EL 24014

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 24014

REPORTING PERIOD: May 23, 2004 to May 24, 2005

AUTHOR: Greg McKay

STATE: NT

LATITUDE: 134° 37’ to 134° 39’

LONGITUDE: -19° 32’ to –19° 34’

1:250,000 SHEET: Tennant Creek SE53-14

1:100,000 SHEET: Gosse River 5858

MINERAL PROVINCE: Tennant Creek Inlier

COMMODITIES: Cu Au

KEYWORDS: Gravity survey
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List of Digital Files

EL 24014 Annual Report 2005.pdf  (This report)
EL 24014 Gravity Data.txt
**SUMMARY**

EL 24014 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 24014 during the first 12 months included a gravity survey comprising 97 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 24014 for the first 12 months of tenure to May 23, 2005.

2.0 LOCATION AND LAND USE

EL 24014 is located 46km northeast 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 24014 was granted to Red Metal Limited on May 24, 2004 for a period of six years.

Details of EL 24014 are shown in Table 1. Location of the tenement is shown in Figure 1.

Table 1 - Tenement Details

<table>
<thead>
<tr>
<th>TENEMENT</th>
<th>HOLDER</th>
<th>GRANTED</th>
<th>EXPIRY</th>
<th>Sub Blocks</th>
<th>AREA</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 24014</td>
<td>Red Metal Limited</td>
<td>May 24, 2004</td>
<td>May 23, 2010</td>
<td>4</td>
<td>130 km²</td>
</tr>
</tbody>
</table>

3.0 TENEMENT GEOLOGY

The tenement covers an area of thin Cainozoic cover overlying Middle Cambrian Gum Ridge Formation (chert, limestone, calcimudstone). Palaeoproterozoic basement units are considered to be the source of the magnetic and gravity anomalies and the potential host to ironstone associated gold-copper-bismuth mineralisation.

4.0 HISTORICAL EXPLORATION

<table>
<thead>
<tr>
<th>Licence</th>
<th>Years</th>
<th>Company</th>
<th>Reports</th>
</tr>
</thead>
</table>
5.0 CURRENT EXPLORATION PROGRAM

The work carried out on EL 24014 during the first 12 months included a review of geophysical data and a detailed ground gravity survey comprising 97 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 one RC hole totalling 150m to test the anomalies.

6.0 CONCLUSIONS

EL 24014 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

Figure 1
Location of EL 24014 on Tennant Creek sheet SE53-14
Figure 2
EL 24014 on regional TMI image
Figure 3
Gravity survey points