EL 27265

PARTIAL RELINQUISHMENT REPORT

for period ending

March 18, 2016

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

Licensee: Red Metal Limited

G. McKay

Red Metal Limited

11 March 2016
TENEMENT REPORT INDEX

HOLDER / OPERATOR: Red Metal Limited

TENEMENT: EL 27265

PROJECT: East Illogwa Creek #1

REPORTING PERIOD: March 19, 2015 to March 18, 2016

AUTHOR: G. McKay

LATITUDE: 135º 40’ to 135º 56’

LONGITUDE: -23º 30’ to -23º 49’

1:250,000 SHEET: SF53-15 Illogwa Creek

1:100,000 SHEET: Illogwa 6050

MINERAL PROVINCE: Eastern Arunta Province (Irindina Province)

COMMODITIES: Base metals

KEYWORDS: Regional review, aeromagnetic data review

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List of Digital Files

EL27265_2016_01 Partial Relinquishment Report.pdf (This report)
SUMMARY

EL 27265 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 27265 included a review of geology and existing 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 27265 since grant.

2.0 LOCATION AND LAND USE

EL 27265 is located 200 km east of Alice Springs, east of the Harts Ranges, 70km south of the Plenty Highway (Figure 1). Access is via unsealed roads and tracks. The tenement area has low relief, with sparse vegetation. The land is Aboriginal Freehold, held by the Atnetye Aboriginal Land Trust.

Figure 1: Tenement location with relinquished blocks hatched
3.0 TENEMENT STATUS

EL 27265 was granted to Red Metal Limited over 240 blocks on March 19, 2015 for a period of six years. The tenement area has been reduced to 98 blocks.

Details of EL 27265 are shown in Table 1 and Figure 2.

Table 1 - Tenement Details

<table>
<thead>
<tr>
<th>TENEMENT</th>
<th>HOLDER</th>
<th>GRANTED</th>
<th>Partial Relinquishment</th>
<th>Blocks Relinquished</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 27265</td>
<td>Red Metal Limited</td>
<td>Mar 19, 2015</td>
<td>Mar 18, 2016</td>
<td>142</td>
</tr>
</tbody>
</table>

Figure 2: EL 27265 relinquished blocks hatched
4.0 TENEMENT GEOLOGY

The tenement is located in the Neoproterozoic Eastern Arunta province (Irindina Province) with shallow Quaternary cover sediments (see Figure 4).

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

5.0 HISTORICAL EXPLORATION

Previous companies which attempted exploration within the vicinity of EL 27265 include:

<table>
<thead>
<tr>
<th>Licence</th>
<th>Years</th>
<th>Company</th>
<th>Target</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>7179</td>
<td>Dec90-Jan02</td>
<td>BHP Minerals</td>
<td>Base metals</td>
<td>Soil &amp; stream sed sampling, SIROTEM on mag anomalies, RC drilling mag anomalies</td>
</tr>
<tr>
<td>8861</td>
<td>Nov94-Dec95</td>
<td>Poseidon Gold</td>
<td>Ultramafic PGM &amp; gold</td>
<td>RAB drilling on previous BHP anomalies</td>
</tr>
</tbody>
</table>

6.0 EXPLORATION PROGRAM

Red Metal conducted a review of existing data for EL 27265. Figure 3 shows a regional magnetic image. No fieldwork was conducted on the relinquished portion.

7.0 CONCLUSIONS

EL 27265 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 magnetic image – TMI
Figure 4: regional geology