



Annual General Meeting 23 November 2010

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
this report and company
business may be
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CHAIRMAN'S ADDRESS

As promised at last year's Annual General Meeting the Siana gold mine is now under construction. This is an excellent time to be in the gold business – the higher spot price has provided management with the opportunity to reassess the mine cut-off grade and potentially increase production ounces in the early years.

However, the immediate challenge for the Red5 team is of course to deliver the project on time and on budget. As with any project just four months into implementation, some elements are ahead of schedule, others are not.

Today, we are encouraged that the construction of the largest single item, the 2.8MW 6.1 metre by 4.2 metres SAG mill is complete. All components are on the ocean en route to the Philippines – the mill shell from South Africa, the electric motor from Brazil, the gearbox from Finland, the heads from Germany and the ring gear and pinions from the Netherlands. This is well ahead of schedule.

At site, Delta Earthmoving has mobilised its fleet of over thirty units for the next five years of open pit mining activity. The largest items, a Komatsu PC800 excavator and an eighty tonne mobile crusher entered site via the newly established mine access road.

The pre-strip has commenced, as has the progressive dewatering of 8.2 Giga litres of water from the pit. The drainage channel around the pit perimeter to collect surface run-off water, and the associated silt trap earthworks are near completion. The Company takes its environmental obligations very seriously and to this end is delighted to have Dr Daisy Serrano on our permanent staff. Dr Serrano is a consultant to the World Bank and chairperson of the Philippines Environmental Management Bureau.

The process plant site foundations are a touch behind our preferred schedule with minor modifications to the civil design compared to the original feasibility study. Last week, formwork for the carbon-in-leach circuit commenced.

Overall, we are confident of the first gold pour occurring in the June quarter of 2011, with the current forecast being end of April to early May 2011.

At Mapawa, 20 km north of the Siana mine site, Red5 has now completed 13 holes for 4,351 metres. In addition to the deep discovery holes (MDD001 – 189 metres at 1.0g/t gold and 0.17% copper, and MDD003 – 254 metres at 1.2 g/t gold and 0.16% copper) we have nine shallower intersections, including 269 metres at 0.7g/t gold, 140 metres at 0.8 g/t, 69 metres at 0.8 g/t and three in the 50 to 60 metre intervals at between 0.7 and 0.8 g/t gold, each with typically 0.1% copper. These results are sufficiently encouraging to justify three rigs drilling 24 seven. Somewhat frustratingly is the increase in assay turn around times from two weeks to five weeks, due to increasing exploration activity throughout the Philippines. We also have four crews conducting surface sampling within sight of the mast heads. Sample assays include rock chips up to 14.4g/t gold, 960ppm silver, 8.2% zinc, 7.7% lead and 0.7% copper.

Also dominating the year was procuring the construction finance, an intense activity, interfacing with numerous technical experts, lawyers and financiers in

CHAIRMAN'S ADDRESS

other time zones. The current package is a combination of debt, a gold pre-pay, and equity, with availability of the former dependent amongst other things on a minimum of a US\$25 million raise.

The gold pre-pay was chosen as the debt component ahead of project finance or a gold royalty stream. The project financing route would have required the Company to hedge 220,000 to 250,000 ounces of gold, at the then gold price of US\$1,150 per ounce. The gold pre-pay has a back ended repayment schedule and gold price participation. Technical and financial due diligence has been satisfied completely, legal due diligence is on-going.

The equity component, and its availability to shareholders, has been the subject of some post event discussion. In particular the placement price of 17 cents was questioned – but this price had only been exceeded for ten days during the entire calendar year. Commitment to the raise also exposed participants to the volatility in the market for seven weeks until the shareholder vote at today's Annual General Meeting. The placement to institutions, included three of the world's largest specialist resource funds, each managing in excess of US\$6 billion in equities. The ability to secure substantial funding from these funds together with existing Australian institutions and high net worth investors is a powerful combination to advance the Company into the future.

In the past year there were changes to the share register with London and Sydney based funds manager, Baker Steel Capital Managers, a fund held in high esteem amongst its North American peer group, becoming the Company's second largest shareholder. There were also changes to management and the board.



Siana gold mine, carbon in leach tanks foundations.

Colin G Jackson
Chairman

COMPETENT PERSON STATEMENT

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 G C Edwards who is a full-time employee of Red 5 Limited and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Edwards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which the Company is 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 (the JORC Code). Mr Edwards consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

CORPORATE INFORMATION

Directors and Executive Management

Colin Jackson (Chairman)
Greg Edwards (Managing Director)
Gary Scanlan (Non-executive Director)
Kevin Dundo (Non-executive Director)
Joe Mobilia (Chief Financial Officer)
David Jerdin (Project Director)
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 – 1,079,208,043 shares
Unlisted options – 7,400,000

Substantial Shareholders

Mathews Capital Partners 19.2%
Baker Steel Capital Managers 8.1%
Lujeta Pty Ltd 5.1%

Shareholder Enquiries

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

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