

31 October 2007
ASX Announcement

First Quarter Activities Review For the period ending 30 September 2007

Executive Summary

- Company successfully floated on the ASX on 16 August 2007
- Work commenced at exploration projects in WA

Corporate Update

Red Emperor Resources NL (“Red Emperor”) has successfully listed on the Australian Stock Exchange (“ASX”) and traded at a premium to its issue price since that listing. The Company looks forward to issuing its one for two option entitlement approximately three months after listing and providing investors with another listed security in the Company.

The Company has also commenced its acquisition and diversification strategy with the intention to acquire other advanced pre-production assets in copper and gold to complement the Company’s existing exploration portfolio.

Red Emperor is currently assembling a well motivated team of committed professionals to spear-head this expansion and diversification. It is the Company’s strong belief that a gold and base metals strategy is the best blueprint for robust corporate growth and future earnings. These activities will assist the Company to pursue its current exploration assets in WA, which enjoy proximity to other successful copper and gold projects.

Exploration Update

The Jillewarra Project incorporates a significant portion of the Archaean Mingah Greenstone Belt, which has been folded into a broad south-plunging anticline. High-grade gold mineralisation has been identified by previous mining and exploration activities along the south-western limb of the structure. Known mineralisation within the area comprises a number of small high-grade epigenetic gold deposits and Pb-Ba vein deposits and layered ultramafic and mafic sills containing anomalous Ni and Cu values.

Aerial photography of the Project was purchased across project area to facilitate mapping. Historical data is being extracted from open file reports and added to the Jillewarra Database and data compilation will confirm the location of historical exploration results and provide targets for ground truthing.

Following the data compilation and a desktop review, geological mapping will of the Project will be undertaken. The mapping will enable geological interpretation to assist with target identification.

RAB Drilling of the targets identified from the mapping review is projected to be undertaken in the first quarter of 2008 and a drill rig is being sourced for this program. Subject to the results of this program, RC Drilling of the targets generated from RAB program is estimated to be undertaken in the second quarter of 2008.

The Company looks forward to updating the market on these exploration projects in the future.

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Yours faithfully



Kent Hunter
Managing Director
Red Emperor Resources NL

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date
	\$A	(3 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(71)	(71)
(b) development	-	-
(c) production	-	-
(d) administration	(109)	(109)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	29	29
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(151)	(151)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(100)	(100)
(b) equity investments	(850)	(850)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(950)	(950)
1.13 Total operating and investing cash flows (carried forward)	(1,101)	(1,101)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,101)	(1,101)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4,988	4,988
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – costs of share issues	(409)	(409)
	Net financing cash flows	4,579	4,579
	Net increase (decrease) in cash held	3,478	3,478
1.20	Cash at beginning of quarter/year to date	309	309
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,787	3,787

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	63
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 includes directors fees and salaries and amounts paid to Mining Corporate Pty Ltd for IPO management services, a company of which Messrs Hunter and Brockhurst are directors.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Pursuant to the IPO prospectus dated 16 July 2007 the company issued 1,000,000 shares to vendors at \$0.25 per share.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	75
4.2	Development	-
Total		75

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	307	309
5.2	Deposits at call	3,480	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		3,787	309

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	EL51/1091 EL51/1114	Nil Nil	51% (earning in) 51% (earning in)

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	31,500,003 7,500,000	21,200,003 -	- \$0.0001	- \$0.2499
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	31,500,003 7,500,000	21,200,003 -	- \$0.0001	- \$0.2499
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Kent Hunter
(Managing Director)

Date: 31 October 2007

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.