EL 27389

PARTIAL RELINQUISHMENT REPORT

for period ending

January 17, 2014

1:250,000 map sheets: SF53-15 Illogwa Creek

Licensee: Red Metal Limited

G. McKay
Red Metal Limited
30 January 2014
<table>
<thead>
<tr>
<th>TENEMENT REPORT INDEX</th>
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<td>TENEMENT:</td>
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<tr>
<td>PROJECT:</td>
</tr>
<tr>
<td>REPORTING PERIOD:</td>
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</table>

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Table of Contents

SUMMARY............................................................................................................................... 1
1.0 INTRODUCTION ........................................................................................................ 2
2.0 LOCATION AND LAND USE ................................................................................... 2
3.0 TENEMENT STATUS .............................................................................................. 3
4.0 TENEMENT GEOLOGY ........................................................................................... 3
5.0 HISTORICAL EXPLORATION .............................................................................. 4
6.0 EXPLORATION PROGRAM ................................................................................... 4
7.0 CONCLUSIONS ........................................................................................................... 4
8.0 References/Bibliography .............................................................................................. 4

List of Tables

TABLE 1 - TENEMENT DETAILS ....................................................................................... 3

List of Figures

Figure 1 Location EL 27389 ......................................................................................... 2
Figure 2 EL 27389 relinquished blocks ....................................................................... 3
Figure 3 Regional geology ............................................................................................. 5
Figure 4 Regional magnetic image - TMI ...................................................................... 5
Figure 5 Regional vertical gradient magnetic image ....................................................... 6

List of Digital Files

EL27389_2014_P.pdf (This report)
SUMMARY

EL 27389 was acquired to investigate airborne magnetic anomalies within the Neoproterozoic Eastern Arunta Province (Irindina Province), considered to have potential for copper-nickel mineralisation in a continuation of the new style of pyrrhotite copper-cobalt mineralisation discovered in the region by Mithril Resources.

The work carried out on the relinquished portion of EL 27389 included a review of geology and existing airborne geophysical data.

The relinquished portion was considered to have lower potential.
1.0 INTRODUCTION

This report summarises exploration activities undertaken over the relinquished portion of Exploration Licence 27389 since grant.

2.0 LOCATION AND LAND USE

EL 27389 is located 180 km east of Alice Springs, east of the Harts Ranges, 40km south of the Plenty Highway (Figure 1). Access is via unsealed roads and tracks within a pastoral lease. The tenement area has low relief, with sparse vegetation.
3.0 TENEMENT STATUS

EL 27389 was granted to Red Metal Limited over 14 blocks on January 18, 2010 for a period of six years. The tenement area has been progressively reduced.

Details of EL 27389 are shown in Table 1. Location of the tenement is shown in Figure 1.

<table>
<thead>
<tr>
<th>TENEMENT</th>
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<th>Partial Relinquishment</th>
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<td>Jan 17, 2014</td>
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Figure 2: EL 27268 relinquished blocks hatched

4.0 TENEMENT GEOLOGY

The tenement is located in the Neoproterozoic Eastern Arunta province (Irindina Province) with shallow Quaternary cover sediments.

The area was considered by Red Metal to have potential to host intrusive-style copper-nickel mineralisation.
5.0 HISTORICAL EXPLORATION

Several companies have attempted exploration within the vicinity of EL 27389.

<table>
<thead>
<tr>
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<th>Years</th>
<th>Company</th>
<th>Target</th>
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<td>BHP Minerals</td>
<td>Base metals</td>
<td>Soil &amp; stream sampling, SIROTEM on mag anomalies, RC drilling</td>
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<td>22919, 22920</td>
<td>Sep02-Aug05</td>
<td>Tanami Exploration</td>
<td>Ultramafic PGM &amp; gold</td>
<td>rc sampling</td>
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<tr>
<td>23998</td>
<td>May04-Mar07</td>
<td>BHP Billiton Minerals</td>
<td>Base metals, Fe-Cu-Au</td>
<td>Airborne grav, ground grav, diamond drilling</td>
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</tbody>
</table>

6.0 EXPLORATION PROGRAM

Red Metal conducted a review of existing data. No fieldwork was conducted on the relinquished portion.

7.0 CONCLUSIONS

EL 27389 was acquired to investigate the potential for intrusive-related copper-nickel mineralisation in a continuation of the new style of pyrrhotite copper-cobalt mineralisation discovered in the region by Mithril Resources. The relinquished portion was considered to have lower potential.

8.0 References/Bibliography

Figure 3: regional geology

Figure 4: regional magnetic image – TMI
Figure 5: vertical gradient magnetic image