EL 24007

ANNUAL REPORT

for period ending

October 7, 2008

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

Licensee: Red Metal Limited

G. McKay

Red Metal Limited

11 November 2008
TENEMENT REPORT INDEX

HOLDER / OPERATOR: Red Metal Limited
TENEMENT: EL 24007
REPORTING PERIOD: October 8, 2007 to October 7, 2008
AUTHOR: G. McKay
STATE: NT
LATITUDE: 134º 44’ to 134º 51’
LONGITUDE: -19º 26’ to –19º 31’
1:250,000 SHEET: Tennant Creek SE53-14
1:100,000 SHEET: Barkly 5859
MINERAL PROVINCE: Tennant Creek Inlier
COMMODITIES: Cu Au
KEYWORDS: Gravity survey
Table of Contents

SUMMARY ............................................................................................................................... 1

1.0 INTRODUCTION ........................................................................................................ 2

2.0 LOCATION AND LAND USE ................................................................................... 2

3.0 TENEMENT STATUS ................................................................................................ 2

3.0 TENEMENT GEOLOGY ........................................................................................... 2

4.0 HISTORICAL EXPLORATION ................................................................................ 2

5.0 CURRENT EXPLORATION PROGRAM ................................................................... 3

6.0 CONCLUSIONS ........................................................................................................... 3

7.0 References/Bibliography .............................................................................................. 3

List of Tables

TABLE 1 - TENEMENT DETAILS ...................................................................................... 2

List of Figures

Figure 1 EL 24007 location ................................................................. 4
Figure 2 EL 24007 on regional TMI image ........................................ 5
Figure 3 2006 drillhole locations on TMI image ................................... 6

List of Digital Files
EL24007 Annual Report 2008.pdf (This report)
EL24007 Gravity alldata.csv
SUMMARY

EL 24007 was acquired to investigate magnetic anomalies west of Tennant Creek within the Palaeoproterozoic basement rocks with potential for ironstone associated gold-copper-bismuth mineralisation.

The work carried out on EL 24007 during year included an extension gravity survey.
1.0 INTRODUCTION

This report summarises exploration activities undertaken over Exploration Licence 24007 for the fourth year of tenure to October 7, 2008.

2.0 LOCATION AND LAND USE

EL 24007 is located 65 km 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 24007 was granted to Red Metal Limited on 8 October 2004 over 31 blocks for a period of six years. It covers vacant crown land under native title claim. The licence area has been reduced progressively in area.

Details of EL 24007 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>
</tr>
</thead>
<tbody>
<tr>
<td>EL 24007</td>
<td>Red Metal Limited</td>
<td>October 8, 2004</td>
<td>October 7, 2010</td>
<td>16</td>
<td>53 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>
<tbody>
<tr>
<td>EL 4254</td>
<td>1983-89</td>
<td>Ashton Mining</td>
<td>CR1985-0039; CR1986-0070</td>
</tr>
</tbody>
</table>
5.0 CURRENT EXPLORATION PROGRAM

In 2005, Red Metal Limited conducted a regional gravity survey to rank the magnetic targets and define low magnetic gravity anomalies related to hematitic ironstones.

In 2006, five RC-diamond holes for 1,199 metres were completed to test gravity/magnetic anomalies. Minor low grade copper mineralisation associated with calcite-chlorite veins with rare trace sulphides and specular hematite was observed. The maximum copper assay was 273 ppm in RMTCK05 from 191-193 metres. No ironstones typical of the Tennant Creek mineral field were intersected.

After a review of results, an extension gravity survey of 74 stations was carried out in July 2008 by Haines Surveys to cover a N-S geological trend south of drillhole RMTCK01. No further gravity features of interest were encountered.

6.0 CONCLUSIONS

EL 24007 was acquired to investigate airborne magnetic features under shallow cover east of Tennant Creek targetting both magnetite or hematite associated copper-gold mineralisation.

The results to date will be reviewed for a decision on the future program.

7.0 References/Bibliography

Figure 2
EL 24007 on regional TMI image
Figure 3
2006 drillhole locations
on TMI image
with residual bouguer gravity contours
and 2008 gravity stations