red metal limited

ACN 103 367 684

ASX Code: RDM

Red Metal Limited is a minerals exploration company focused on the exploration, evaluation and development of Australian copper-gold and basemetal deposits.

Issued Capital:

245,591,743
Ordinary shares

11,025,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

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ASX ANNOUNCEMENT
23 October 2020

RE-ISSUE OF MOUNT SKIPPER DRILLING UPDATE WITH APPENDED JORC TABLES

Red Metal Limited (ASX: RDM) has re-issued the ASX announcement dated 9 September 2020 titled Mount Skipper: Follow-Up Drilling Completed, now with appended JORC Tables.

This ASX announcement was authorised by the Board of Directors.

For further information concerning Red Metal's operations and plans for the future please refer to the recently updated web site or contact Rob Rutherford, Managing Director at:

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ASX ANNOUNCEMENT
23 OCTOBER 2020

MOUNT SKIPPER: FOLLOW-UP DRILLING COMPLETED

The follow-up diamond core drill hole designed to test a regional magnetic anomaly was terminated at 1193.5 metres after intersecting a 153 metre interval of hydrothermal alteration and veining containing weak iron sulphide mineralisation and traces of copper sulphide mineralisation.

The wide interval of hydrothermal alteration from 712 metres to 865 metres is associated with calcsilicate-carbonate-quartz veining and strong silicification, ablitisation and calcsilicate alteration of the wall rocks (Figures 1a and 1b). The sulphides (0.5-2 volume %) occur as vein fill and wall rock disseminations in meta-sedimentary host rocks. A separate 3.5 metre interval of silica-biotite-chalcopyrite mineralisation (Figure 1c) and a single narrow 0.7 metre interval of coarse-grained, hydrothermal magnetite near the end of hole suggest a possible magnetite association with some of the copper mineralisation. No economically significant intervals of copper mineralisation or lead-zinc mineralisation are visible.

Host rocks surrounding the hydrothermal sulphide zone comprise coarse spotted sillimanite-biotite-quartz-garnet-feldspar gneiss and quartz-biotite granofels after metamorphosed sedimentary rock types which contain fine magnetite with the biotite. These rock types are weakly magnetic but less magnetic than predicted from geophysical models.

Down-hole electromagnetic surveying was attempted but had to be abandoned due to the high in-hole temperatures affecting the survey equipment.

A deep penetrating ground electromagnetic survey technique (SQUID EM) is planned over the target in about 2 months and it is hoped this technique will help locate zones of strong copper sulphide mineralisation within the broader magnetic anomaly.

Detailed petrology and magnetic remanence tests will be conducted on the core to validate the magnetic source to the anomaly and help constrain future magnetic models. Assays for base metals, gold and other trace elements are pending.

The drill rig has now mobilised to the Company's Three Ways project (Figure 2) to start a 2400m metre proof of concept drill program testing three separate, high conductance magnetotelluric (MT) anomalies.

The Mount Skipper and Three Ways programs are funded by OZ Minerals (ASX:OZL) under the terms of the Greenfields Discovery Alliance.

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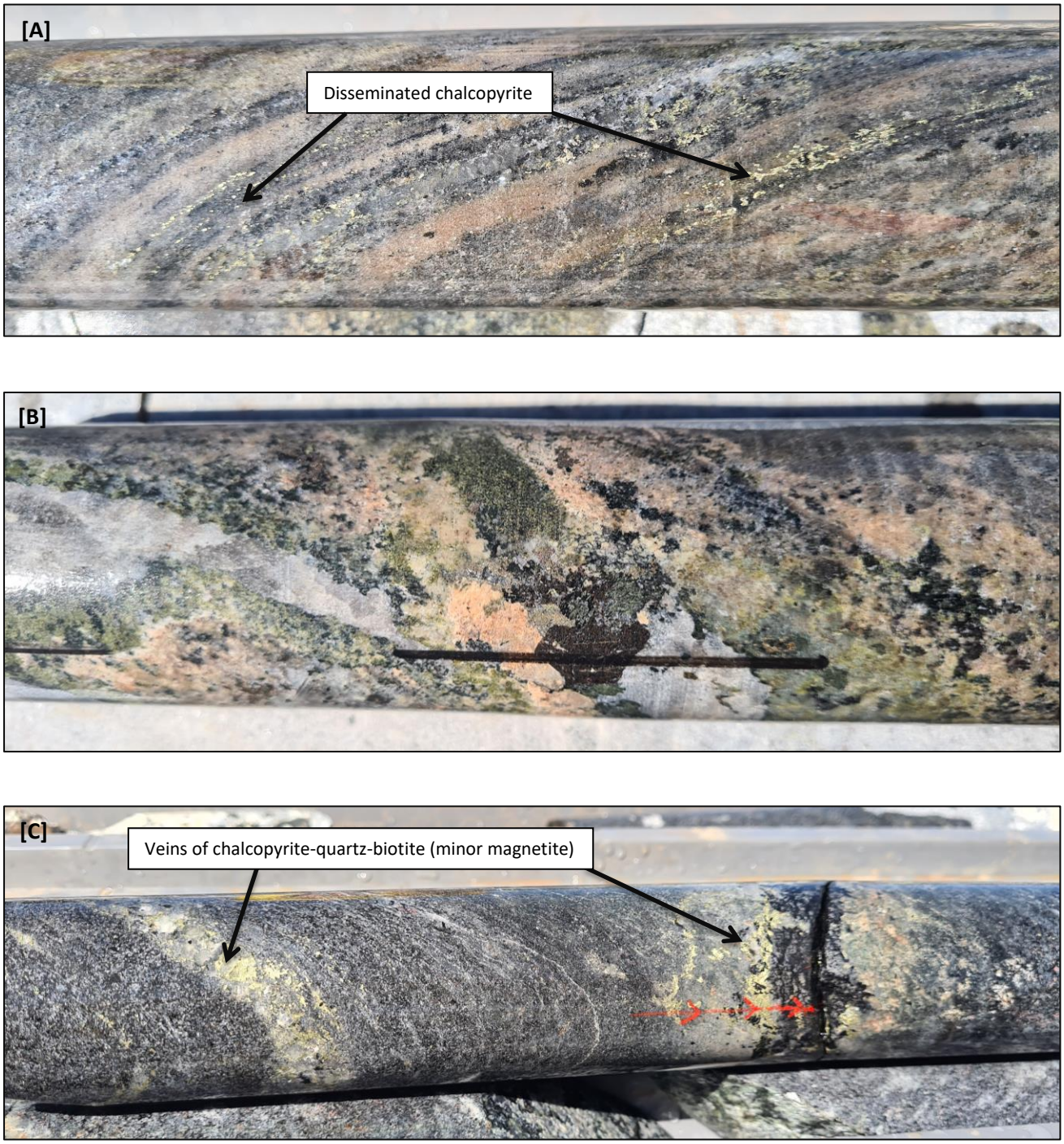

[Figure 1] Mount Skipper Project: (a) Silica-albite-biotite-calcsilicate-chalcopyrite-pyrrhotite-magnetite mineralisation, (b) quartz-carbonate-hedenbergite-epidote-garnet-chlacopyrite-pyrrhotite metasomatic vein zone, (c) chalcopyrite-quartz-biotite-magnetite veins towards the end of hole.

[Figure 2] Northwest Queensland and Northern Territory: Major deposits and Red Metal tenement locations.

For further information concerning Red Metal's operations and plans for the future please refer to the recently updated web site or contact Rob Rutherford, Managing Director at:

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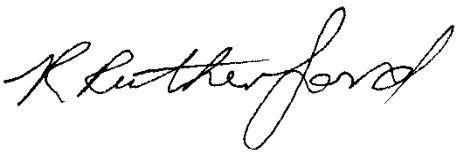

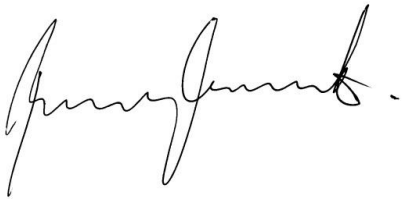

Rob Rutherford
Managing Director

Russell Barwick
Chairman

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Robert Rutherford, who is a member of the Australian Institute of Geoscientists (AIG). Mr Rutherford is the Managing Director of the Company. Mr Rutherford has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Rutherford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

[Table 1] Mount Skipper Project: JORC 2012 sampling techniques and data

Criteria	JORC 2012 Explanation	Commentary
Sampling Techniques	*Nature and quality of sampling*	*MSD2002 is a deep rotary/mud diamond core hole designed to test the source of the regionally significant Mount Skipper magnetic target. The drilling comprises of rotary mud chips to 506.6 metres, HQ diamond core to 520.4 metres and NQ2 diamond drill core to the end of hole at 1193.5m. The method of drilling is considered to be of an acceptable quality for evaluating the source of a magnetic target and reporting of visual exploration results.*
	Include reference to measures taken to ensure representativity samples and the appropriate calibration of any measurement tools or systems used.	*Sampling for geochemical analysis is in progress. Magnetic susceptibility values were measured using a hand held KT9 susceptibility metre which utilises an air calibration to zero the instrument prior to taking a measurement.*
	Aspects of the determination of mineralisation that are Material to the Public Report.	*Visual results were observed by an experienced senior geologist and checked by the Exploration Manager of Red Metal.*
Drilling Technique	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	*A conventional multipurpose rotary mud, wire-line core rig was utilised to penetrate through the cover sequences to extract HQ or NQ2 diameter core samples in the basement.* *The core was oriented using Reflex Act3. The drill hole was surveyed using an Access Champ north seeking gyro.*
Drill Sample Recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	*The length of recovered core and the core rock quality are logged for each core run. Core recovery throughout the fresh basement rocks is very good (100%). Recoveries throughout the weathered zones in the top 30 metres of basement are also very good varying from 80% to 100%*
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	*Diamond core is reconstructed into continuous runs on an angle iron cradle and marked with orientation lines. Depths are checked against depths marked on the core blocks and rod counts are routinely performed by the drillers.*
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	*No bias expected as very good core recovery*
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature.*	*Quantitative geotechnical logging including RQD and core recovery are measured for each core run.* *Qualitative and quantitative codes and descriptions are used to record geological data such as lithology, mineralisation and alteration prior to sampling. Quantitative structural data is also measured prior to sampling. Magnetic susceptibility is quantified for the total length of the core with measurements taken every 0.5m and averaged over every core run (3 to 6 metres)*
	Core photography	*Core is photographed wet and dry.*
	The total length and percentage of the relevant intersections logged.	*The total length of MSD2002 has been geologically logged. RDQ and magnetic susceptibility has been measured for the total length of the core.*
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	*No assay results reported*
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	

	Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.	
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	
	Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	*No assay results reported*
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	*No geophysical tools were used to determine element concentrations at Mount Skipper*
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	*No assay results reported*
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	*No assay results reported*
	The use of twinned holes.	
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	
	Discuss any adjustment to assay data.	
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	*The collar position for MSD2002 was surveyed by Handheld GPS using GDA94, Zone54 datum. GPS locations are accurate to about 3m*
	Specification of the grid system used.	*GDA94_Zone54 datum.*
	Quality and adequacy of topographic control.	*Topographic relief has been extracted using the ELVIS digital terrain information at Geoscience Australia*
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	*Single hole testing deep geophysical target.*
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	*The drill pierce point spacing is not sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation*
	Whether sample compositing has been applied.	*No sample compositing has been applied*
Orientation of data in relation to geological	*Whether the orientation of sampling achieves unbiased sampling of possible*	*Metamorphic banding and foliation in the rocks is broadly sub-vertical dipping and trends north northwest however its dip and dip direction*

structure	*structures and the extent to which this is known, considering the deposit type.*	*varies from about 85 degrees west southwest to 85 degrees east northeast*
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	*No assay results reported*
Sample security	*The measures taken to ensure sample security.*	*Core has been transported to Red Metal core farm at Cloncurry for detailed logging and core cutting*
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	*No external audits have been undertaken at this early stage.*

[Table 2] Mount Skipper Project: JORC 2012 reporting of exploration results

Criteria	JORC 2012 Explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	*Mount Skipper is located within EPM 19232 situated in the Boulia region of north-west Queensland. EPM 19232 is owned 100% by Red Metal Limited. OZ Minerals have an option to earn 51% of the tenement under the terms of the Greenfield Discovery Alliance (refer to RDM ASX announcement lodged 30 January 2019). An ancillary exploration access agreement has been established with the native title claimants and a standard landholder conduct and compensation agreement has been established with the pastoral lease holder.*
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	*The tenements are in good standing and no known impediments exist*
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	*No previous drilling by other parties*
Geology	*Deposit type, geological setting and style of mineralisation.*	*Limited drilling on the Mount Skipper magnetic anomaly has intersected hydrothermally derived magnetic minerals (pyrrhotite and magnetite) associated with the weak copper sulphide mineralisation. The hydrothermal alteration overprints a coarse spotted sillimanite-biotite-quartz-garnet-feldspar gneiss and quartz-biotite granofels after metamorphosed sedimentary rock types. Metamorphic banding and foliation in the rocks is broadly sub-vertical dipping and trends north northwest however its dip and dip direction varies from about 85 degrees west southwest to 85 degrees east northeast*
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of survey information for all Material drill holes:*	*Refer to Table 3 for a summary of drill hole collar data for MSD2002.*
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	*No assay results reported*
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	*No assay results reported*
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be*	*True widths are estimated by measuring the alpha and beta values relative to the oriented core axis for bedding, banding or veining hole. At this stage of exploration insufficient data exists to confidently estimate true widths using the detailed orientation data.*

Criteria	JORC 2012 Explanation	Commentary
	reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	*No significant discovery to date*
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	*No **assay** results reported*
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	*A separate 3.5 metre interval of silica-biotite-chalcopyrite mineralisation (Figure 1c) and a single narrow 0.7 metre interval of coarse-grained, hydrothermal magnetite near the end of hole suggest a possible magnetite association with some of the copper mineralisation. Down-hole electromagnetic surveying was attempted but had to be abandoned due to the high in-hole temperatures affecting the survey equipment.*
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	*Detailed petrology and magnetic remanence tests are in progress. These studies will quantify the magnetic properties of the rocks and validate whether the drilling has adequately tested the anomaly or not. This data will also better constrain future magnetic models for drilling. Assays for base metals, gold and other trace elements are pending.* *Future work may involve re-entering the hole and running a working down-hole electromagnetic probe in the hole to identify any potential off-hole conductors for future drill testing.*

[Table 3] Mount Skipper Project: Drill collar for MSD2002

Hole ID	Easting	Northing	Dip	Grid Azimuth	Depth	RL
MSD2002	513497	7500525	-75	045	1193.5	91