EL 24009

PARTIAL RELINQUISHMENT REPORT

for period ended

August 7, 2016

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

Licensee: Red Metal Limited

G. McKay
Red Metal Limited
8 September 2016
TENEMENT REPORT INDEX

HOLDER / OPERATOR: Red Metal Limited

TENEMENT: EL 24009

REPORTING PERIOD: August 8, 2015 to August 7, 2016

AUTHOR: G. McKay

STATE: NT

LATITUDE: 134° 33’ to 134° 50’

LONGITUDE: -19° 46’ to –20° 02’

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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List of Digital Files

EL24009_2016_A_01 Partial Relinquishment Report Body.pdf   (This report)
EL24009_2016_A_02 Relinquished Soil Geochem.txt
EL24009_2016_A_03 Relinquished Aeromag.gdf.zip
EL24009_2016_A_04 Relinquished Aeromag grids.zip
EL24009_2016_A_05 Report Relinquished Airborne Survey.pdf

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SUMMARY

EL 24009 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.

Within the relinquished portion of EL 24009, two heliborne survey grids were surveyed and soil sampling was conducted in three locations.
1.0 INTRODUCTION

This report summarises exploration activities undertaken over the relinquished portion of Exploration Licence 24009 since grant on 8/8/2013.

2.0 LOCATION AND LAND USE

EL 24009 is located 60 km south-east of Tennant Creek (figure 1). Access is via unsealed roads and tracks within Warumungu Aboriginal Land.

![Figure 1: EL 24009 location – relinquished portion hatched](image)

3.0 TENEMENT STATUS

EL 24009 was granted to Red Metal Limited on 8 August 2013 over 204 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. The area was reduced to 102 blocks from 8 August 2015.

Details of EL 24009 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>Partial Surrender</th>
<th>Blocks Surrendered</th>
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<td>Red Metal Limited</td>
<td>August 8, 2013</td>
<td>August 7, 2016</td>
<td>72</td>
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</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 Cainoico sediments which overly 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 24009 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>
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<tr>
<td>EL5356</td>
<td>1990</td>
<td>Peko-Wallsend Operations</td>
<td>CR1990-0608</td>
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<tr>
<td>EL7794</td>
<td>1993</td>
<td>North Flinders Mines</td>
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5.0 CURRENT EXPLORATION PROGRAM

Within the relinquished area, a heliborne magnetic/radiometric survey was conducted by Aerosystems Pty Ltd (South Australia) in October 2014 over two small areas (see Figure 5). The survey better defined the known aeromagnetic anomaly within the tenement.

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

A program of geochemical soil and rock chip sampling was completed in June 2015 over three areas of magnetic interest (Figure 5). No anomalous soil geochemistry was detected.

6.0 CONCLUSIONS

EL 24009 was acquired to investigate airborne magnetic features under shallow cover south-east of Tennant Creek targeting both magnetite and hematite associated copper-gold mineralisation.

Red Metal conducted a review of results and the relinquished portion of EL 24009 was interpreted to have lower exploration potential.
Figure 3
Regional TMI image – relinquished portion hatched
Figure 4
Interpreted geology 1:500,000 (NTGS)
Figure 5
Soil sampling locations and heliborne survey grids