EL 25842

ANNUAL & FINAL REPORT

for period ending

September 5, 2008

1:250,000 map sheet: SD52-15 Auvergne

Licensee: Red Metal Limited

G. McKay

Red Metal Limited

27 October 2008
TENEMENT REPORT INDEX

HOLDER / OPERATOR: Red Metal Limited

TENEMENT: EL 25842

PROJECT: Pinkerton Range

REPORTING PERIOD: September 6, 2007 to September 5, 2008

AUTHOR: G. McKay

LATITUDE: 129º 27’ to 130º 08’

LONGITUDE: -15º 28’ to –16º 02’

1:250,000 SHEET: Auvergne SD52-15

1:100,000 SHEET: Pinkerton 4866

MINERAL PROVINCE: Victoria Basin

COMMODITIES: U, base metals

KEYWORDS: Literature review, reconnaissance inspection
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EL25842_2008_01 Annual Report.pdf (This report)
SUMMARY

EL 25842 was acquired to investigate airborne radiometric uranium anomalies within the Neoproterozoic Victoria Basin province.

The work carried out on EL 25842 during the first 12 months included a review of geophysical data and a helicopter-assisted reconnaissance inspection of airborne radiometric anomalies.

Red Metal Limited consider no further work is warranted on the EL for assessing uranium potential.
1.0 INTRODUCTION

This report summarises exploration activities undertaken over Exploration Licence 25842 for the first 12 months of tenure to September 5, 2008.

2.0 LOCATION AND LAND USE

EL 25340 is located 380 km south-east of Darwin and 100km east of Kununurra covering the eastern margin of the Pinkerton Range (Figure 1). Access is via sealed and unsealed roads and tracks within a pastoral lease. The tenement area has gentle to rugged relief, with the dominant historical and current land use being cattle grazing.

3.0 TENEMENT STATUS

EL 25842 was granted to Red Metal Limited on September 6, 2007 for a period of six years.

Details of EL 25842 are shown in Table 1. Location of the tenement is shown in Figure 1.

<table>
<thead>
<tr>
<th>TENEMENT</th>
<th>HOLDER</th>
<th>GRANTED</th>
<th>EXPIRY</th>
<th>Sub Blocks</th>
<th>AREA</th>
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</thead>
<tbody>
<tr>
<td>EL 25842</td>
<td>Red Metal Limited</td>
<td>Sept 6, 2007</td>
<td>Sept 5, 2013</td>
<td>403</td>
<td>1330 km²</td>
</tr>
</tbody>
</table>

3.0 TENEMENT GEOLOGY

The tenement is located in the Neoproterozoic Victoria Basin province. It covers an outcropping area of Auvergne Group sandstone and siltstone (Figure 2). Units include Pinkerton Sandstone, Saddle Creek Formation, Angalarrii Siltstone. Lithologies include massive quartz sandstone, green-grey siltstone and shale.

The area was considered by Red Metal to have potential to host unconformity-style uranium mineralisation.

4.0 HISTORICAL EXPLORATION

Several companies have explored this district for diamonds.

<table>
<thead>
<tr>
<th>Licence</th>
<th>Years</th>
<th>Company</th>
</tr>
</thead>
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<tr>
<td>EL2303</td>
<td>1980-81</td>
<td>AOG Minerals/Ashton Mining</td>
</tr>
<tr>
<td>EL2395</td>
<td>1980-81</td>
<td>BHP Minerals</td>
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<tr>
<td>EL6810</td>
<td>1990-92</td>
<td>Stockdale Prospecting</td>
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</table>
5.0 CURRENT EXPLORATION PROGRAM

The work carried out on EL 25842 during the first 12 months included a review of airborne radiometric data and a helicopter-assisted reconnaissance inspection of airborne radiometric anomalies. The main zones of high radiometrics were traversed on foot with an Exploranium GR135 spectrometer.

Traversing the anomalous zones revealed the source of the radiometric anomalies is the contrast between green dolomitic shale of the Angalarrii Siltstone unit (200 cps) exposed at the escarpment of the overlying Pinkerton Sandstone (40 cps).

6.0 CONCLUSIONS

EL 25842 was acquired to investigate airborne radiometric anomalies. Reconnaissance ground inspection concluded the source of the radiometric anomalies is the contrast between green dolomitic shale of the Angalarrii Siltstone unit exposed at the escarpment of the overlying Pinkerton Sandstone.

7.0 References/Bibliography

Figure 1: Tenement location
Figure 2: Regional geology
Figure 3: Airborne uranium radiometric image with geological units