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EL 27266

SURRENDER REPORT

FOR PERIOD ENDED

MARCH 27, 2024

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

Licensee: Red Metal Limited

J. Pienmunne

Red Metal Limited

11 April 2024

TENEMENT REPORT INDEX

HOLDER / OPERATOR:	Red Metal Limited
TENEMENT:	EL 27266
REPORTING PERIOD:	April 19, 2018 to March 27, 2024
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

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SUMMARY

Red Metal Limited was the holder and operator of Exploration Licence 27266 located 340 km east of Alice Springs. This report summarises all previous exploration and details work conducted for the term ending 27 March 2024, the cessation date of the tenement. This is the sixth and Final Report in respect of this licence.

Exploration during 2018 – 2019 comprised:

- Review and modelling of geophysical data
- Review of previous exploration
- Planning of ground based EM surveys.

Exploration during 2019 – 2020 comprised:

- Review and modelling of geophysical data
- Planning of ground based EM surveys.

Exploration during 2020 – 2021 comprised:

- Review and modelling of geophysical data
- Planning of ground based EM surveys. The survey could not, however, be completed due to travel restrictions imposed by the COVID-19 pandemic and due to crew unavailability. The Julimar nickel discovery in Western Australia resulted in a high demand for EM contractors with the deep penetrating low temperature SQUID equipment and Red Metal was unable to engage such a contractor to perform the planned survey at this very remote location.

Exploration during 2021 – 2022 comprised:

- Review and modelling of geophysical data
- Design of high quality ground gravity survey over five target areas on EL 27266. The survey could not however be conducted due to unavailability of a crew capable of operating at this extremely remote location.

Exploration during 2022 – 2023 comprised:

- Modelling of magnetic data
- Generation of a UBC Voxel model generated.
- Generation of magnetic shells for 75,000 ms, 100,000 ms and 200,000 ms.

Exploration during 2023 – 2024 comprised:

- Review of all data.

The geophysical anomalies identified within EL 27266 may represent significant mineralisation. Modelling of the two most prominent anomalies (see 2021 Annual Report); the West and East anomalies indicates that the anomalies are sourced by steeply dipping bodies at depths of

approximately 550 m and 660 m respectively. 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.

Analysis and modelling of data led Red Metal to conclude that the magnetic features in the eastern portion of the tenement warrant further investigation and designed a ground gravity survey to this end. However, due to the remoteness of the tenement no contractor could by engaged to conduct the survey. Coupled with this the fall in the nickel price led Red Metal to surrender the tenement.

1.0 INTRODUCTION

Red Metal Limited (Red Metal) was the holder and operator of Exploration Licence (EL) 27266. This report summarises all previous exploration and details work conducted for the term ending 27 March 2024, the cessation date of the tenement. This is the sixth and Final Report in respect of this licence.

2.0 LOCATION AND ACCESS

EL 27266 was extremely remote being 340 km east of Alice Springs (Figure 1). Access was via unsealed roads and tracks within Atnetye Aboriginal Land.

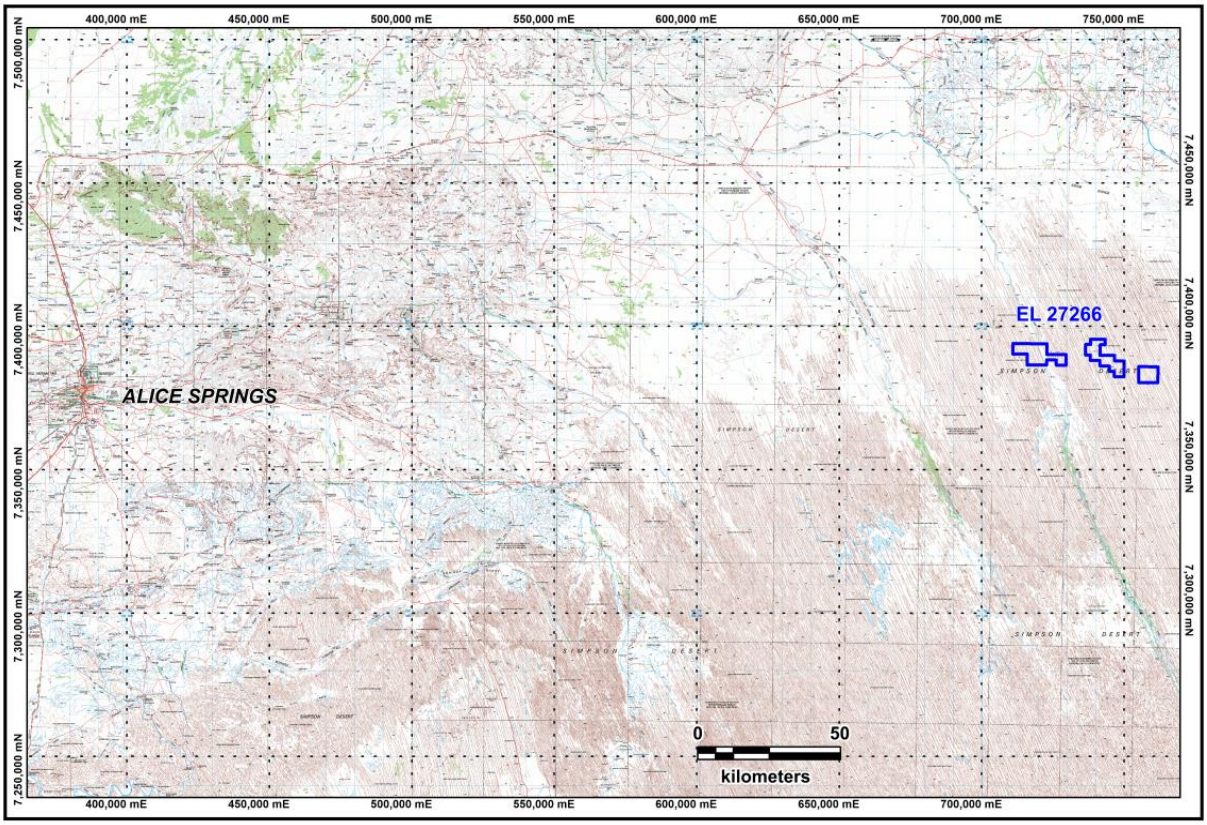

Figure 1: EL 27266 Location

3.0 TENEMENT DETAILS

EL 27266 comprising 164 blocks was granted to Red Metal Limited on 19 April 2018 for a period of six years. It covered land owned by the Atnetye Aboriginal Land Trust. An agreement was reached with the Central Land Council for access and exploration. The original sub-blocks are listed in Table 1 below.

Table 1: EL 27266 Sub-blocks at Grant

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	3087	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 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	3234	c d e h j k
SF53	3235	a b c f g h

The tenement was reduced to 64 sub-blocks in June 2020. The retained sub-blocks are listed in Table 2 and shown in Figure 2.

Table 2: EL 27266 Retained Sub-blocks

Map Sheet	Block	Sub-blocks
SF53	3085	u z
SF53	3086	q r s t u v w x y z
SF53	3087	q v
SF53	3088	u z
SF53	3089	l m n q r v w
SF53	3158	c d e h j k
SF53	3159	a b c d e f j k
SF53	3161	a b c d e h j k p
SF53	3162	f g l m q r
SF53	3163	l m n o q r s t v w x y

A Waiver for Reduction (Form 29) was submitted on 16/05/2022.

An application for the surrender of the tenement was accepted by the NT Department of Industry, Tourism and Trade on 27/03/2024, the cessation date for the tenement.

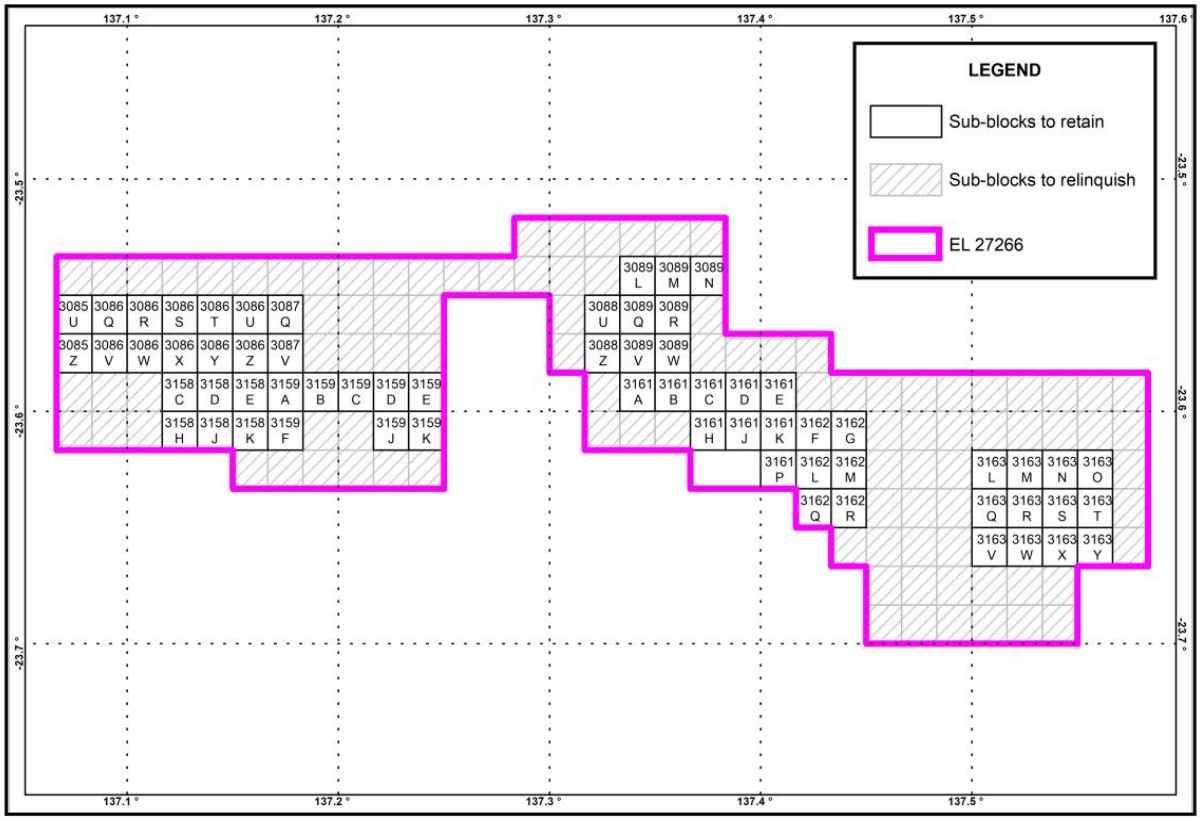

Figure 2: EL 27266 Retained Sub-blocks

4.0 TENEMENT GEOLOGY

The surface geology of the tenement is dominated by Quaternary longitudinal sand dunes and alluvial cover. The basement geology (Figure 3) 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 3) 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.

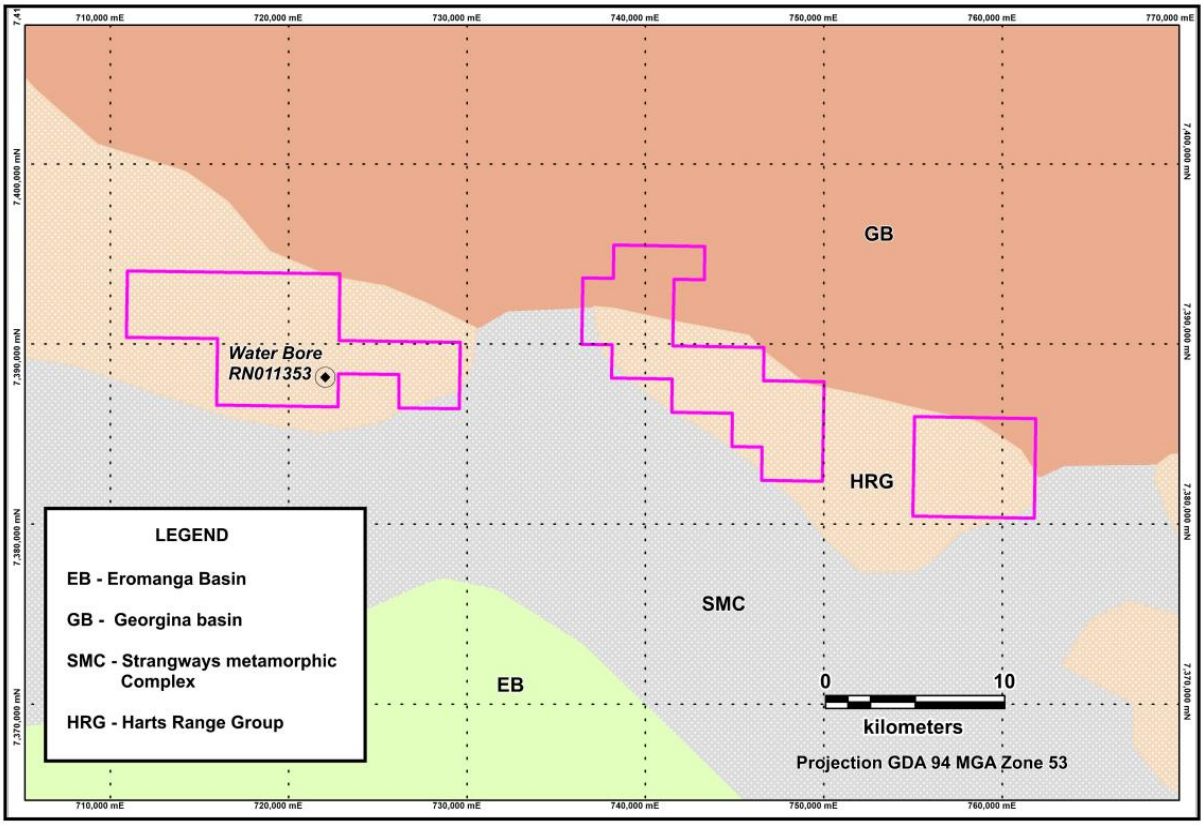

Figure 3: EL 27266 Interpreted Basement Geology

5.0 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.

6.0 PREVIOUS EXPLORATION BY RED METAL

<u>Exploration during 2018 – 2019 comprised:</u>

- Review and modelling of geophysical data
- Review of previous exploration
- Planning of ground based EM surveys.

<u>Exploration during 2019 – 2020 comprised:</u>

- Review and modelling of geophysical data
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7.0 EXPLORATION 2023 - 2024

EL 27266 covered a series of airborne magnetic anomalies that Red Metal postulated to have potential to host intrusive related pyrrhotite hosted nickel – copper mineralisation. Modelling of data led the company to conclude that the anomalies are sourced by bodies at depths of approximately 550 – 600 metres.

The company planned to further investigate the anomalies with ground based geophysical surveys (gravity, low-temperature EM). Concentrated efforts to engage a geophysical contractor to conduct such surveys have been, to date, unsuccessful; mainly due to the remoteness of the tenement. As a result, the company has not been able to advance its planned exploration efforts on the tenement.

This, coupled with the recent dramatic fall in the price of nickel led the company to reevaluate the potential of EL 27266 and it was decided to surrender the tenement.

8.0 CONCLUSIONS

The geophysical anomalies identified within EL 27266 may represent significant mineralisation. Modelling of the two most prominent anomalies (see 2021 Annual Report); the West and East anomalies indicates that the anomalies are sourced by steeply dipping bodies at depths of approximately 550 m and 660 m respectively. 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.

Analysis and modelling of data led Red Metal to conclude that the magnetic features in the eastern portion of the tenement warrant further investigation and designed a ground gravity survey to this end. However, due to the remoteness of the tenement no contractor could by engaged to conduct the survey. Coupled with this the fall in the nickel price led Red Metal to surrender the tenement.

9.0 REFERENCES

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