EL 27268

ANNUAL REPORT

for period ending

November 24, 2011

1:250,000 map sheets: SF53-16 Hay River

Licensee: Red Metal Limited

G. McKay
Red Metal Limited
30 November 2011
TENEMENT REPORT INDEX

HOLDER / OPERATOR: Red Metal Limited

TENEMENT: EL 27268

PROJECT: West Field River

REPORTING PERIOD: November 25, 2010 to November 24, 2011

AUTHOR: G. McKay

LATITUDE: 137° 41’ to 137° 50’

LONGITUDE: -23° 35’ to -24° 45’

1:250,000 SHEET: SF53-16 Hay River

1:100,000 SHEET: Field River 6450

MINERAL PROVINCE: Eastern Arunta Province

COMMODITIES: Base metals

KEYWORDS: Regional geological analysis, aeromagnetic data processing
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List of Digital Files

EL27268_2011_01 Annual Report.pdf (This report)
SUMMARY

EL 27268 was acquired to investigate airborne magnetic anomalies within the Neoproterozoic Eastern Arunta Province, considered to have potential for copper-nickel mineralisation in a continuation of the new style of pyrrhotite copper-cobalt mineralisation discovered nearby by Mithril Resources.

The work carried out on EL 27268 during the current term included a regional geological analysis and processing of existing airborne geophysical data.

Red Metal Limited considers further work is warranted on the EL, proposing an airborne TEM survey to be conducted in conjunction with adjacent tenements.
1.0 INTRODUCTION

This report summarises exploration activities undertaken over Exploration Licence 27268 for the current year to November 24, 2011.

2.0 LOCATION AND LAND USE

EL 27268 is located 400 km east of Alice Springs, in the northern Simpson Desert, 140km south of the Plenty Highway (Figure 1). Access is via unsealed roads and tracks within a pastoral lease. The tenement area has low relief, with clay pans in the east and dune sand ridges up to 10 metres.

![Figure 1: Tenement location](image.png)
3.0 TENEMENT STATUS

EL 27268 was granted to Red Metal Limited over 90 blocks on November 25, 2009 for a period of six years.

Details of EL 27268 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>BLOCKS</th>
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<td>Nov 25, 2009</td>
<td>Nov 24, 2015</td>
<td>90</td>
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3.0 TENEMENT GEOLOGY

The tenement is located in the Neoproterozoic Eastern Arunta province. It covers Quaternary sediments, comprising dune sands of the north Simpson Desert (Figure 2).

The underlying Proterozoic basement rocks are considered by Red Metal to have potential to host intrusive-style copper-nickel and gold mineralisation.

4.0 HISTORICAL EXPLORATION

Little exploration has been conducted within the area of EL 27268.

<table>
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<tr>
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<td></td>
<td>(GE Resources)</td>
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</table>

5.0 CURRENT EXPLORATION PROGRAM

The work carried out on EL 27268 during the first 12 months included a regional geological analysis and processing of existing airborne magnetic data.

6.0 CONCLUSIONS

EL 27268 was acquired to investigate the potential for intrusive-related copper-nickel mineralisation in a continuation of the new style of pyrrhotite copper-cobalt mineralisation discovered nearby by Mithril Resources. Significant magnetic targets will be covered by a proposed airborne TEM survey flown in conjunction with adjacent tenements.

7.0 References/Bibliography

Figure 2: regional geology
Figure 3: regional magnetic image – TMI

Figure 4: regional magnetic image – 1VD