EL 24145

ANNUAL REPORT

for period ended

August 7, 2014

1:250,000 map sheet: SE53-14, SF53-02 (Tennant Creek, Bonney Well)

Licensee: Red Metal Limited

G. McKay

Red Metal Limited

21 October 2014
TENEMENT REPORT INDEX

HOLDER / OPERATOR: Red Metal Limited

TENEMENT: EL 24145

REPORTING PERIOD: August 8, 2013 to August 7, 2014

AUTHOR: G. McKay

STATE: NT

LATITUDE: 134º 45’ to 135º 00’

LONGITUDE: -19º 55’ to –20º 09’

1:250,000 SHEET: SE53-14, SF53-02 (Tennant Creek, Bonney Well)

1:100,000 SHEET: 5958, 5857 (Gosse River, Ooradidgee)

MINERAL PROVINCE: Tennant Creek Inlier

COMMODITIES: Cu Au

KEYWORDS: Data Review

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SUMMARY

EL 24145 was acquired to investigate aeromagnetic anomalies south-east of Tennant Creek within the Palaeoproterozoic basement rocks. The area is considered prospective for copper, gold and base metal mineralisation associated with Iron Oxide Copper Gold (IOCG) mineralising systems within the Proterozoic Warrumunga Formation.

The work carried out on EL 24145 comprised a review of existing data and planning of an airborne survey and geochemical soil sampling over selected aeromagnetic anomalies.
1.0 INTRODUCTION

This report summarises exploration activities undertaken over Exploration Licence 24145 for the first year of tenure to August 7, 2014.

2.0 LOCATION AND LAND USE

EL 24145 is located 85 km south-east of Tennant Creek (figure 1). Access is via unsealed roads and tracks within Warumungu Aboriginal Land.

![Figure 1: EL 24145 location](image)

3.0 TENEMENT STATUS

EL 24145 was granted to Red Metal Limited on 8 August 2013 over 152 blocks for a period of six years. It covers land owned by the Warumungu Aboriginal Land Trust. An agreement was reached with the Central Land Council for access and exploration.

Details of EL 24145 are shown in Table 1. Location of the tenement is shown in Figure 1.
Table 1: Tenement Details

<table>
<thead>
<tr>
<th>TENEMENT</th>
<th>HOLDER</th>
<th>GRANTED</th>
<th>EXPIRY</th>
<th>Blocks</th>
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<td>Red Metal Limited</td>
<td>August 8, 2013</td>
<td>August 7, 2019</td>
<td>152</td>
</tr>
</tbody>
</table>

3.0 TENEMENT GEOLOGY

The area is considered prospective for copper, gold and base metal mineralisation associated with Iron Oxide Copper Gold (IOCG) mineralising systems within the Proterozoic Warrumunga Formation.

The tenement is covered mostly by thin unconsolidated Cainozoic sediments which overlie Cambrian units (chert, limestone, calcimudstone). Palaeoproterozoic basement units are considered to be the source of the magnetic and gravity anomalies and the potential host to ironstone associated gold-copper mineralisation.

4.0 HISTORICAL EXPLORATION

Field exploration within the area of EL 24145 was conducted by the following companies for copper-gold.

The exploration targets were airborne magnetic anomalies. Activities included airborne surveys, ground magnetic surveys, rock chip sampling, auger, percussion and diamond drilling.

<table>
<thead>
<tr>
<th>Licence</th>
<th>Years</th>
<th>Company</th>
<th>Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL5356</td>
<td>1990</td>
<td>Peko-Wallsend Operations</td>
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</tr>
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</table>

5.0 CURRENT EXPLORATION PROGRAM

Red Metal conducted a review of available airborne data and historic reports and planned a future work program of soil and rock chip sampling over the main magnetic anomalies.

A Sacred Site Clearance Certificate was obtained from the Central Land Council after heritage inspections of the proposed work sites.

It was decided to conduct a heliborne magnetic/radiometric survey prior to the ground work, probably in December 2014.
6.0 CONCLUSIONS

EL 24145 was acquired to investigate airborne magnetic features under shallow cover south-east of Tennant Creek targeting both magnetite and hematite associated copper-gold mineralisation.

A future program of heliborne magnetic surveying and geochemical soil sampling is planned, in conjunction with other Red Metal licences in the Tennant Creek region.

Figure 2
EL 24145 regional TMI image
Figure 3
EL 24145 interpreted geology 1:500,000 (NTGS)