EL 27087

ANNUAL & FINAL REPORT

for period ending

August 27, 2010

1:250,000 map sheet: SF53-11 Huckitta

Licensee: Red Metal Limited

G. McKay
Red Metal Limited
17 September 2010
TENEMENT REPORT INDEX

HOLDER / OPERATOR: Red Metal Limited
TENEMENT: EL 27087
PROJECT: Marshall River
REPORTING PERIOD: August 28, 2009 to August 27, 2010
AUTHOR: G. McKay
LATITUDE: 135° 35’ to 136° 00’
LONGITUDE: -22° 46’ to -22° 57’
1:250,000 SHEET: Huckitta SF53-11
1:100,000 SHEET: Jinka 6052
MINERAL PROVINCE: Eastern Arunta Province
COMMODITIES: Base metals
KEYWORDS: Literature review, aeromagnetic interpretation, reconnaissance inspection
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EL27087_2010_01 Final Report.pdf (This report)
SUMMARY

EL 27087 was acquired to investigate airborne magnetic anomalies within the Neoproterozoic Eastern Arunta Province, considered to have potential for copper-nickel mineralisation.

The work carried out on EL 27087 during the first 12 months included a review of geophysical data and a helicopter-assisted reconnaissance inspection of surface exposures.

Red Metal Limited considers further work is not warranted on the EL for base metal potential.
1.0 INTRODUCTION

This report summarises exploration activities undertaken over Exploration Licence 27087 for the first 12 months of tenure to August 27, 2010.

2.0 LOCATION AND LAND USE

EL 27087 is located 210 km north-east of Alice Springs adjacent to the Plenty Highway and covering the Plenty River and Marshall River, 20-50km west of Jervois (Figure 1). Access is via sealed and unsealed roads and tracks within a pastoral lease. The tenement area has low relief, with the dominant historical and current land use being cattle grazing.

![Figure 1: Tenement location](image)

3.0 TENEMENT STATUS

EL 27087 was granted to Red Metal Limited over 106 blocks on August 28, 2009 for a period of six years.

Details of EL 27087 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>SURRENDERED</th>
<th>BLOCKS</th>
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<td>Red Metal Limited</td>
<td>Aug 28, 2009</td>
<td>Aug 27, 2010</td>
<td>106</td>
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</table>
3.0 TENEMENT GEOLOGY

The tenement is located in the Neoproterozoic Eastern Arunta province. It covers Quaternary sediments with some outcropping Irindina Gneiss (Figure 2) of the Harts Range Group.

The area was considered by Red Metal to have potential to host intrusive-style copper-nickel mineralisation.

4.0 HISTORICAL EXPLORATION

Several mineral companies have explored within the boundaries of EL 27087.

<table>
<thead>
<tr>
<th>Licence</th>
<th>Years</th>
<th>Company</th>
<th>Target</th>
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<td>8/77-8/81</td>
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<td>U, Mo W</td>
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<td>2774</td>
<td>3/82-3/88</td>
<td>Petrocarb Exploration</td>
<td>W, Mo</td>
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<td>11/84-11/90</td>
<td>BHP Minerals</td>
<td>Diamonds</td>
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<td>2/86-3/89</td>
<td>Petrocarb Exploration</td>
<td>W, Mo, Au</td>
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</table>

5.0 CURRENT EXPLORATION PROGRAM

The work carried out on EL 27087 during the first 12 months included a review of existing airborne magnetic data and a helicopter-assisted reconnaissance inspection of surface outcrops.

6.0 CONCLUSIONS

EL 27087 was acquired to investigate the potential for intrusive-related copper-nickel mineralisation. No significant magnetic targets were identified with potential for copper-nickel mineralisation.

7.0 References/Bibliography

Figure 2: Regional geological map – Huckitta 1:250,000 sheet

Figure 3: regional magnetic image - TMI
Figure 4: regional magnetic image – 1VD