EL 24009

ANNUAL 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: 134º 33’ to 134º 50’

LONGITUDE: -19º 46’ to –20º 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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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.

The work carried out on EL 24009 during the twelve months consisted of a review of existing data.
1.0 INTRODUCTION

This report summarises exploration activities undertaken over Exploration Licence 24009 for the third year of tenure to August 7, 2016.

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

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 in 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>EXPIRY</th>
<th>Blocks</th>
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<td>Red Metal Limited</td>
<td>August 8, 2013</td>
<td>August 7, 2019</td>
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</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 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>
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<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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<td>EL7794</td>
<td>1993</td>
<td>North Flinders Mines</td>
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5.0 CURRENT EXPLORATION PROGRAM

Red Metal conducted a review of previous results and planned future work programs.

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.
A follow-up program of geochemical soil sampling as well as test drilling of anomalies is being considered. Red Metal Limited is seeking a joint venture partner for future programs.

Figure 2
EL 24009 regional TMI image with target zones
Figure 3
EL 24009 interpreted geology 1:500,000 (NTGS)