

EPM 13369

OORINDI PARK

ANNUAL and FINAL REPORT

for Period Ended

June 25, 2008

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Red Metal Limited

13 August 2008

TENEMENT REPORT INDEX

OPERATOR: Red Metal Limited

TENEMENT: EPM 13369

REPORTING PERIOD: June 26, 2001 to June 25, 2008

AUTHOR: G McKay

LATITUDE (Min _ Max): -20°45'S to -20°54'S

LONGITUDE (Min _ Max): 141°E to 141°14'E

1:250,000 SHEET: Julia Creek SF54-03

1:100,000 SHEET: Oorindi 7156

MINERAL PROVINCE: Mount Isa Inlier

COMMODITIES: Cu Au Pb Zn Ag

KEYWORDS: Data review

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EPM 13369 Final Report 2008.pdf (This report)
EPM 13369 Gravity Data 2004.txt

SUMMARY

EPM 13369 covers prospective Proterozoic sequences within the eastern limits of the prospective Mt Isa Inlier. Target basement rocks are covered by younger sedimentary sequences, with depth of cover ranging from less than 50 to over 200 metres.

Compilation of historical data showed extensive exploration work has been completed within the EPM.

This report outlines work carried out within EPM 13369 during the period June 26, 2001 to June 25, 2008 and is submitted as the seventh annual and final report for the tenement. Work completed during this period comprised a data review. xxxx

1.0 INTRODUCTION

Phelps Dodge Australasia applied for the Oorindi Park EPM 13369 in March 2001. The area was acquired to cover an area interpreted to be prospective for both Iron-oxide style Cu-Au mineralisation (eg. Ernest Henry and Osborne in the Mt Isa region), and Cannington style Pb-Zn-Ag mineralisation. Red Metal Limited acquired EPM 13369 in October 2003.

2.0 LOCATION and TENEMENT STATUS

EPM 13369, Oorindi Park project, is located 190km east south-east of Mount Isa. The closest regional centre is the town of Cloncurry, located 85km to the north-west. Sealed roads link Cloncurry with Mt Isa to the west and Townsville to the east. The closest rail link is 20 to 40km north. The tenement area has generally low relief, with the dominant historical and current land use being cattle grazing. The sealed Landsborough Highway cuts through the south east corner of the area. Access within the area is along existing station tracks.

EPM 13369 was granted over 70 sub-blocks on June 26, 2001 for a period of five years as a Low Impact exploration tenements under the Queensland Alternative State Provisions (ASP) legislation. The EPM was renewed for 3 years on June 25, 2006 under the Commonwealth Native Title provisions.

Details of EPM 13369 are included in Table 1. The tenement has been renewed over a reduced area. Location is shown in Figure 1.

Table 1 - Tenement Details

TENEMENT	HOLDER	GRANTED	EXPIRY	Sub-Blocks
EPM 13369	Red Metal Limited	June 26, 2001	June 26, 2009	17

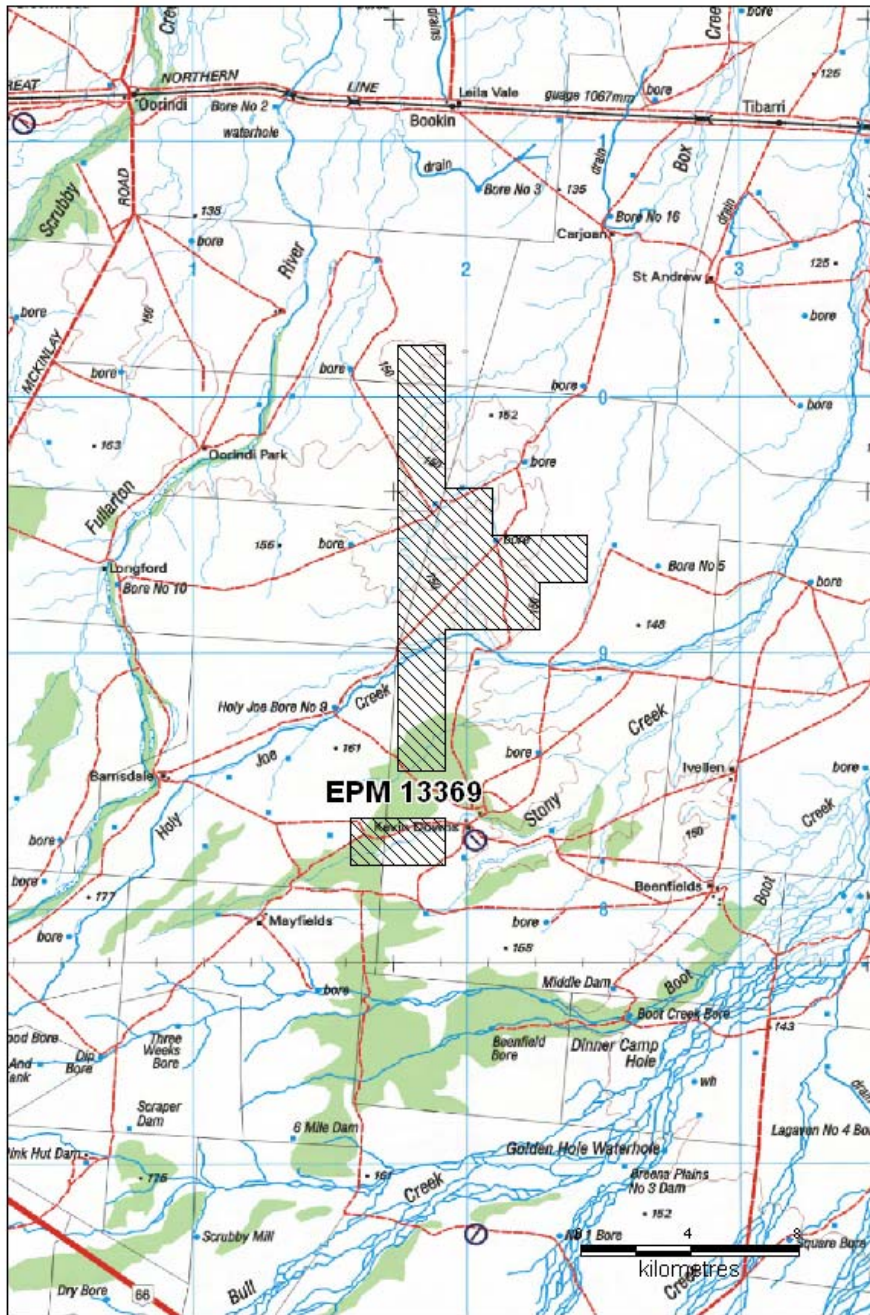


Figure 1: EPM 13369 location

3.0 TENEMENT GEOLOGY

EPM 13369 is underlain by a sequence of Mesozoic sediments belonging to the Western margins of the Eromanga Basin. The prospective geology in the area comprise the buried Proterozoic basement sequences, which are host to significant Cu ± Au mineralisation in other parts of the Mt Isa Inlier.

The focus of interest in the tenement is a series of magnetic features near the boundary between Soldiers Cap 2 (1669 to 1680Ma) and Soldiers Cap 3 (1663 to 1696Ma) Group of sediments from Cover Sequence 3. Regional scale faults, interpreted as synsedimentary extensional faults active during the deposition of Cover Sequence 2 and Cover Sequence 3 (1675 extension) transect the area. Significant mineralisation at the Cannington (Pb-Zn-Ag) and Osborne (Cu-Au) deposits occurs at the prospective boundary between Soldiers Cap 2 and 3.

The tenement covers the northern and eastern limits of a major antiformal domal feature developed around a Sybella group (pre D2) batholith. Magnetic features along this trend are considered to be prospective for Cu-Au and Pb-Zn-Ag mineralisation.

The target in the project area is high-grade, pyrrhotite or magnetite associated Cu-Au as breccia or replacement styles within strongly altered Soldiers Cap Sequences. Strong potential also exists for high-grade Pb-Zn-Ag mineralisation similar to Cannington deposit.

4.0 HISTORICAL EXPLORATION

A review of previous exploration indicates the project area has been held by several companies.

The highest level of exploration activity was conducted by BHP as part of their Longford Project EPM 7786. The area formed part of regional exploration programs completed by BHP following their discovery of the Cannington and Eloise deposits under areas of younger cover. Evaluation of airborne magnetic anomalies formed the major focus of this exploration work. BHP completed extensive ground based magnetic and gravity surveys followed by drilling. Review of BHP records indicate 21 holes have been completed within the current EPM 13369. Best results were from a moderately altered peperitic basalt, which assayed 1200ppm Cu and weak Au.

In the government sponsored NWQMP Study, released in December 2000, the area was designated as being prospective for Cu-Au with the target identified by the study labelled CGM87.

5.0 SUMMARY OF EPM 13369 EXPLORATION

July 2001-June 2002

The work carried out on EPM 13369 during the first 12 months comprised:

- compilation and review of available regional exploration data;
- image processing of geophysical data;
- ground based gravity surveys.

Gravity surveys were completed over areas of interest indicated from the historical data. Three grids were surveyed, one near historical hole LFP22 (Area 1), one near historical hole AND16 (Area 2), and one near an area of elevated radiometric signature indicated from the regional airborne survey (Area 3). A total of 99 gravity stations were recorded.

July 2002-June 2003

The work carried out on EPM 13369 during the second year of tenure comprised a review of past exploration data.

July 2003-June 2004

The work carried out on EPM 13369 during the current year of tenure comprised a ground gravity survey of 575 points at 200 metre intervals on lines spaced 800 metres, covering the whole tenement. The survey was conducted in May-June 2004.

July 2004-June 2005

The work carried out on EPM 13369 during the fourth year of tenure comprised modelling of the gravity data from 2004 and planning possible test drill holes.

July 2005-June 2006

The work carried out on EPM 13369 during the fifth year of tenure comprised a review of datasets.

July 2006-June 2007

The work carried out on EPM 13369 during the sixth year of tenure comprised a review of data.

6.0 CURRENT EXPLORATION PROGRAM

The work carried out on EPM 13369 during the current year of tenure comprised a review of available data. It was decided not to continue with a deep penetrating IP survey due to disappointing results from other surveys in the district.

7.0 CONCLUSIONS

The existing data has been reviewed and it was concluded that EPM 13369 has lower exploration potential than other tenements held by Red Metal Limited in the region. EPM 13369 was surrendered in August 2008.

8.0 References/Bibliography

Gregory, P., 2001. EPM 7786, Longford Project, Partial relinquishment report for the period ended 26/2/01. *Qld NR&M- CR*.

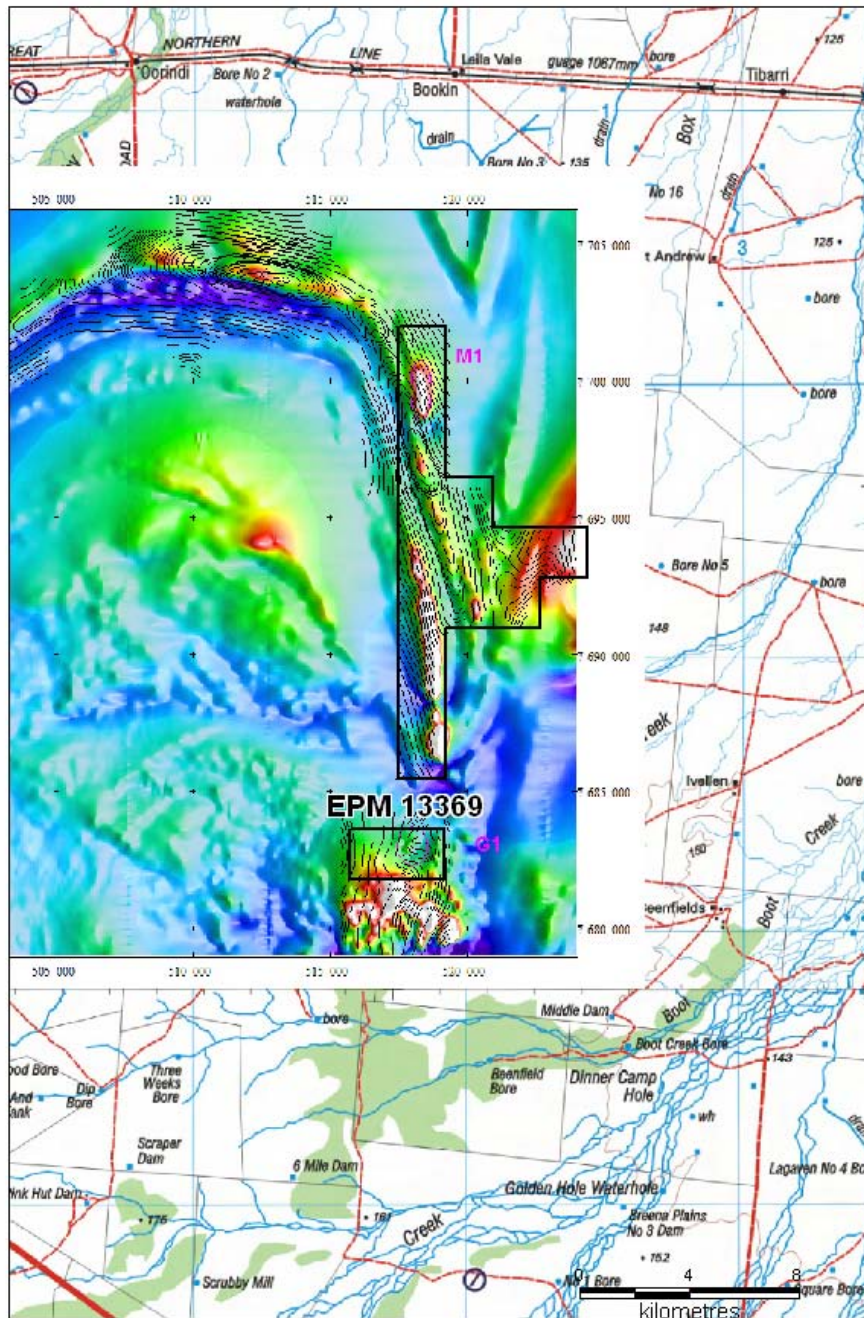


Figure 2: EPM 13369
Gravity contours on TMI image