

EL 24007

COMBINED ANNUAL and FINAL REPORT

for period ending

October 7, 2010

1:250k: SE53-14 Tennant Creek

1:100k: 5858 Gosse River / 5859 Barkly

GDA94 datum / MGA zone 53

Licensee: Red Metal Limited

Author: G. McKay

Red Metal Limited

29 October 2010

TENEMENT REPORT INDEX

HOLDER / OPERATOR: Red Metal Limited

TENEMENT: EL 24007

REPORTING PERIOD: October 8, 2004 to October 7, 2010

AUTHOR: G. McKay

STATE: NT

LATITUDE: 134° 44' to 134° 51'

LONGITUDE: -19° 26' to -19° 31'

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

1:100,000 SHEET: Barkly 5859 / Gosse River 5858

MINERAL PROVINCE: Tennant Creek Inlier

COMMODITIES: Cu Au

KEYWORDS: Gravity surveys, RC-diamond drilling

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List of Digital Files

EL24007 Final Report 2010.pdf (This report)

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 2009-2010 comprised a review of existing data. In 2005, a gravity survey comprising 1141 stations at 100m intervals on 400m spaced lines was conducted. In 2006, five RC-diamond holes for 1,199 metres were completed to test gravity/magnetic anomalies. In 2008, an extension gravity survey of 74 stations was carried to cover a N-S geological trend south of drillhole RMTCK01.

The licence was surrendered after six years on 7 October 2010. The company concluded that drilling had sufficiently tested the identified anomalies.

1.0 INTRODUCTION

This report summarises exploration activities undertaken over Exploration Licence 24007 for the sixth year of tenure to October 7, 2010, and is presented as the final surrender report.

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 1: Tenement Details

TENEMENT	HOLDER	GRANTED	EXPIRY	BLOCKS
EL 24007	Red Metal Limited	October 8, 2004	October 7, 2010	8

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

Licence	Years	Company	Reports
EL 4251	1983-89	AOG Minerals	CR1985-0038; CR1986-0068
EL 4254	1983-89	Ashton Mining	CR1985-0039; CR1986-0070
EL 4258	1983-89	Aust Diamond Expl	CR1985-0006; CR1986-0075

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. The gravity survey comprised 1141 stations at 100m intervals on 400m spaced lines.

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 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.

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.

A review of existing data was conducted in 2009-2010. All drill sites have been rehabilitated and a report lodged .

Table 2: Drillhole Summary

EL	HOLE	Start Date	Completion Date	E_MGA53	N_MGA53	AZIM	DIP	Depth
24007	RMTCK01	8/10/2006	11/10/2006	483125	7846142		Vertical	174.2
24007	RMTCK02	3/10/2006	7/10/2006	481802	7843800		Vertical	264.7
24007	RMTCK03	30/09/2006	2/10/2006	478270	7846032		Vertical	255.7
24007	RMTCK04	28/09/2006	29/09/2006	478050	7846475		Vertical	252.5
24007	RMTCK05	25/09/2006	27/09/2006	473410	7847850	210	-70	252.1

6.0 CONCLUSIONS

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

IP surveying was proposed over the magnetic low adjacent to drillhole RMTCK01 targeting sulphides proximal to the iron-carbonate alteration intersected. However a review of the drilling concluded that testing for mineralisation on EL 24007 had been sufficient

7.0 References/Bibliography

- Donnellan, R S., *et al*, 1999 Tennant Creek SE 53-14 Geological Map and Explanatory Notes. *Northern Territory Geological Survey*.
- McKay, G., 2005 EL 24007 Annual Report (Red Metal Limited)
- McKay, G., 2006 EL 24007 Annual Report (Red Metal Limited)
- McKay, G., 2007 EL 24007 Annual Report (Red Metal Limited)
- McKay, G., 2008 EL 24007 Annual Report (Red Metal Limited)
- McKay, G., 2009 EL 24007 Annual Report (Red Metal Limited)

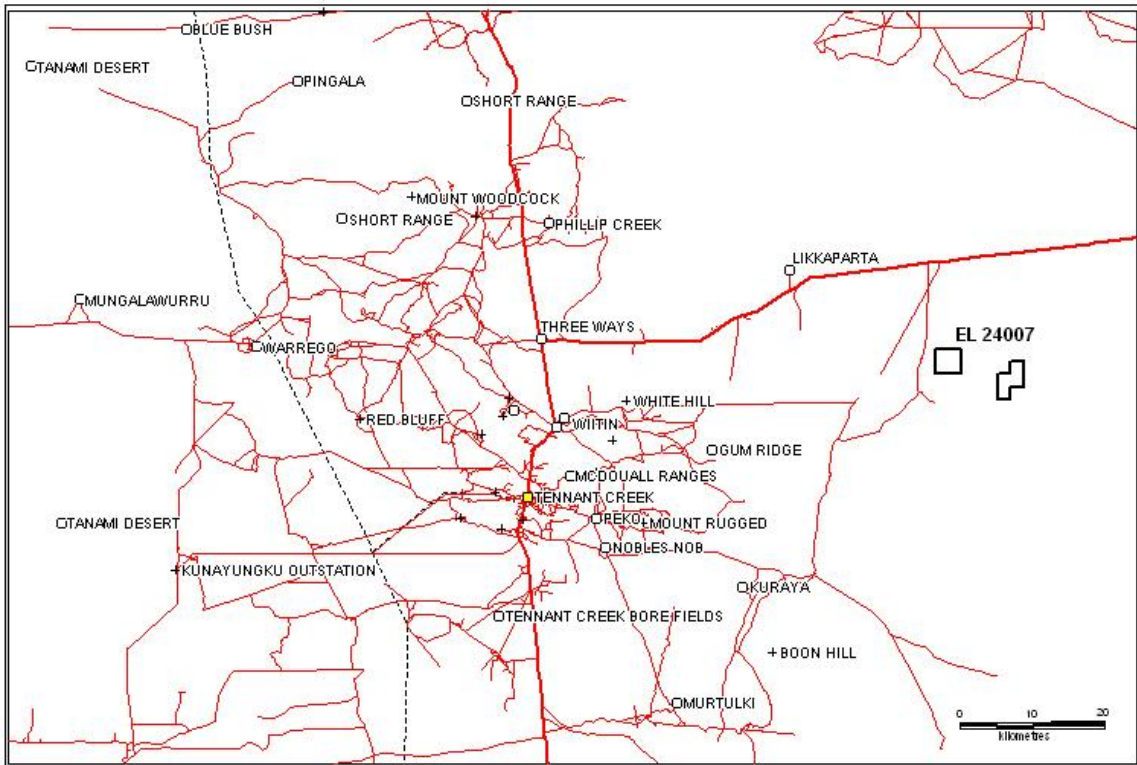


Figure 1: EL 24007 location on Tennant Creek sheet SE53-14

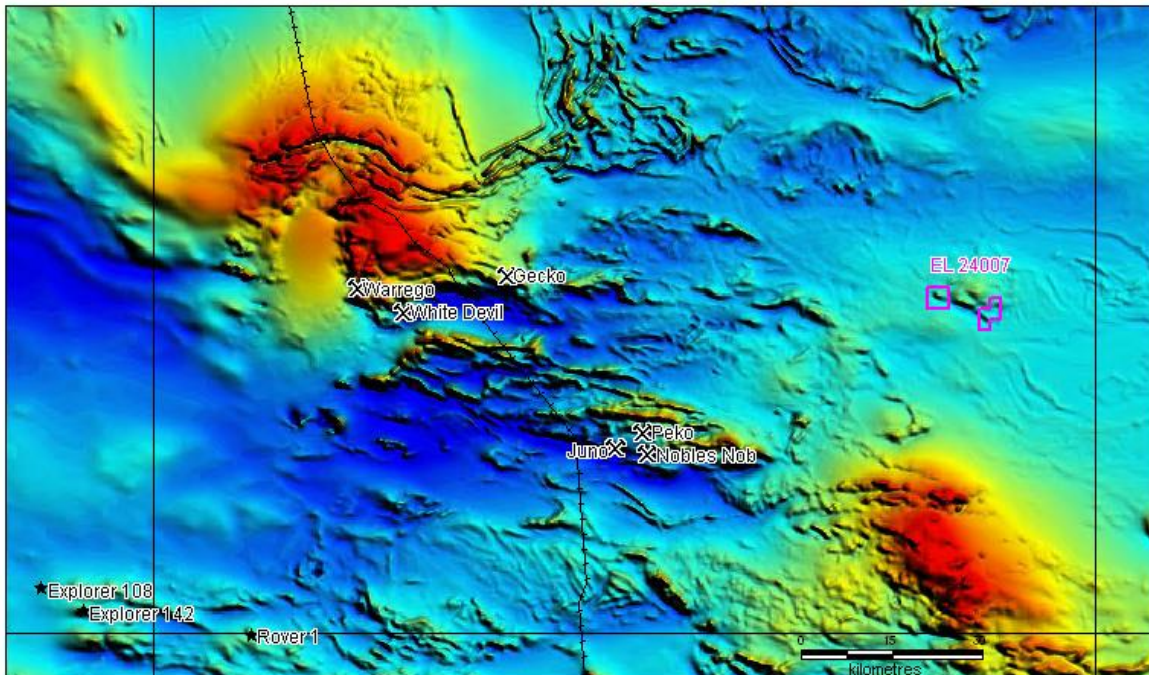


Figure 2: EL 24007 on regional TMI image

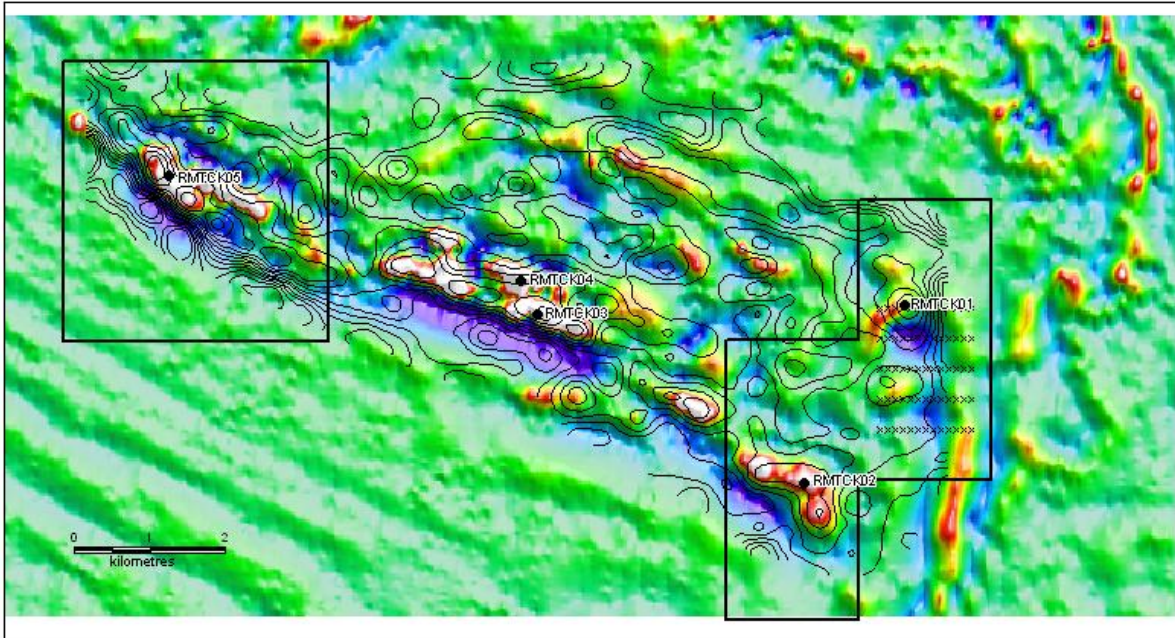


Figure 3
2006 drillhole locations
on TMI image
with residual bouguer gravity contours
and 2008 gravity stations