

EL 24012
ANNUAL REPORT
for Period
May 23, 2004 to May 24, 2005

1:250,000 map sheet: SE53-14 Tennant Creek

Licensee: Red Metal Limited

Greg McKay
Red Metal Limited
20 June 2005

TENEMENT REPORT INDEX

HOLDER / OPERATOR:	Red Metal Limited
TENEMENT:	EL 24012
REPORTING PERIOD:	May 23, 2004 to May 24, 2005
AUTHOR:	Greg McKay
STATE:	NT
LATITUDE:	133° 41' to 133° 44'
LONGITUDE:	-19° 12' to -19° 16'
1:250,000 SHEET:	Tennant Creek SE53-14
1:100,000 SHEET:	Short Range 5659
MINERAL PROVINCE:	Tennant Creek Inlier
COMMODITIES:	Cu Au
KEYWORDS:	Gravity survey

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SUMMARY

EL 24012 was acquired to investigate intense magnetic anomalies within the Palaeoproterozoic basement rocks with potential for ironstone associated gold-copper-bismuth mineralisation.

The work carried out on EL 24012 during the first 12 months included a gravity survey comprising 202 stations at 100m intervals on 400m spaced lines.

Further work is warranted on the EL to drill test the combined magnetic/gravity anomalies.

1.0 INTRODUCTION

This report summarises exploration activities undertaken over Exploration Licence 24012 for the first 12 months of tenure to May 23, 2005.

2.0 LOCATION AND LAND USE

EL 24012 is located 70km northwest of Tennant Creek. Access is via unsealed roads and tracks within a pastoral lease. The tenement area has generally low relief, with the dominant historical and current land use being cattle grazing.

3.0 TENEMENT STATUS

EL 24012 was granted to Red Metal Limited on May 24, 2004 for a period of six years.

Details of EL 24012 are shown in Table 1. Location of the tenement is shown in Figure 1.

Table 1 - Tenement Details

TENEMENT	HOLDER	GRANTED	EXPIRY	Sub Blocks	AREA
EL 24012	Red Metal Limited	May 24, 2004	May 23, 2010	11	355 km ²

3.0 TENEMENT GEOLOGY

The tenement covers an area of Palaeoproterozoic rocks mapped as the Tomkinson Creek Subgroup of the Churchills Head Group, comprising Hayward Creek Formation (sublithic arenite, shale, siltstone, minor conglomerate) and Brumbreu Formation (lithic and volcanic arenite, pebble beds). The units dip NW across the licence area at 30-50°.

4.0 HISTORICAL EXPLORATION

Licence	Years	Company	Reports
EL 59	1972-73	Inter-Copper	CR1972-0062, CR1972-0042
EL 1877	1978-80	CRA Exploration	CR1983-0253, CR1982-0224, CR1982-0029, CR1980-0199
EL 4985	1986-02	?	none
EL 7694	1992-93	Poseidon Gold	CR1994-0809
EL 9296	1996	Giants Reef Expl	CR1997-0105
EL 22713	2001-02	Giants Reef Mining	CR2002-0321

5.0 CURRENT EXPLORATION PROGRAM

The work carried out on EL 24012 during the first 12 months included a review of geophysical data and a detailed ground gravity survey comprising 202 stations at 100m intervals on 400m spaced lines.

Red Metal is processing the gravity data and propose to drill test the targets defined on the survey areas. It is initially proposed to drill two RC holes totalling 500m to test the anomalies.

6.0 CONCLUSIONS

EL 24012 was acquired to investigate intense airborne magnetic features. A gravity survey was conducted to provide focus for drillhole targetting. If a drill rig can be secured, drilling will commence in late 2005 or early 2006.

7.0 References/Bibliography

Donnellan, R S., *et al*, 1999 Tennant Creek SE 53-14 Geological Map and Explanatory Notes. *Northern Territory Geological Survey*

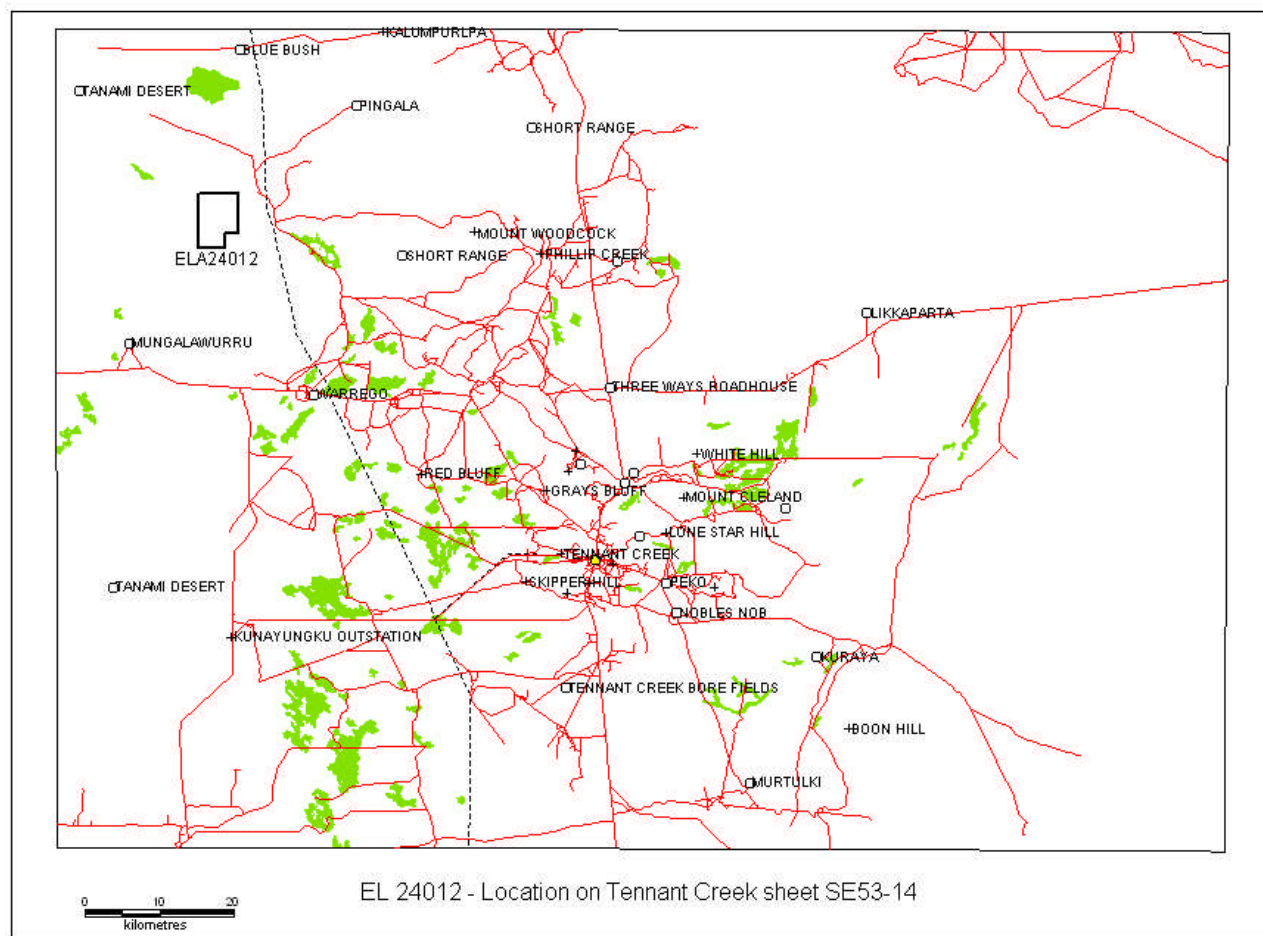


Figure 1

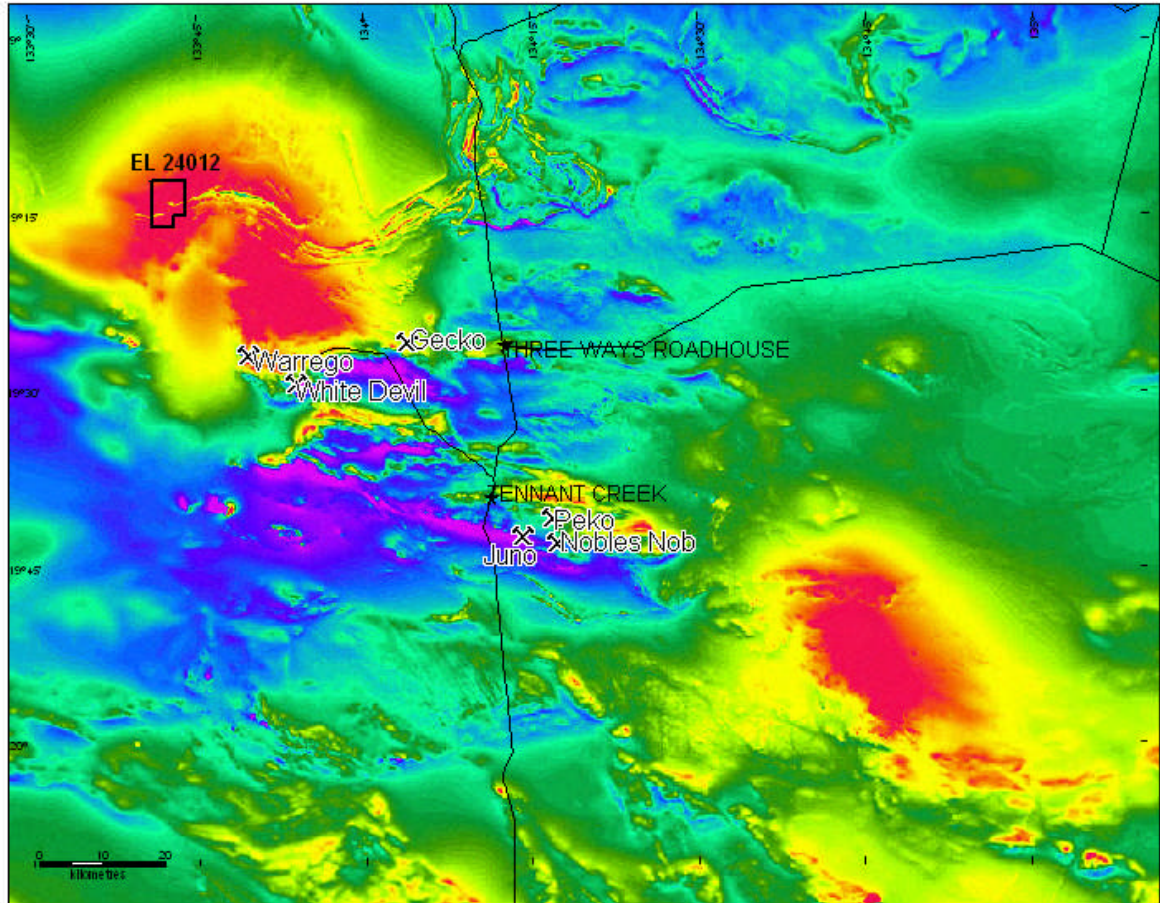


Figure 2
EL 24012 on regional TMI image

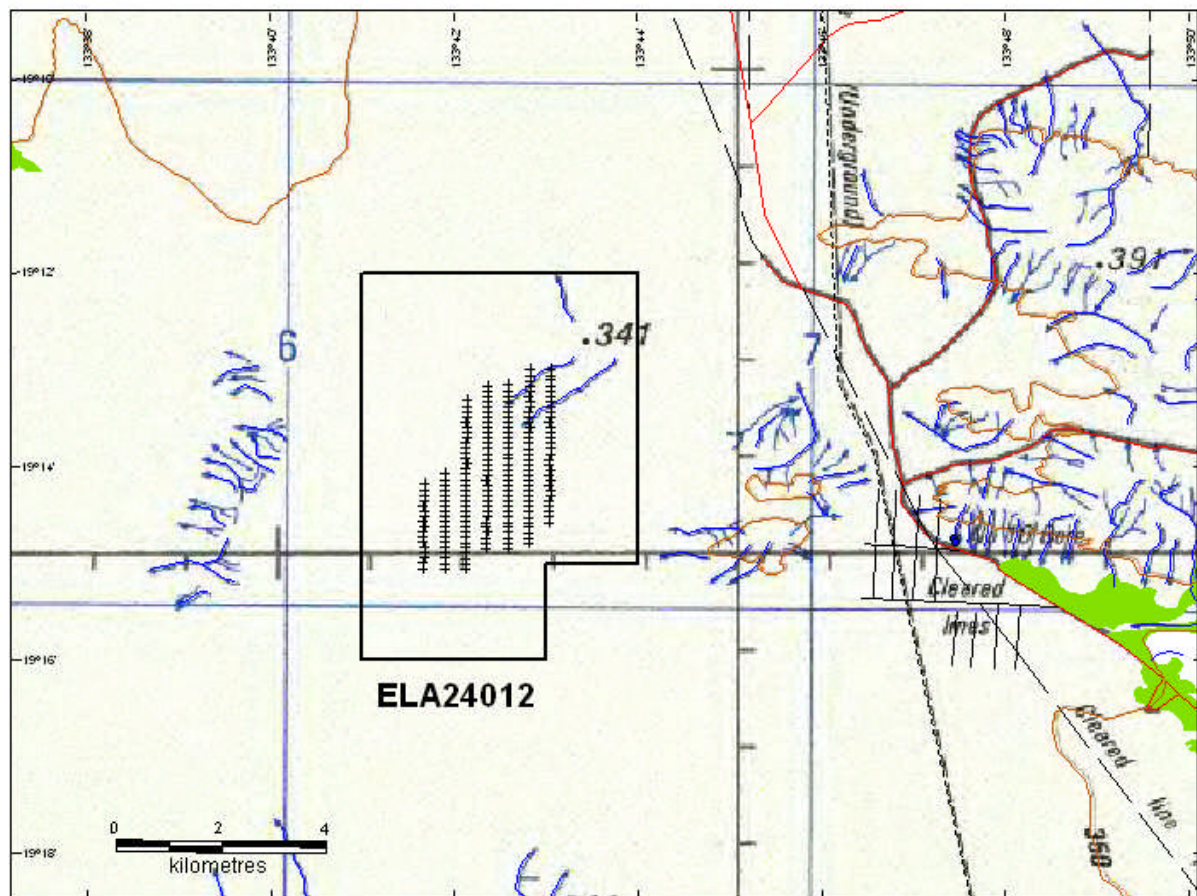


Figure 3
Gravity survey points