

EPM 15765

DEVONCOURT

ANNUAL REPORT

for Period ended

November 7, 2008

G McKay

Red Metal Limited

3 December 2008

TENEMENT REPORT INDEX

OPERATOR:	Red Metal Limited
TENEMENT:	EPM 15765
REPORTING PERIOD:	November 8, 2007 to November 7, 2008
AUTHOR:	G McKay
LATITUDE:	-20°56'S to -21°12'S
LONGITUDE:	140°06'E to 140°15'E
1:250,000 SHEET:	Duchess SE54-06; Cloncurry SE54-02
1:100,000 SHEET:	Malbon 6955; Marraba 6956
MINERAL PROVINCE:	Mount Isa Inlier
COMMODITIES:	Cu Au
KEYWORDS:	Gravity surveys

Table of Contents

SUMMARY	1
1.0 INTRODUCTION	1
2.0 LOCATION and TENEMENT STATUS	1
3.0 TENEMENT GEOLOGY	2
4.0 HISTORICAL EXPLORATION	3
5.0 CURRENT EXPLORATION PROGRAM	3
6.0 CONCLUSIONS	3

List of Tables

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

List of Figures

Figure 1	EPM 15765 location	2
Figure 2	Regional geology image	4
Figure 2	Regional TMI image.....	5
Figure 3	Regional gravity image.....	5

List of Digital Files

EPM 15765 Annual Report 2008.pdf (this report)
EPM 15765 gravity data 2008.txt

SUMMARY

EPM 15765 covers an area of moderately strong magnetic response within the Mount Isa Inlier. The anomalies are located at the boundary of Cover Sequence 2 metavolcanics and a Williams Batholith aged intrusive. The area is interpreted to be prospective for Fe-oxide style Cu-Au mineralisation. Prospective Proterozoic basement rocks are covered by younger sedimentary sequences, with depth of cover ranging from 100 to 200 metres.

A review of available historic data and geophysical interpretation suggests several prospective geophysical features are suitable for testing.

This report outlines work carried out within EPM 15765 during the period November 8, 2007 to November 7, 2008 and is submitted as the first annual report for the tenement. Work completed during this period included a regional gravity survey.

1.0 INTRODUCTION

Red Metal Limited applied for EPM 15765 in July 2006. The area was acquired to cover an area of anomalous magnetics identified in a review of regional airborne magnetic data sets over the Mount Isa Inlier. The magnetic features are interpreted to have potential for Fe-Ox style Cu-Au mineralisation.

2.0 LOCATION and TENEMENT STATUS

The Devoncourt project EPM 15765 is located 50km south-west of Cloncurry. Sealed roads and a rail line link Cloncurry with Mount Isa to the west and Townsville to the east. The rail line passes through the southern portion of the EPM and a sealed road is located immediately to the east of EPM 15765. Access within the project area is via station tracks. The tenement area has generally low relief, with the dominant historical and current land use being cattle grazing.

EPM 15765 was granted on November 8, 2007 over 97 sub-blocks for a period of five years under the Commonwealth Native Title Act (1993). The tenement occurs within an area claimed by the Kalkadoon people (QC99/032B).

Details of EPM 15765 are shown in Table 1. Location is shown in Figure 1.

Table 1 - Tenement Details

TENEMENT	HOLDER	GRANTED	EXPIRY	Sub Blocks
EPM 15765	Red Metal Limited	Nov 8, 2007	Nov 7, 2012	97

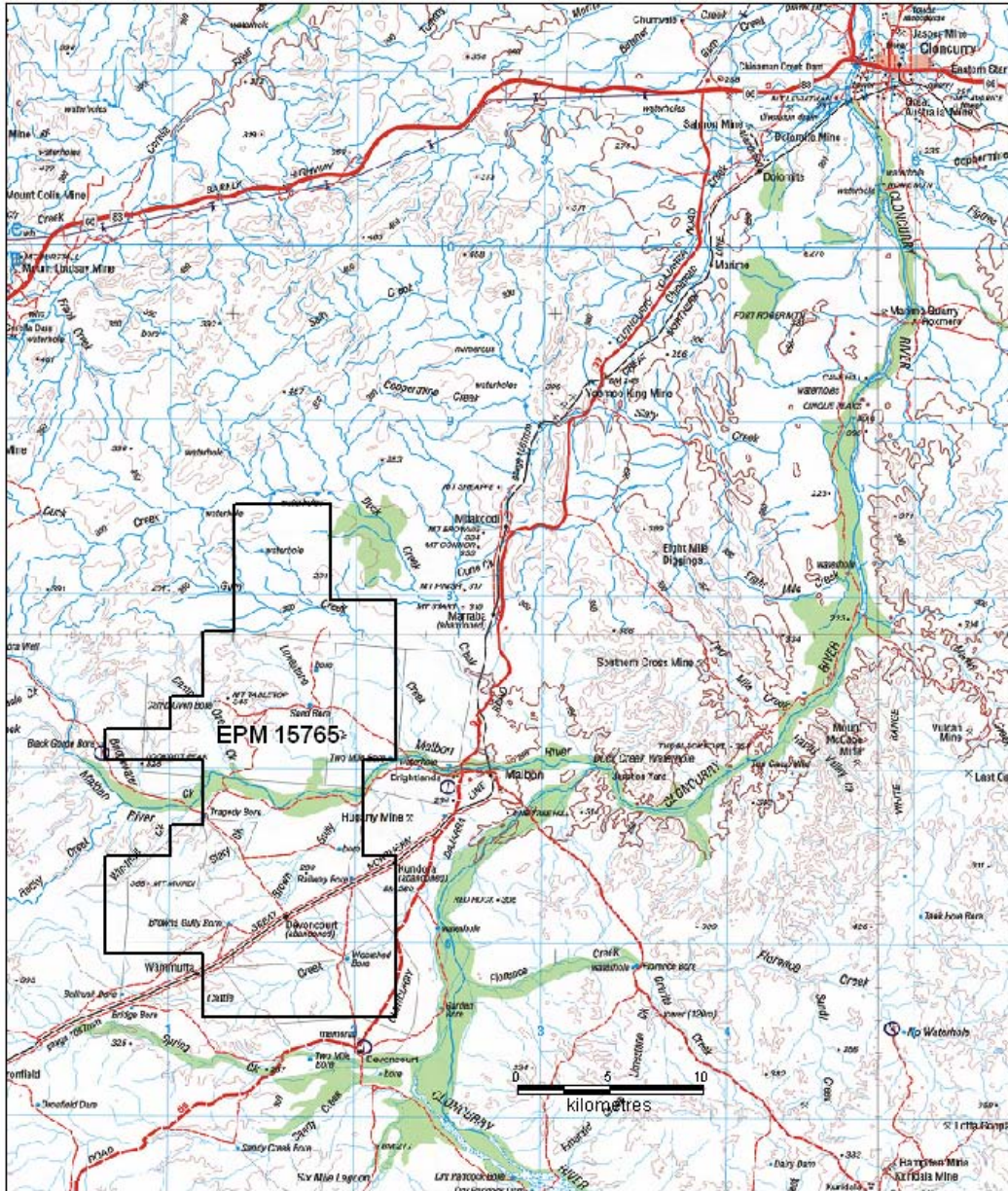


Figure 1: EPM 15765 location

3.0 TENEMENT GEOLOGY

EPM 15765 is underlain by a sequence of Mesozoic and Cainozoic sediments belonging to the Eromanga and Carpentaria Basins.

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 Mount Isa Inlier. No areas of Proterozoic outcrop exist within the project area (see Figure 2). The subsurface geology is based on the NWQMP study, which interprets that the majority of the area is underlain by metamorphosed Proterozoic volcanics belonging to the Argylla Formation Pea (1757Ma to 1800Ma) from the Tewinga Group of Cover Sequence 2. The Argylla Formation

is dominated by metamorphosed intermediate and felsic extrusives with minor sediments. Some later metadolerite and amphibolites intrude.

The metavolcanics occur in the vicinity of a Williams Batholith aged intrusive (Wimberu Granite Pgi-m), 1493-1530Ma. Magnetic anomalies occur at the margins of the intrusive contact, covered by an interpreted 350 metres of younger cover.

The target in the project area is large tonnage breccia or replacement style magnetite or hematite associated Cu-Au mineralisation within strongly altered Cover Sequence 2 sediments.

4.0 HISTORICAL EXPLORATION

A review of previous company reports indicates extensive exploration has been carried out in the district.

CRA Exploration Pty Ltd (EPM's 2562, 3263) conducted airborne surveys and prospect evaluation for uranium and molybdenum during 1980-83.

Arion Australian Resources Pty Ltd (EPM 3735) drilled seven prospects north of Malbon for copper/gold in 1984-86.

Freeport Australian Minerals Ltd (EPM 4287) explored for chromite in 1986. Metana Minerals NL (EPM 6035) conducted drainage geochemistry for gold in 1990. Placer Exploration Ltd (EPM 8605) explored for base metals with drainage geochemistry in 1992.

Extensive exploration for copper-gold was conducted by Eagle Mining Corporation / Hunter Resources Ltd / MIM Exploration Pty Ltd / Great Central Mines Ltd / Normandy Mining Limited on EPM's 8654, 9113 and 9385 from 1992 to 2000, although drilling was not conducted. North Mining Ltd conducted a review (EPM 11032) in 1996.

5.0 CURRENT EXPLORATION PROGRAM

The work carried out during the previous 12 months comprised a gravity survey of 847 stations conducted by Haines Surveys in April-May 2008 (Figures 3, 4). The aeromagnetic features at the contact of the Wimberu Granite are mirrored by a linear gravity high.

6.0 CONCLUSIONS

Interpretation of geophysical data and planned ground geophysical surveys will be used to generate drill targets in the metavolcanic sequences in proximity to the intrusive.

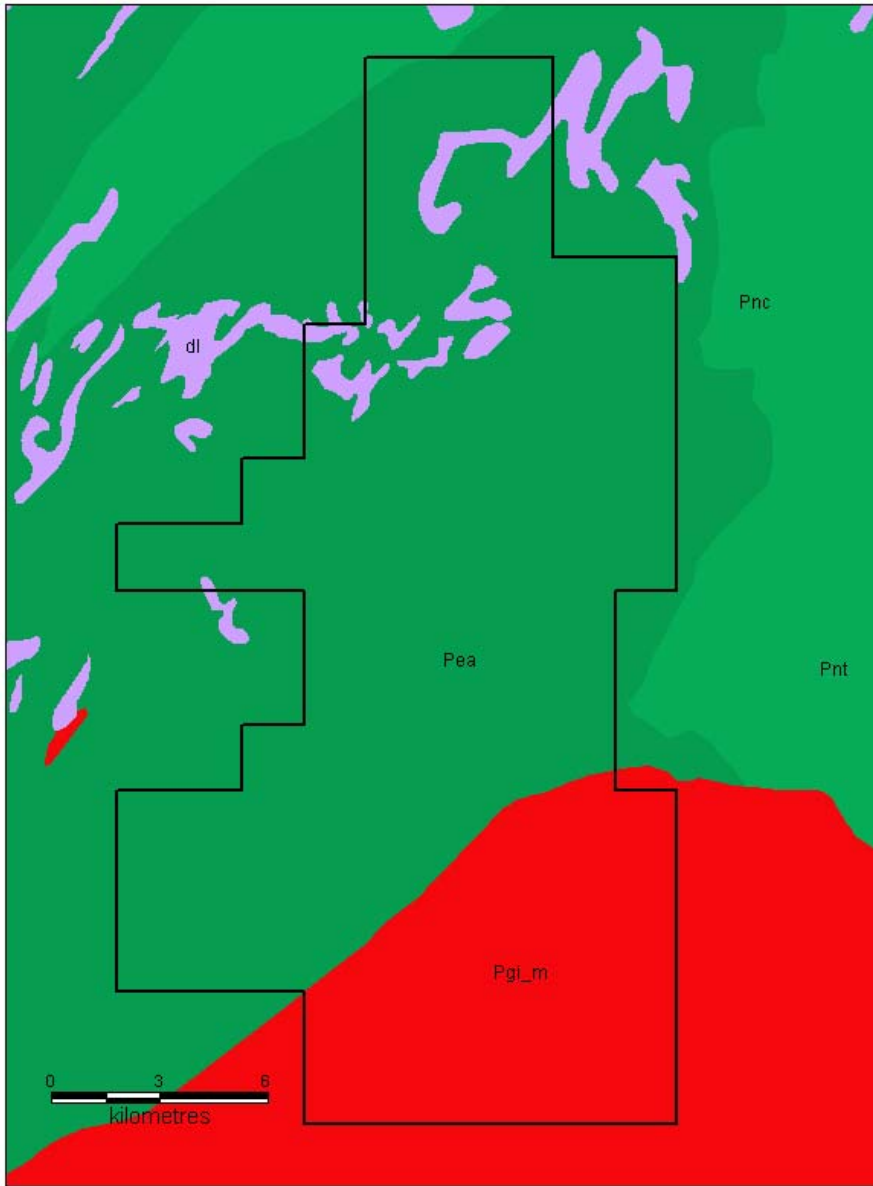


Figure 2: Regional geology image

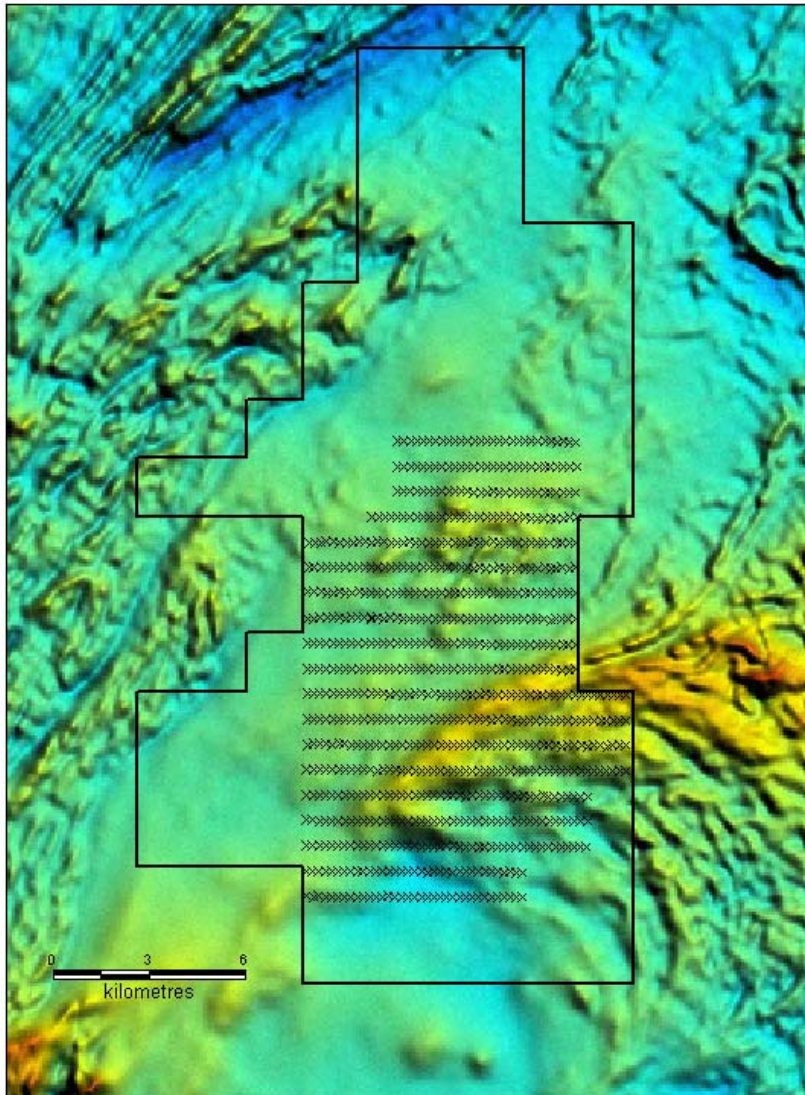


Figure 3: Regional TMI image with gravity stations

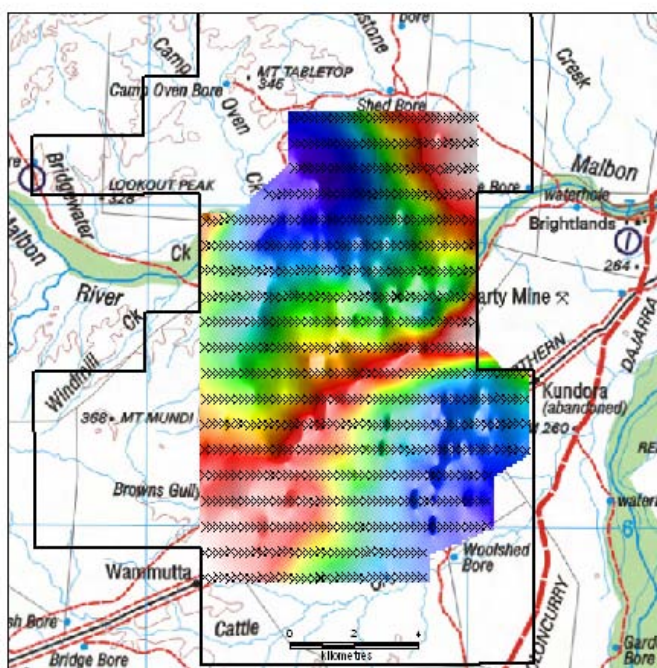


Figure 4: Gravity image