

Term Sheet

No securities commission or other similar regulatory authority has passed on the merits of the securities offered herein nor has it reviewed this Term Sheet and any representation of the contrary is an offence. This Term Sheet is not, and under no circumstances is to be interpreted as, a prospectus, public information or advertisement of the securities described herein. Reference should be made to the subscription agreement, which terms shall govern.

Private Placement

July 25, 2007

RED JUGGERNAUT, INC. Private Placement up to \$300,000 Convertible Promissory Note

Investment Highlights

Red Juggernaut, Inc. (“RJ Inc.”) is an entertainment company that specializes in producing fun games and integrated experiences of high value and outstanding social interaction. The founders, Mr. James Long and Mr. Jon Leitheusser, have over thirty years combined experience in successfully designing, developing, marketing and selling adventure games. The Company’s vision is to become the leading developer of high quality games that offer a lifetime of playability for the adventure gaming industry

Issuer:	Red Juggernaut, Inc. (the “Company”)
Securities Issued:	The investor shall receive a Debt Instrument (the “Debt Instrument” or the “Note”) that is convertible into Common Stock (the “Common Stock”) and Warrants to purchase Common Stock (the “Warrants”). The Debt Instrument together with the Warrants shall be referred to herein as the “Securities”. The Debt Instrument shall be a general obligation of the Company.
Offering Size:	Issue amount of \$300,000
Note Term and Rate:	The Debt Instrument shall carry an interest rate of 12.5% per annum. Interest shall accrue from the Closing Date until paid in full at the maturity date or until the Note principal along with accrued interest is converted into Common Stock of the Company. The Note shall mature on September 1, 2010 (the “Maturity Date”).
Conversion:	The Debt Instrument will be convertible into one thousand (1,000) fully paid and non-assessable Common Shares of the Company, as adjusted for accrued interest payable, and represents an effective conversion price of \$300.00 per share. The Company shall have the right anytime prior to the Maturity Date to call for the conversion of the Note upon written notice to the investors, subject to the completion of a minimum equity financing of one million dollars (\$1,000,000).
Warrants:	At the Closing Date, the investors will be issued Common Share Purchase Warrants (the “Warrants”) equal to 50% coverage of the Note. Each Warrant represents the right to purchase one share of common stock for \$375.00 at any time prior to September 1, 2012.
Most Favored Nations Provision:	At any time during the term of the Note, if the Company consummates a private equity or equity-linked financing (the “New Financing”), the investors may exchange any remaining Notes at their stated value for the securities in the New Financing.
Reorganization, reclassification,	If at any time prior to conversion there occurs any capital reorganization or any reclassification of the capital stock of the Company, any consolidation or merger of

consolidation, merger, sale or stock split the Company with or into another entity, any stock split, or any sale or conveyance of all or substantially all of the assets of the Company to another entity, the investor shall be entitled to receive upon conversion of the Note the same kind and amounts of securities and other assets which the investor would have received as a holder of Common Stock if such conversion rights had been exercised immediately prior to such transaction.

Information Rights: So long as any of the Notes are outstanding, the Company will deliver to each investor audited annual and unaudited quarterly financial statements and other information reasonably requested by any such investor. This obligation will terminate upon maturity of the Note.

Inspection Rights: The Company will permit the investor or their authorized representatives, to visit and inspect the properties of the Company, including its corporate and financial records, and to discuss its business and finances with officers of the Company, during normal business hours following reasonable notice and as often as may be reasonably requested. This obligation will terminate upon maturity of the Note.

Conditions Precedent: All terms and conditions are subject to (1) the satisfactory completion of due diligence by the Investor(s), (2) completion of acceptable legal documentation, and (3) final approval and acceptance by the Investor(s).

Use of Proceeds: The net proceeds of the Offering will be used to fund the manufacturing and sales of the Company's products and for general corporate purposes.

Closing: September 1, 2007.

For further information, please contact:

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