

EL 27407

ANNUAL REPORT

for period ending

January 17, 2011

1:250,000 map sheets: SF53-15 Illogwa Creek

Licensee: Red Metal Limited

G. McKay

Red Metal Limited

21 April 2011

TENEMENT REPORT INDEX

HOLDER / OPERATOR:	Red Metal Limited
TENEMENT:	EL 27407
PROJECT:	Atula Creek
REPORTING PERIOD:	January 18, 2010 to January 17, 2011
AUTHOR:	G. McKay
LATITUDE:	135° 56' to 136° 05'
LONGITUDE:	-23° 05' to -23° 20'
1:250,000 SHEET:	SF53-15 Illogwa Creek
1:100,000 SHEET:	Brahma 6051 / Plenty Downs 6151
MINERAL PROVINCE:	Eastern Arunta Province (Irindina Province)
COMMODITIES:	Base metals
KEYWORDS:	Literature review, aeromagnetic interpretation, reconnaissance inspection

Table of Contents

SUMMARY	1
1.0 INTRODUCTION	2
2.0 LOCATION AND LAND USE	2
3.0 TENEMENT STATUS	3
3.0 TENEMENT GEOLOGY	3
4.0 HISTORICAL EXPLORATION	3
5.0 CURRENT EXPLORATION PROGRAM	3
6.0 CONCLUSIONS	3
7.0 References/Bibliography	4

List of Tables

TABLE 1 - TENEMENT DETAILS	3
----------------------------------	---

List of Figures

Figure 1	Location EL 27407	2
Figure 2	Regional magnetic image - TMI.	5
Figure 3	Regional geology.....	5

List of Digital Files

EL27407_2011_01 Annual Report.pdf (This report)

SUMMARY

EL 27407 was acquired to investigate airborne magnetic anomalies within the Neoproterozoic Eastern Arunta Province (Irindina Province), considered to have potential for copper-nickel mineralisation in a continuation of the new style of pyrrhotite copper-cobalt mineralisation discovered to the north-west by Mithril Resources.

The work carried out on EL 27407 during the first 12 months included a review of existing airborne geophysical data and a helicopter-assisted reconnaissance inspection for surface exposures.

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

1.0 INTRODUCTION

This report summarises exploration activities undertaken over Exploration Licence 27407 for the first 12 months of tenure to January 17, 2011.

2.0 LOCATION AND LAND USE

EL 27407 is located 180 km east of Alice Springs, east of the Harts Ranges, 20km 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 sparse vegetation.

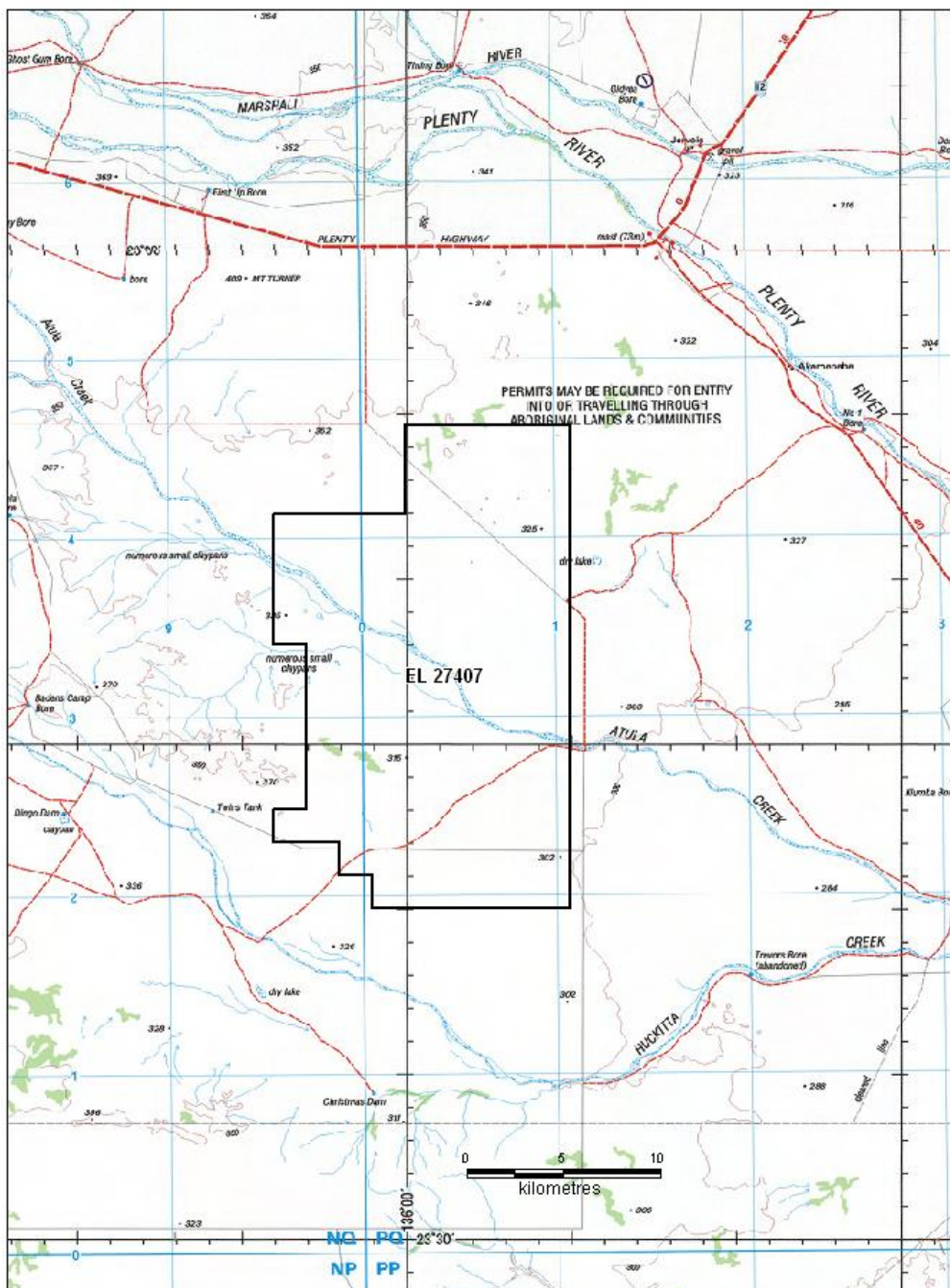


Figure 1: Tenement location

3.0 TENEMENT STATUS

EL 27407 was granted to Red Metal Limited over 14 blocks on January 18, 2010 for a period of six years.

Details of EL 27407 are shown in Table 1. Location of the tenement is shown in Figure 1.

Table 1 - Tenement Details

TENEMENT	HOLDER	GRANTED	EXPIRY	BLOCKS
EL 27407	Red Metal Limited	Jan 18, 2010	Jan 17, 2016	113

3.0 TENEMENT GEOLOGY

The tenement is located in the Neoproterozoic Eastern Arunta province (Irindina Province) with shallow Quaternary cover sediments.

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

4.0 HISTORICAL EXPLORATION

Previous companies which attempted exploration within the vicinity of EL 27407 include:

Licence	Years	Company	Target	Summary
7179	Dec90-Jan02	BHP Minerals	Base metals	Soil & stream sed sampling, SIROTEM on mag anomalies, RC drilling mag anomalies
8861	Nov94-Dec95	Poseidon Gold	Ultramafic PGM & gold	RAB drilling on previous BHP anomalies

5.0 CURRENT EXPLORATION PROGRAM

The work carried out on EL 27407 during the first 12 months included a review of existing airborne magnetic data and a helicopter-assisted reconnaissance inspection for surface outcrops.

6.0 CONCLUSIONS

EL 27407 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 to the north-west by Mithril Resources. Significant magnetic targets will be covered by a proposed airborne vTEM surveying in conjunction with adjacent tenements.

7.0 References/Bibliography

Illogwa Creek SF/53-15 geological series map 1:250 000, Shaw, D.R., Senior, B.R., Offe, L.A., Stirzaker, J.F., Walton, D.G., Apps, H.E., Freeman, M.J., 1985, 2nd edition., Bureau of Mineral Resources, Australia & Geological Survey of NT.

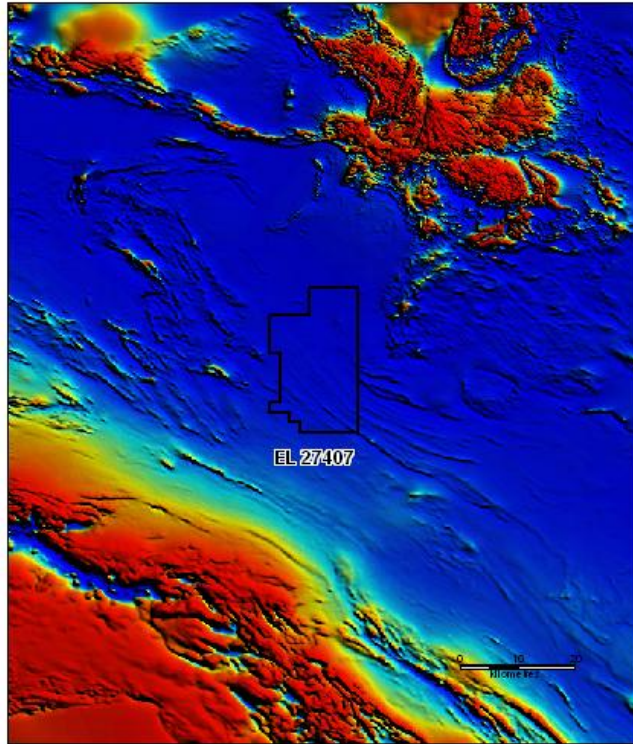


Figure 2: regional magnetic image – TMI

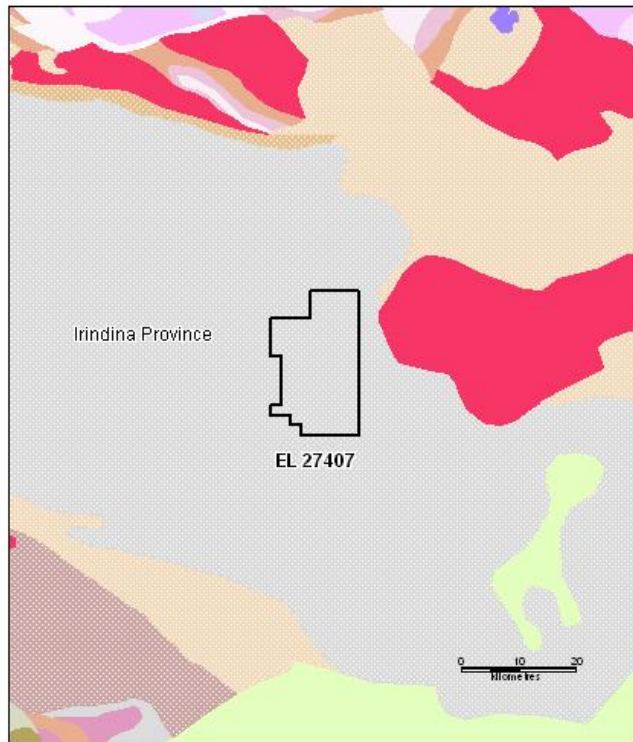


Figure 3: regional geology