EL 27389

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 27389  

**PROJECT:**  Huckitta Creek  

**REPORTING PERIOD:**  January 18, 2010 to January 17, 2011  

**AUTHOR:**  G. McKay  

**LATITUDE:**  135° 38’ to 135° 40’  

**LONGITUDE:**  -23° 17’ to -23° 24’  

**1:250,000 SHEET:**  SF53-15 Illogwa Creek  

**1:100,000 SHEET:**  Brahma 6051  

**MINERAL PROVINCE:**  Eastern Arunta Province (Irindina Province)  

**COMMODITIES:**  Base metals  

**KEYWORDS:**  Literature review, aeromagnetic interpretation, reconnaissance inspection
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EL27389_2011_01 Annual Report.pdf (This report)
SUMMARY

EL 27389 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 27389 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 27389 for the first 12 months of tenure to January 17, 2011.

2.0 LOCATION AND LAND USE

EL 27389 is located 180 km east of Alice Springs, east of the Harts Ranges, 40km 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 27389 was granted to Red Metal Limited over 14 blocks on January 18, 2010 for a period of six years.

Details of EL 27389 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>
</tr>
</thead>
<tbody>
<tr>
<td>EL 27389</td>
<td>Red Metal Limited</td>
<td>Jan 18, 2010</td>
<td>Jan 17, 2016</td>
<td>14</td>
</tr>
</tbody>
</table>

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

Several companies have attempted exploration within the vicinity of EL 27389.

<table>
<thead>
<tr>
<th>Licence</th>
<th>Years</th>
<th>Company</th>
<th>Target</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>7178</td>
<td>Dec90-Feb02</td>
<td>BHP Minerals</td>
<td>Base metals</td>
<td>Soil &amp; stream sed sampling, SIROTEM on mag anomalies, RC drilling mag anomalies</td>
</tr>
<tr>
<td>22919, 22920</td>
<td>Sep02-Aug05</td>
<td>Tanami Exploration</td>
<td>Ultramafic PGM &amp; gold</td>
<td>rc sampling</td>
</tr>
<tr>
<td>23998</td>
<td>May04-Mar07</td>
<td>BHP Billiton Minerals</td>
<td>Base metals, Fe-Cu-Au</td>
<td>Airborne grav, ground grav, diamond drilling</td>
</tr>
</tbody>
</table>

5.0 CURRENT EXPLORATION PROGRAM

The work carried out on EL 27389 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 27389 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

Figure 2: regional magnetic image – TMI

Figure 3: regional geology