

30 October 2009
ASX Announcement

Quarterly Activities Review For the period ending 30 September 2009

PROPOSED SIBERIAN POTASH PROJECT ACQUISITION

On 16 December 2008 the Company announced it had entered into an agreement to acquire an interest in a substantial potash project in South-East Siberia, Russia (**Potash Project or Project**). On 20 May, the Company announced it had reached agreement to amend the terms pursuant to which it will acquire an interest in the Project. The acquisition is conditional, inter alia, on the vendor demonstrating that it is entitled to acquire clear title to the Project.

As announced to ASX 7 September 2009, the Company has been advised by its Russian partners that the acquisition date is facing a delay of several months due to system rules recently granted final approval and implemented by the Russian Judicial Ministry.

At this stage the Directors believe the acquisition will take place in the first half of 2010. Accordingly, pursuant to the terms of the standby loan facility established to fund the proposed acquisition, the Company has returned funds raised, with the intention of re-establishing the facility early in 2010 upon obtaining advice of a firm acquisition date. The Company has been extremely pleased with the response to its capital raising efforts with a substantial amount of the facility being filled.

The Company remains confident of acquiring the project under the commercial terms as detailed in previous announcements and firmly believes in the outlook for the future of the potash and fertiliser industries.

RUSSIAN TIMBER PROJECT

As announced to ASX on 19 June 2008, the Company has entered into a Memorandum of Understanding with Russian partners whereby the partners will provide the Company with the opportunity to acquire a 100% interest in a license to harvest a timber resource in Russia.

The Company continues to monitor the progress of the acquisition and looks forward to updating the market on the project in the future.

OTHER PROJECTS WITH RUSSIAN PARTNERS

The Company and its Russian Partners continue to source and review additional and alternative resource projects, including mineral resources, for attractive opportunities to add shareholder value. The Company is currently reviewing several prospective projects. The Company looks forward to updating the market on these exploration projects in the future.

EXPLORATION UPDATE

JILLEWARRA PROJECT

The North Murchison Goldfields have recently had resurgence in polymetallic exploration with the discoveries of the Doolgunna Project (Sandfire Resources NL) and the Austin Project (Silver Swan Group).

The Jillewarra Project has historically been explored for base metals. During 1969 - 1971 a gossan was located on an IP anomaly, with rock chips assayed between 19.5% and 47% copper with silver values from 670g/t to 850g/t.

During 2008, Cazaly Resources Ltd completed field reconnaissance work over the Project and confirmed the location of the copper-bearing gossan. Rock chips returned results between 8.5% and 10.84% copper. The recently flow REPTM survey has shown that a magnetic anomaly is coincident with the gossan.

Limited historical drilling has been completed over the gossan.

The Company is considering further exploration opportunities including broad spaced geochemistry over the remainder of the Project leading to identify possible drill targets to test the gossan and the margins of the ultramafic unit. The prospective ultramafic – basalt contact zone strikes for over 6km within the Project Area but has received limited historical drill testing.

The Company continues to pursue heritage and environmental approvals for such programs.

For further information please visit the Company's website www.red-emperor.com

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The information that relates to exploration results from the Jillewarra Project is based on information compiled by Gregory Miles who is a Member of The Australian Institute of Geoscientists. Mr Miles is a full time employee of Cazaly Resources Limited who manage the Jillewarra Project on Red Emperors behalf. Mr Miles has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Miles consents to the inclusion of his name in the matters based on the information in the form and context in which it appears.