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EL 27266

ANNUAL REPORT

for period ended

April 18, 2019

1:250,000 map sheet: SF53-16 (Hay River)

Licensee: Red Metal Limited

J. Pienmunne

Red Metal Limited

9 May 2019

TENEMENT REPORT INDEX

HOLDER / OPERATOR:	Red Metal Limited
TENEMENT:	EL 27266
REPORTING PERIOD:	April 19, 2018 to April 18, 2019
AUTHOR:	J. Pienmunne
STATE:	NT
LATITUDE:	137º 04’ to 137º 35’
LONGITUDE:	-23º 31’ to –23º 42’
1:250,000 SHEET:	SF53-16 (Hay River)
1:100,000 SHEET:	6350, 6450 (Lake Caroline, Field River)
MINERAL PROVINCE:	Irindina
COMMODITIES:	Cu, Au
KEYWORDS:	Geophysical Anomalies, Data Review

Table of Contents

List of Tables

List of Figures

List of Digital Files

SUMMARY

Red Metal Limited is the holder and operator of Exploration Licence 27266 located 340 east of Alice Springs. This report summarises exploration activities for the year ending 18 April 2019 and is the first Annual report in respect of this licence.

Work to date comprised a limited review and modelling of geophysical data, review of previous exploration and planning of ground based EM surveys.

Work to date has identified geophysical anomalies within EL 27266 which may represent mineralisation similar to that at KGL Resources' Jervois project to the north–east where magnetite – chalcopyrite mineralisation contains significant copper and gold; or intrusive related pyrrhotite hosted nickel–copper mineralisation.

Further exploration of the identified anomalies is impeded by the depth of Eromanga Basin sediments up to 200 metres thick which prevents the use of airborne electromagnetic methods and will therefore require the utilisation of ground based EM surveys which will be logistically challenging considering the remoteness of the area and the difficult terrain.

1.0 INTRODUCTION

Red Metal Limited (Red Metal) is the holder and operator of Exploration Licence (EL) 27266. This report summarises exploration activities for the year ending 18 April 2019 and is the first Annual report in respect of this licence.

2.0 LOCATION AND ACCESS

EL 27266 is located 340 east of Alice Springs (Figure 1). Access is via unsealed roads and tracks within Atnetye Aboriginal Land.

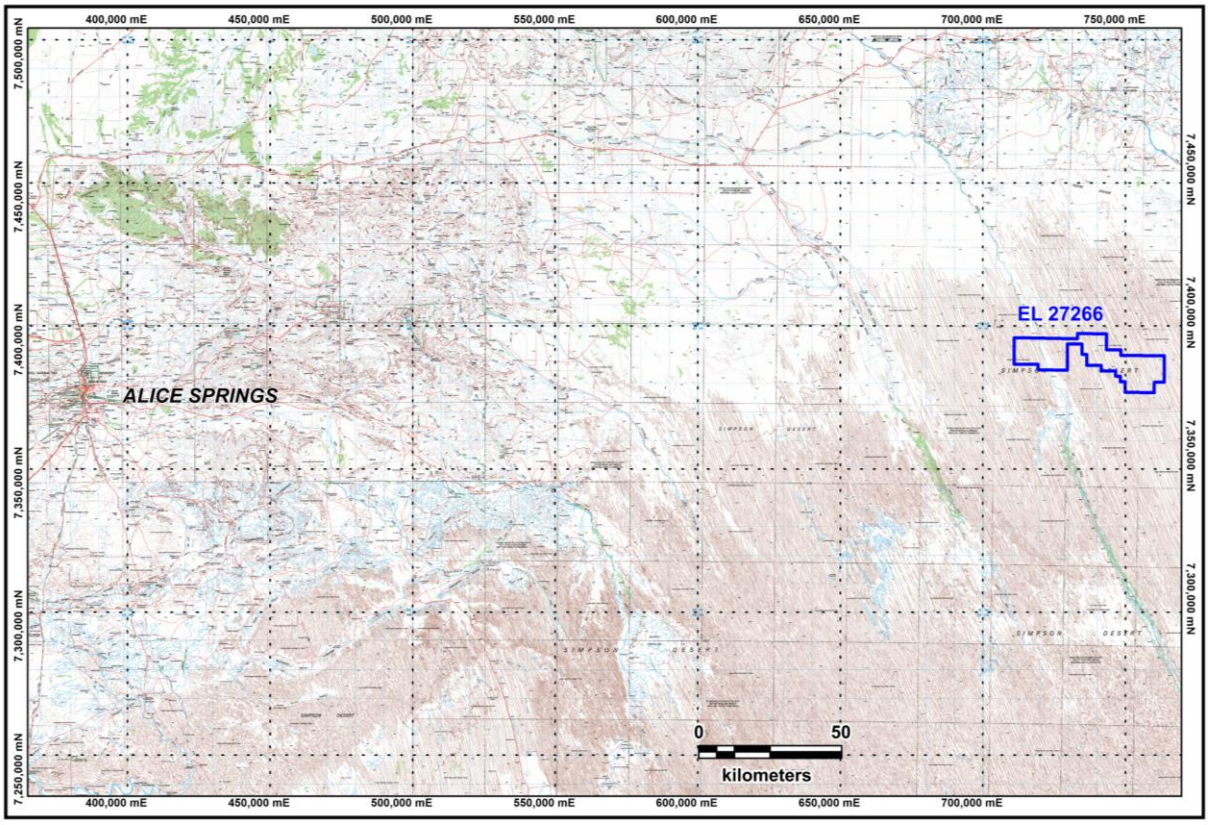

Figure 1: EL 27266 Location

3.0 TENEMENT DETAILS

EL 27266 comprising 204 blocks was granted to Red Metal Limited on 19 April 2018 for a period of six years. It covers land owned by the Atnetye Aboriginal Land Trust. An agreement was reached with the Central Land Council for access and exploration. The sub-blocks are listed in Table 1 below.

Table 1: EL 27266 Sub-blocks

Map Sheet	Block	Sub-blocks
SF53	3085	p,u ,z
SF53	3086	l, m, n, o, p, q, r, s, t, u, v, w, x, y, z
SF53	3088	h, j, k, l, m, n, o, p, t, u, y, z
SF53	3089	f, g, h, l, m, n, q, r, s, v, w, x, y, z
SF53	3090	v
SF53	3157	e, k
SF53	3158	a, b, c, d, e, f, g, h, j, k, p
SF53	3159	a, b, c, d, e, f, g, h, j, k, l, m, n, o, p
SF53	3160	e, k
SF53	3161	a, b, c, d, e, f, g, h, j, k, m, n, o, p
SF53	3162	a, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, u, w, x, y, z
SF53	3163	a, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, u, v, w, x, y, z
SF53	3164	c, d, e, h, j, k
SF53	3235	a, b, c, f, g, h

4.0 TENEMENT GEOLOGY

The surface geology of the tenement is dominated by Quaternary longitudinal sand dunes and alluvial cover. The basement geology (Figure 2) comprises Proterozoic age metamorphic rocks of Strangways Metamorphic Complex (felsic and mafic gneisses, metavolcanics and metapelites) and Harts Range Group (metapelites, metabasites, calc-silicates, marbles and quartzites) and sedimentary rocks of the Georgina Basin (sandstones, diamictites and limestones). Data from water bore RN011353 (Figure 2) indicates that Eromanga Basin rocks extend to within the area of the tenement; the bore intersected 194 m of mainly grey siltstone with lesser limestone and sandstone before passing into biotite gneiss basement.

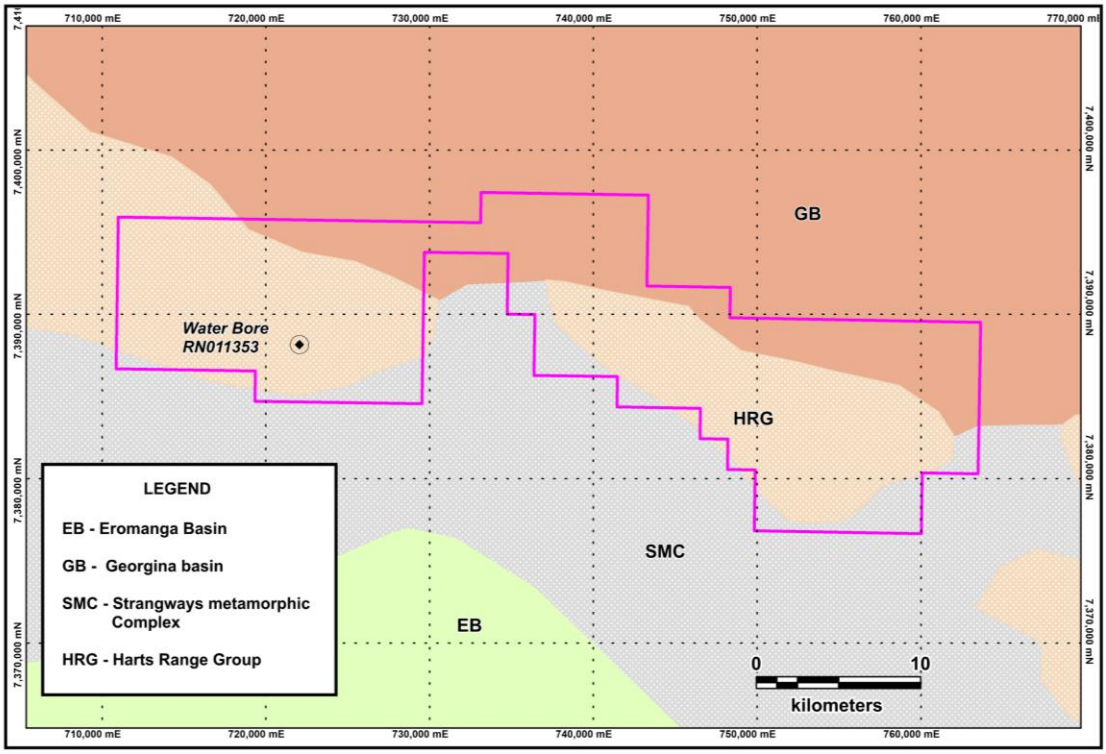

Figure 2: EL 27266 Interpreted Basement Geology

4.0 PREVIOUS EXPLORATION

Previous exploration over the area of EL 27266 has been conducted by only one company; AusQuest. The company held ELs 22873 and 22874 (2006 – 07) which covered almost the entire EL 27266. The tenements were acquired as part of a larger project, searching for Broken Hill Style lead-zinc-silver mineralisation within a fault corridor, extending WNW-ESE through the region. The company planned to use airborne electromagnetic methods to detect massive sulphide deposits. However, data from nearby water bores indicted that sedimentary rocks of the Cretaceous Age Eromanga Basin extended within the area of EL 22874 and being up to 200 thick would make airborne EM an ineffective exploration method.

5.0 EXPLORATION 2018 - 2019

Red Metal identified magnetic anomalies from regional magnetic data that may represent mineralisation similar to that at KGL Resources' Jervois project to the north – east where magnetite – chalcopyrite mineralisation contains significant copper and gold; or intrusive related pyrrhotite hosted nickel – copper mineralisation.

Work to date has comprised limited review and modelling of geophysical data, review of previous exploration and planning of ground based EM surveys.

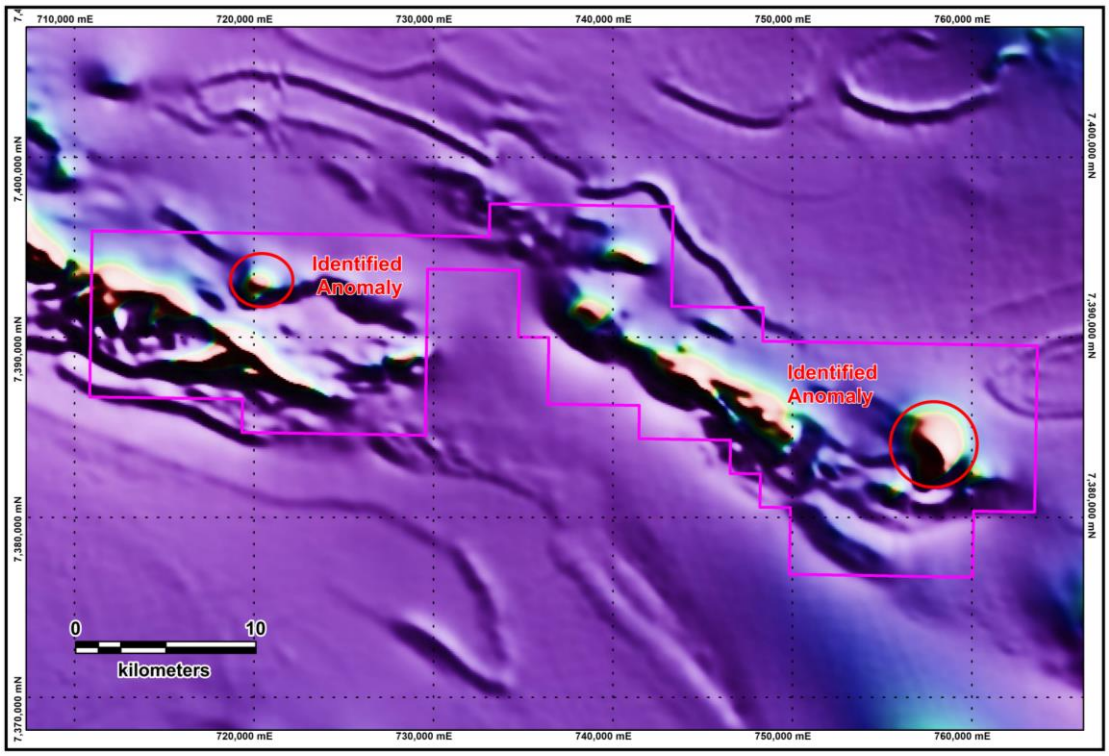

Figure 3: Regional Total Magnetic Intensity

6.0 CONCLUSIONS

The geophysical anomalies identified within EL 27266 may represent significant mineralisation. Further exploration of the identified anomalies is impeded by the depth of Eromanga Basin sediments up to 200 metres thick which prevents the use of airborne electromagnetic methods and will therefore require the utilisation of ground based EM surveys which will be logistically challenging considering the remoteness of the area and the difficult terrain.

7.0 REFERENCES

Thornett J. and Lee S. 2007: Combined First Annual and Relinquishment Report, Plenty River EL 28874. AusQuest Report to Northern Territory Department of Primary Industries, CR2006-0598.

Thornett J. and Lee S. 2007: Combined First Annual and Relinquishment Report, Plenty River EL 28873. AusQuest Report to Northern Territory Department of Primary Industries, CR2006-0597.