

26 November 2010

Manager of Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

By E-Lodgement

Option and Farm-In Agreement – Jillewarra Project

Red Emperor Resources NL (ASX: RMP) advises that it has farmed down its interest in the Jillewarra Project following completion of negotiations with Cazaly Resources Ltd (ASX: CAZ), through its wholly owned subsidiaries Cazaly Iron Pty Ltd and Sammy Resources Pty Ltd, and Metal Bank Limited (Metal Bank) in relation to the Jillewarra Project.

RMP has farmed down on its right to earn an initial 51% interest in the project by funding \$1,200,000 of exploration expenditure by February 2011 to a 25% interest which is free carried to bankable feasibility, subject to Metal Bank listing on ASX. In addition the term of the farm-in has been extended a further 7 months to 30 September 2011.

Upon payment of \$55,000 to CAZ, Metal Bank will be granted sole and exclusive rights to prospect and explore for all minerals on the project tenements currently owned by CAZ.

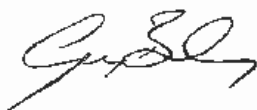
Metal Bank also has the right to earn an initial 26% interest in the project (being part of the 51% interest held by RMP) by:

- Issuing 500,000 shares in Metal Bank to CAZ at an issue price of \$0.20 upon conditional admission to the ASX;
- Issuing 500,000 shares in Metal Bank to RMP at an issue price of \$0.20 upon conditional admission to the ASX;
- Payment of \$55,000 to CAZ as mentioned above;
- Completion of the \$1,200,000 exploration expenditure within 9 months of listing on the ASX or 30 September 2011 (whichever is the later). Approximately \$500,000 of the \$1,200,000 has already been expended;
- Pre-payment to RMP of the costs of the August/September 2010 drilling program; and
- Payment of a 12% administration fee to CAZ for the management of exploration programs on behalf of Metal Bank and RMP.

Metal Bank will be responsible for paying all rates and rentals during the exploration period and shall also incur sufficient expenditure to meet pro-rata minimum expenditure commitments.

The Jillewarra Project consists of three mining tenements and covers part of the Mingah Range Greenstone Belt which is located between 50-75km WNW of Meekatharra, within the Meekatharra Mineral Field in the Murchison Province of Western Australia.

For and on behalf of the Board



Greg Bandy
Executive Director