. Shareholders will recall the "discovery" hole SMDD 105 which delivered the strongest gold intersection ever at Siana (144 metres of 5.8 g/t, including 12 metres at 25 g/t and 42 metres at 10 g/t).

This morning we released the results of hole SMDD108. The 23 metre at 8.6g/t intersection confirms the resource position immediately below the pit and, opens potential to the south.

Hole SMDD 110, with a target 50 metres north and 100 metres deeper than the discovery hole is due to collar today.

The Company's engineering group with a strategic focus on long lead time items secured a second hand grinding mill and strategic spares suitable for the SAG mill duty in the process plant flow sheet.

With current manufacture times for large equipment extending beyond 75 weeks this takes the fully installed elapse time to nearly two years after allowance for transportation and set-up. For a modest sized business, as Siana is today, such a construction elapse time would make debt financing difficult to achieve.

Exploration programme

On the exploration front, and in addition to continued drilling below the pit we are hopeful that the two AngloGold Ashanti joint ventures will be active early in the New Year. The Mapawa MPSA application has been with Surigao City and is now with Central Manila MGB for final approval

The Company has recently been advised that a native title clearance certificate was now required. Field based investigations are complete and an NCIP award imminent. Our Managing Director together with our Philippines JV partner are committed to securing title as soon as possible.

Lawyers for our 20 percent joint venture partner, Merrill Crowe Corporation, are currently reviewing the farminee legal documentation which will also be the basis for the Outer Siana JV agreement.

Both properties have excellent potential. Mapawa has a defined target warranting immediate drilling whilst the Outer Siana property programme would include drill targeting of stream sediment geochemical anomalies, shallow drilling along the Boyongan structural corridor and deep drilling of a copper-gold porphyry target north of the pit.

Bankable feasibility study

Turning now to the bankable feasibility study. Shareholders will recall the preliminary feasibility study was delivered in May 2006 with the project described as both technically and financially viable.

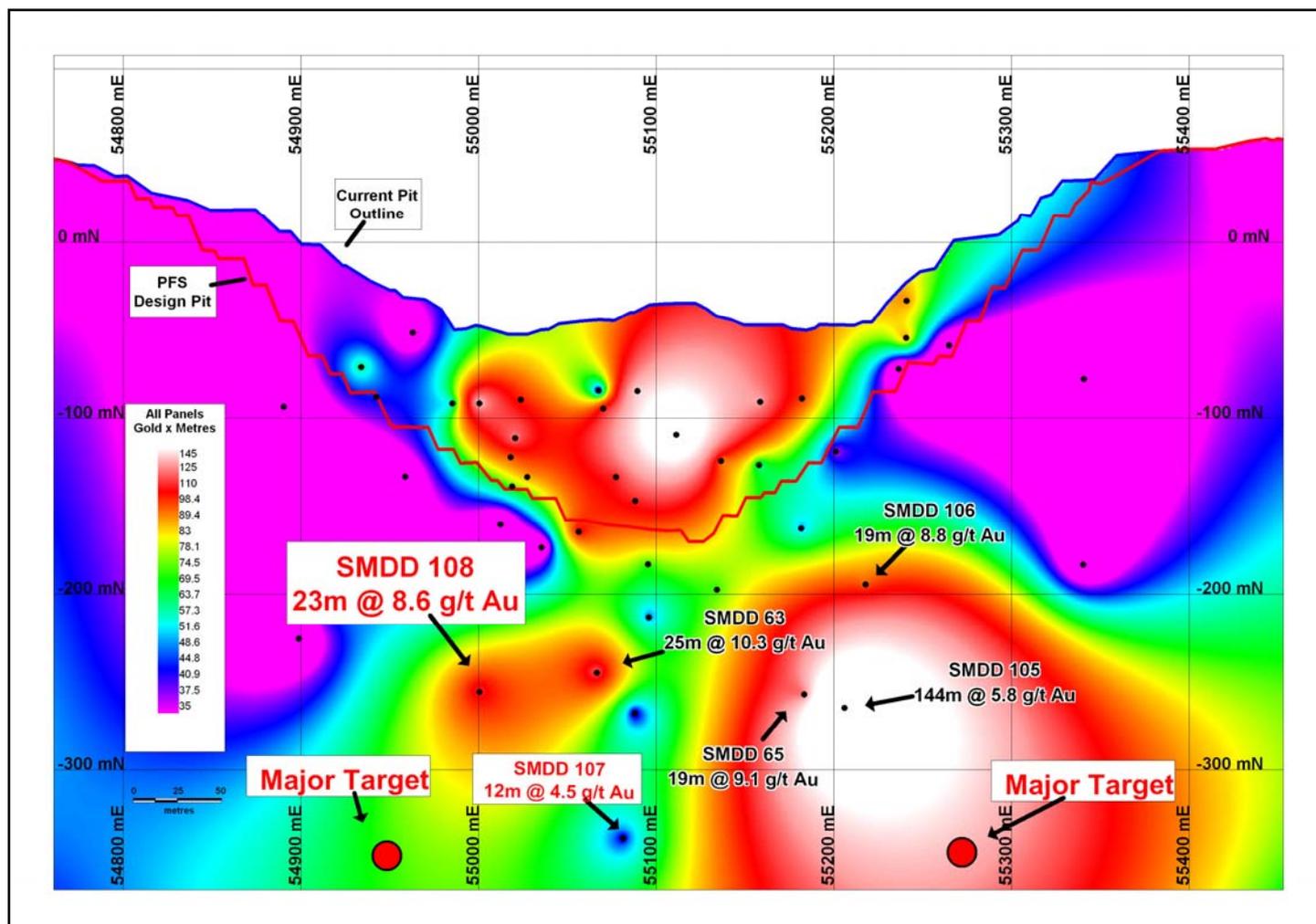
In line with the greater degree of accuracy associated with a bankable study additional technical studies were initiated, not all of which are complete as of today.

In particular we are only in possession of preliminary geotechnical recommendations. As a consequence, we do not have firm design criteria for the pit slopes which in turn influences the waste to ore strip ratio, the mine fleet, the production schedule and ultimately the financial analysis

We do, however, anticipate being in a position to release project financial criteria early in the New Year. Our current expectation is that based on conservative pit slopes the mine life of the initial pit might be shorter, and in common with general resource industry pressures some escalation in fuel, consumables, labour rates and construction costs are evident. For clarity, the Company still believes the initial pit phase is viable

More importantly, however, is the emerging potential of an underground resource. Whilst based on only a few wide spaced holes to date, the early projection is that the underground position may already contain as many ounces as the initial pit, and, at a grade three times higher.

Accordingly with the underground position open in several directions it is the Company's intention to accelerate underground exploration as soon as practicable.



CHAIRMAN'S ADDRESS

Financial position

On the subject of finances, Red 5 recently realised its holding in Romarco, at a small profit and more importantly negotiated an interim \$2 million debt facility with Société Générale. The bank conducted significant legal due diligence prior to loan approval.

The proceeds are principally to be directed towards payments for the grinding mill. No draw down has yet occurred. Interest payments, at commercial rates, may be satisfied from capitalised funds, treasury funds or from the issue of shares.

Funding commitments, outside the mine development, will change post Mapawa and Outer Siana JV consummation as AngloGold Ashanti become responsible for exploration funding.

New Board member

And finally, the Board will today ratify the appointment of Mr Gary Scanlan to the position of non-executive Director.

Gary is the Managing Director and CEO of Castlemaine Goldfields, a gold exploration company with tenements in Central Victoria. His practical experience in matters financial, largely gained during his role as Executive General Manager – Finance for Newcrest Mining will be most valuable to the Company as we proceed to debt and equity fund Siana.

The last Board change was the addition two years ago of Mr Peter Rowe, an individual with extensive mine development and operating experience.

Shareholders I am sure would understand and appreciate it is extremely difficult to attract well credentialed directors in the current business environment and with today's ever increasing regulatory environment. Accordingly, we are indebted to Gary and look forward to his wise counsel.

Nicholas Smith
Chairman

23 November 2006

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)

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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 269,288,043 shares.

Substantial Shareholders

Mathews Capital Partners 19.5%
AngloGold Ashanti Australia Limited 14.1%

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
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