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

10,975,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

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ASX ANNOUNCEMENT
14 OCTOBER 2021

GIDYEA COPPER-GOLD PROJECT UPDATE

The new Gidyea project targets several standout regional geophysical anomalies in an under explored extension of the Cloncurry terrain in Northwest Queensland which offer scope for the discovery of large Iron Oxide Copper-Gold (IOCG) breccia systems (Figures 1 and 2).

Processing and interpretation of the Company's new gravity data in combination with the regional magnetic data has allowed Red Metal's exploration team to interpret a variety of new IOCG plays (Figure 1).

Of particular interest are the standout magnetic targets GT19, GT20 and GT23 which have a similar geophysical expression and general geological setting to the large Ernest Henry copper-gold mine 100 kilometres to the south. These magnetic targets appear to be structure controlled and occur in a low-density belt of rocks interpreted to contain the Mount Fort Constantine Volcanic units, the favorable felsic to intermediate volcanic rock types that host Ernest Henry.

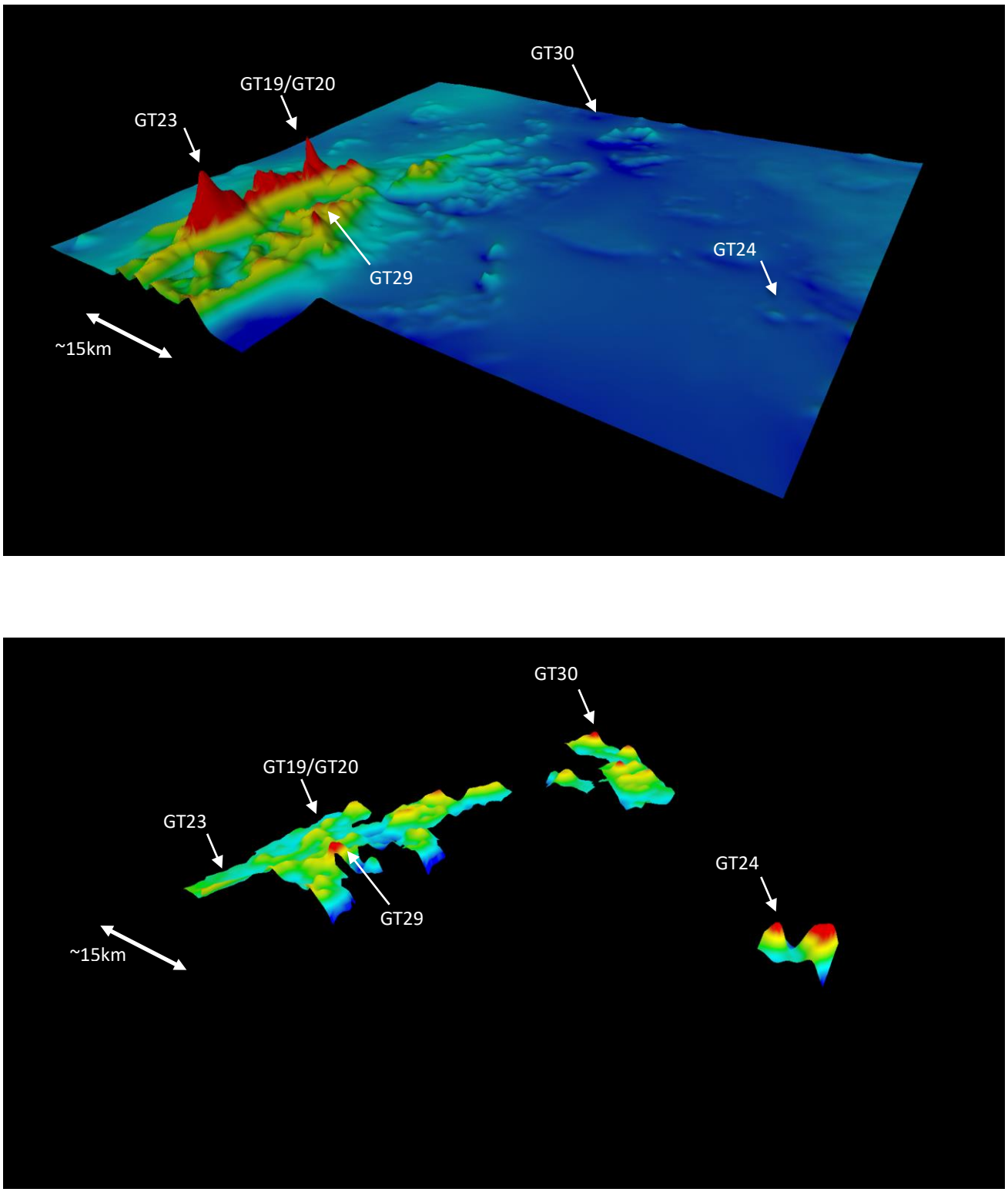
High gravity targets coincident with low-order magnetic anomalies GT29 and GT24 or a reversely polarized magnetic anomaly at GT30 also offer scope for other styles of IOCG minerlisation associated with dense hematite, iron sulphide or iron silicate minerals.

In addition, recent interpretation of Geoscience Australia's deep imaging seismic and magnetotelluric data has enabled researchers at the Geological Survey of Queensland and the University of Queensland to develop a new crustal scale geological model for the greater Mount Isa region including the Gidyea project area. More importantly, the unique geological and geophysical characteristics of the fertile crust below the Ernest Henry region are interpreted to extend northward towards Red Metal's Gidyea tenements further highlighting this projects potential for large IOCG deposits (Figures 2 and 3).

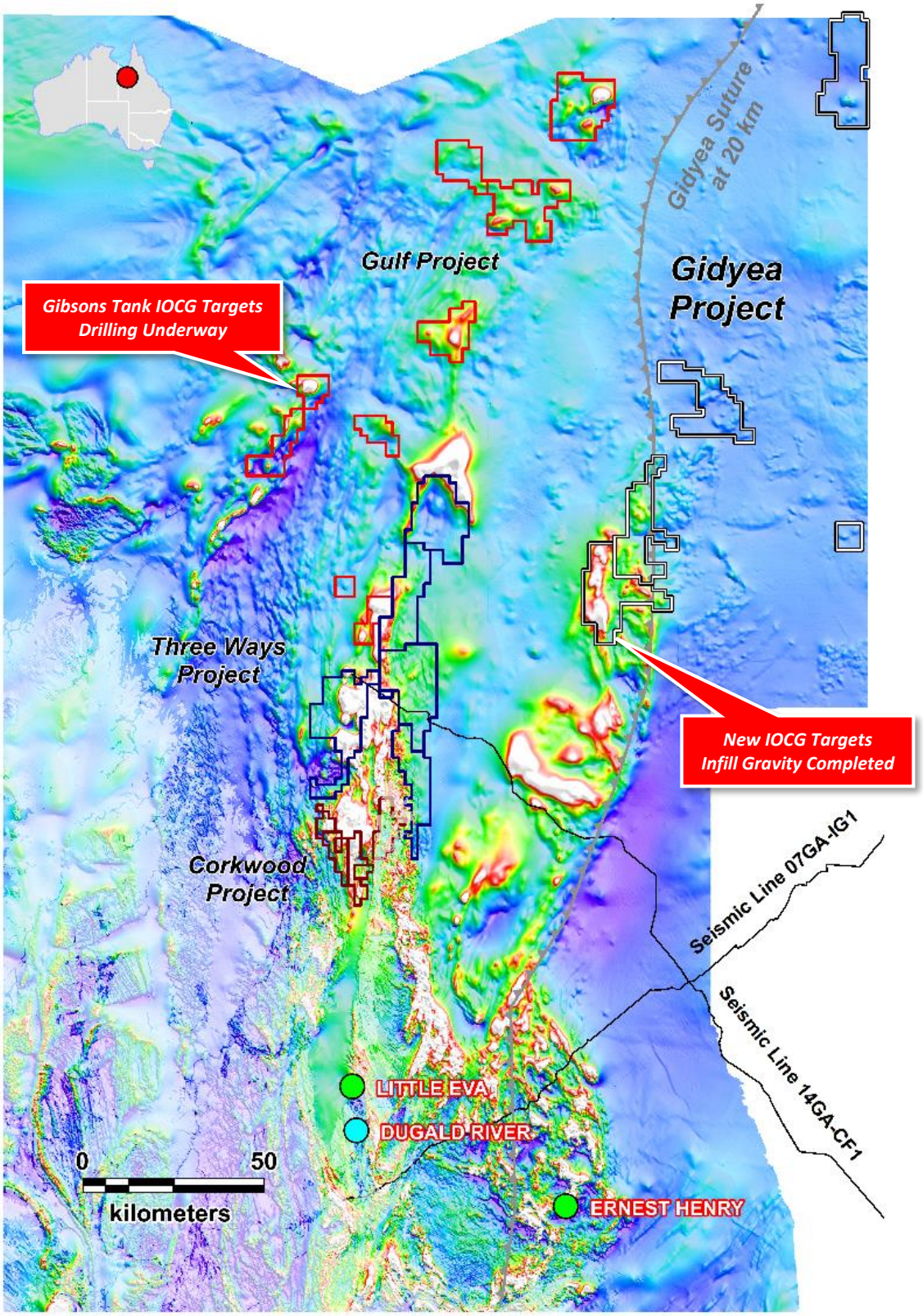
These exciting new target opportunities remain untested by past explorers and model at potentially mineable depths ranging between 400 and 700 metres below surface.

Passive seismic trials are planned across key targets to image the depth to basement enabling more precise geophysical modelling. Preparations for drilling next year are underway.

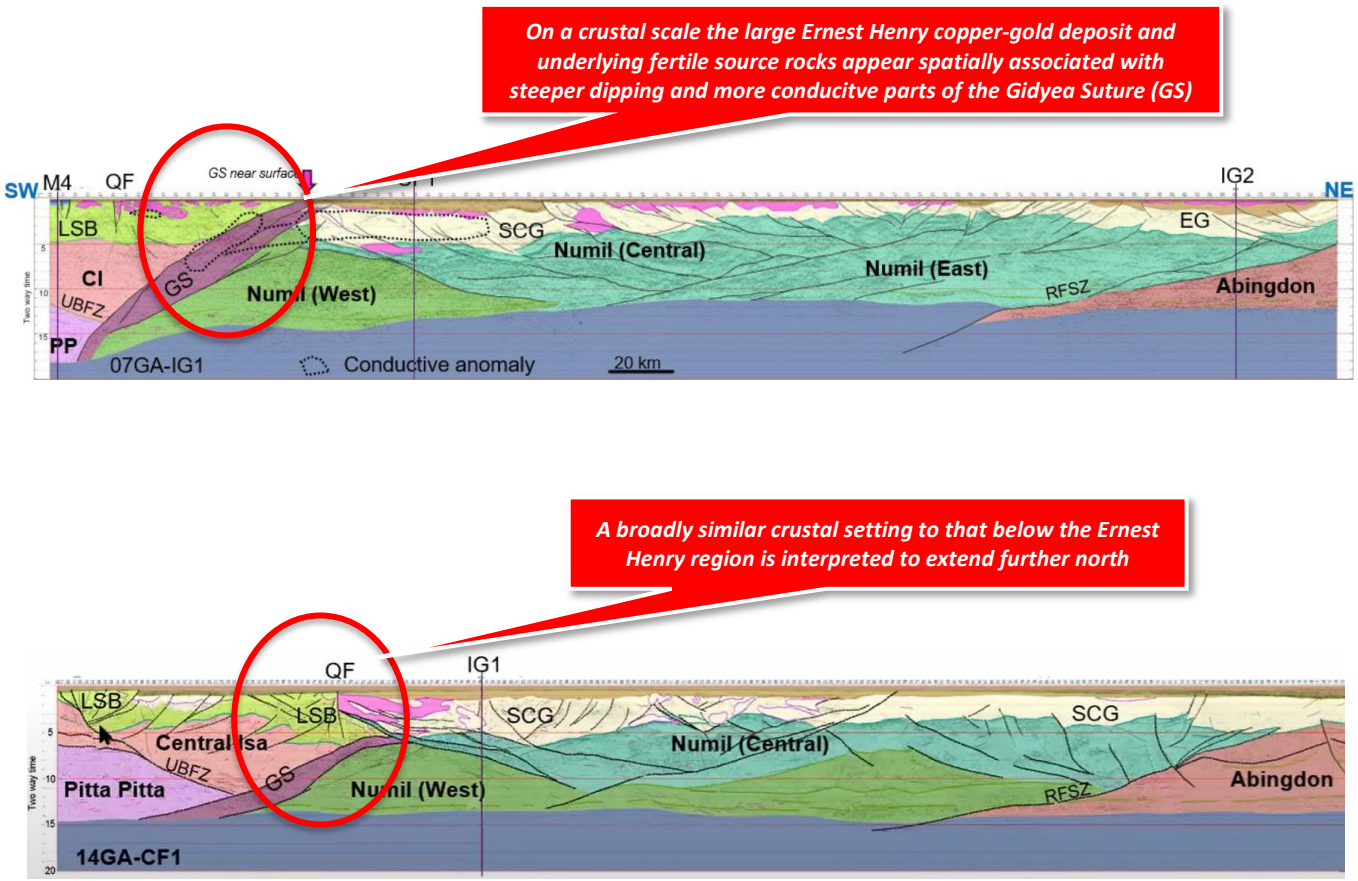
The Gidyea project is 100% owned and funded by Red Metal.



[Figure 1] Gidyea Project: 3D oblique topographic view facing northwest of the total magnetic intensity image (top) and the residual gravity images from Red Metal's recent surveying (bottom). Key magnetic and gravity targets considered prospective for IOCG breccia deposits are labelled.



[Figure 2] Three Ways (dark blue), Gulf (red), Gidyea (blue) and Corkwood (brown) Projects: Total magnetic intensity image highlighting regional project locations and the interpreted projection of the Gidyea Suture (from Figure 3) at 20 kilometres below surface. Regions of exposed or outcropping geology highlighted as white translucent areas.



[Figure 3] Gidyea Project: Recent interpretation of Geoscience Australia's deep imaging seismic and magnetotelluric data has enabled researchers at the Geological Survey of Queensland and the University of Queensland to develop a new crustal scale geological model for the greater Mount Isa region including the Gidyea project area. More importantly, the unique geological and geophysical characteristics of the fertile crust below the Ernest Henry region (evident on seismic line 07GA-IG1) are interpreted to extend northward towards Red Metal's Gidyea tenements (seismic line 14GA-CF1) further highlighting this projects potential for large IOCG deposits. Refer to Figure 2 for seismic line locations and the attached JORC Table 2 for links to the researcher's data presentations.

This announcement was authorised by the Board of Red Metal. 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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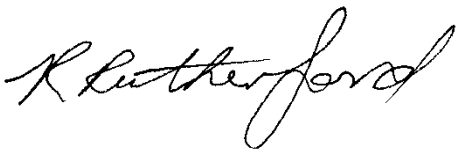

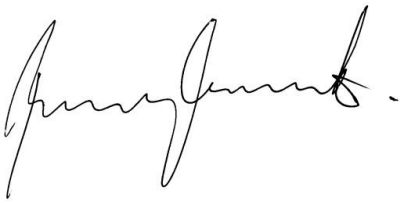

Rob Rutherford

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 – Gidyea Project: JORC 2012 sampling techniques and data

Criteria	JORC 2012 Explanation	Commentary
Sampling Techniques	Nature and quality of sampling	*In total, 4281 new ground-based gravity station readings were recently collected over the Gidyea project. The gravity survey was completed by Daishsat Geodetic Surveyors using Leica GX1230 GNSS survey receivers and Scintrex CG5 Autograv gravity meters.*
	Include reference to measures taken to ensure representativity samples and the appropriate calibration of any measurement tools or systems used.	*N/A*
	Aspects of the determination of mineralisation that are Material to the Public Report.	*N/A*
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.).	*N/A*
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	*N/A*
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	*N/A*
	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.	*N/A*
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.	*N/A*
	Core photography	*N/A*
	The total length and percentage of the relevant intersections logged.	*N/A*
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	*N/A*
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	*N/A*
	Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.	*N/A*
	Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second-half sampling.	*N/A*
	Whether sample sizes are appropriate to the grain size of the material being sampled.	*N/A*

Criteria	JORC 2012 Explanation	Commentary
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.	*N/A*
	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.	*N/A*
	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.	*N/A*
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	*N/A*
	The use of twinned holes.	*N/A*
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	*N/A*
	Discuss any adjustment to assay data.	*N/A*
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.	*Statistical analysis of the final data shows a 0.03m approximate standard deviation of position and height and a 0.02mGal approximate standard deviation of gravity observationsMaybe comment of reference datum?*
	Specification of the grid system used.	*GDA94_Zone54 datum.*
	Quality and adequacy of topographic control.	*High order control stations were established in the project area and connected to regional control stations using Geoscience Australia's AUSPOS system. Expected accuracy is better than 0.02m in each direction (X, Y & Z).* *Gravity control was established with ties to Geoscience Australia's AFGN station located at Normanton and interlocking ties between stations. Expected accuracy is better than 0.02mGal.*
Data spacing and distribution	Data spacing for reporting of Exploration Results.	*The gravity stations were routinely collected on 800 metre spaced east-west trending lines with station recordings every 400 metres along the lines. The east-west line spacing was reduced to 400 metre over anomalies of interest with the station spacing reduced to 200m along the lines.*
	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 station spacing was sufficient for modelling drill targets at basement depths greater than 400 metres below surface*
	Whether sample compositing has been applied.	*N/A*
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	*The gravity lines were at right angles to the general strike of the geology determine from airborne magnetic imagery.*
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this	*N/A*

Criteria	JORC 2012 Explanation	Commentary
	should be assessed and reported if material.	
Sample security	The measures taken to ensure sample security.	*N/A*
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	*During acquisition, Daishsat's field staff monitored both the global navigation satellite system (GNSS) and gravity readings to ensure quality data was being recorded. Two gravity reading cycles were taken on each station, stacked over 40 seconds, with any readings showing a difference of more than 0.03mGal between cycles rejected. If a gravity meter tare was suspected (ie. from a knock or bump to the gravity meter) then data was repeated.* *Daishsat office staff performed daily gravity reduction and monitored a plot of the stations to ensure no stations were missed, GNSS quality values (number of satellites, geometry, root mean squared values at 1) and gravity repeat quality. Where there was doubt over the GNSS quality (ie RMS values above 1, ineffective satellite geometry, single point anomalies on gravity grids etc), data was repeated. Where a gravity repeat was more than 0.06mGal, data was repeated.* *Data was verified by consultant geophysicist Chris Anderson*

Table 2 Gidyea 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.	*The gravity surveying has been undertaken on the Gidyea project tenements EPM 27308, EPM 27309, EPM 27567, EPM 27568, EPM27569. These tenements are owned 100% by Red Metal Limited. An ancillary exploration access agreement has been established with the native title claimants and a standard notice of entry was lodged with the relevant pastoral lease holders.*
	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.	*There is no past drill history on the Gidyea geophysical targets of interest.*
Geology	Deposit type, geological setting and style of mineralisation.	*The Gidyea project targets several standout regional geophysical anomalies in an under explored extension of the Cloncurry terrain which offers scope for the discovery of large Iron Oxide Copper-Gold (IOCG) breccia systems. There is no past drill history on the Gidyea geophysical targets of interest and no clear understanding of the geological setting other than what is inferred from interpretation of regional magnetic and gravity imagery, deep imaging seismic and magnetotelluric interpretations, and widely spaced regional exploration drill holes. Regional geological interpretations by Geological Survey of Queensland interpret brecciated felsic to intermediate volcanic rocks belong to the Mount Fort Constantine Volcanics (host to the large Ernest Henry copper and gold deposit) and metasedimentary rocks belonging to the Soldier Cap Formation. The Gidyea Suture, a deep crustal structure controlling the distribution of fertile crust below the Ernest Henry region is interpreted to extend northwards below parts of the Gidyea project area.*
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:	*N/A*

Criteria	JORC 2012 Explanation	Commentary
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.	*N/A*
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	*N/A*
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 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').	*N/A*
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.	*Refer Figures 1 to 3*
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.	*N/A*
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.	*Recent interpretation of Geoscience Australia's deep imaging seismic and magnetotelluric data has enabled researchers at the Geological Survey of Queensland and the University of Queensland to develop a new crustal scale geological model for the greater Mount Isa region including the Gidyea project area. More importantly, the unique geological and geophysical characteristics of the fertile crust below the Ernest Henry region are interpreted to extend northward below Red Metal's Gidyea tenements further highlighting this projects potential for large IOCG deposits. See presentations below.* *Connors, K., Simpson, J. and Brown, D. 2021. Deciphering the building blocks of the eastern North Australia Craton. Australasian Exploration Geosciences Conference. Brisbane, September 15-20, 2021. Extended Abstract and Oral Presentation. https://2021.aegc.com.au/program/* *Karen Connors' Mount Isa seismic interpretation presentation: https://youtu.be/17pPG8pVKCI* *Janelle Simpson's Mount Isa MT interpretation: https://youtu.be/FGIKPvK_MVA* *Karen Connors' sum-up presentation: https://youtu.be/mZ5ZNS1Zl9k*
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).	*Passive seismic trials are planned across key targets to image the depth to basement enabling more precise geophysical modelling. Preparations for drilling next year are underway.*