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

19,225,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

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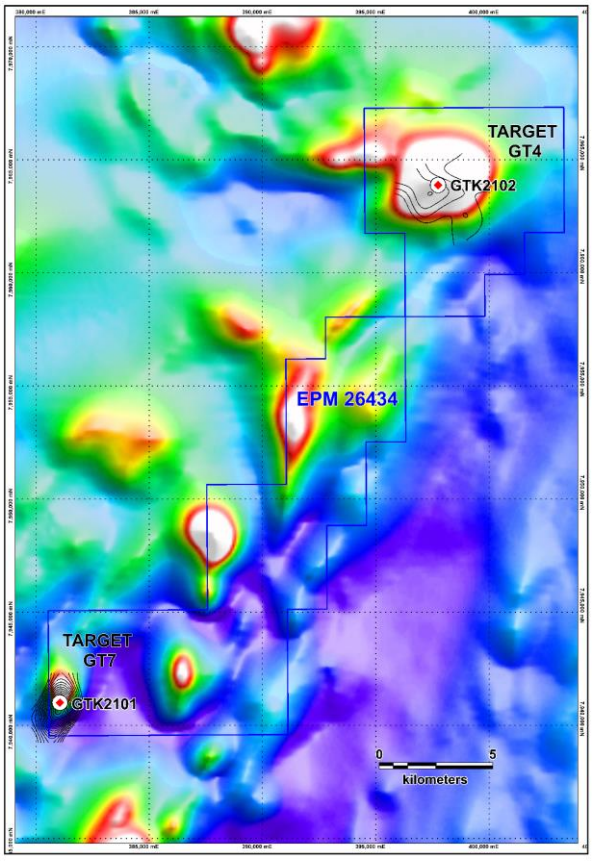
ASX ANNOUNCEMENT
27 JANUARY 2022

GULF COPPER-GOLD PROJECT: DRILLING UPDATE

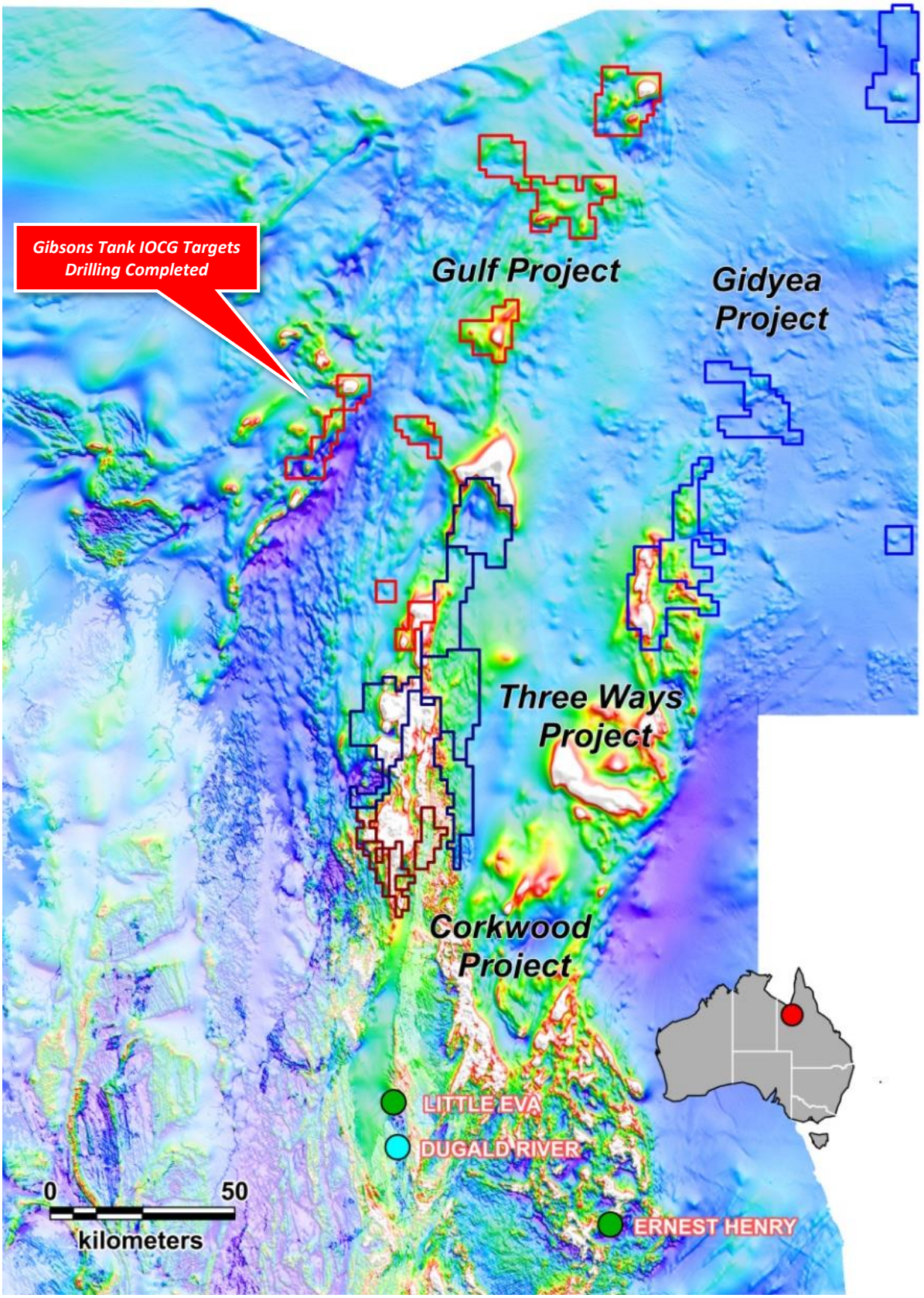
Proof-of-concept drill tests on two magnetic targets have been completed on the Gibson's Tank tenement in Northwest Queensland (Figure 1).

Drill hole GTK2101 on the combined high magnetic and high gravity target GT07 intersected a 44.4 metre interval from 486.6 metres of hydrothermal ironstone and breccia within a deformed felsic volcanic sequence that defines the source to the geophysical target. The ironstone contains weakly disseminated copper sulphides that returned low copper assay values ranging from 0.008% to 0.34% and very low gold values ranging 0.002g/t to 0.013g/t.

Drill hole GTK2102 on the high magnetic but weak gravity target GT4 intersected a felsic to intermediate intrusive rock altered by veinlet networks of chlorite and magnetite that appears to explain the source to the geophysical anomaly. No significant intervals of copper or gold mineralisation were encountered in this hole.



[Figure 1] Gulf Project: Gibson's Tank total magnetic image with residual gravity contours showing target numbers and recent dill hole locations GTK2101 and GTK2102.



[Figure 2] Three Ways (dark blue), Gulf (red), Gidyea (blue) and Corkwood (brown) Projects: Total magnetic intensity image highlighting regional project locations. Regions of exposed or outcropping geology highlighted as white translucent areas.

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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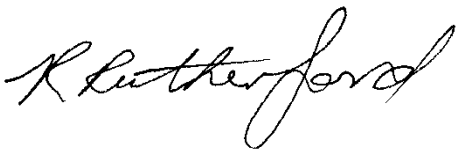

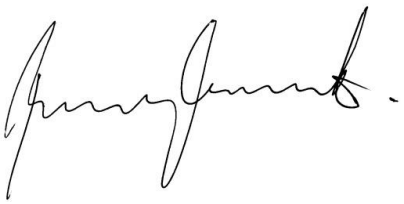

Rob Rutherford
Managing Director

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 – Gulf Project: JORC 2012 sampling techniques and data

Criteria	JORC 2012 Explanation	Commentary
Sampling Techniques	Nature and quality of sampling	*GTK2101 and GTK2102 rotary/mud diamond core holes designed to test the source of the regionally significant high magnetic and gravity anomalies. GTK2101 comprises rotary mud chips to 486.6 metres and NQ2 diamond drill core to the end of hole at 932m. GTK2102 comprises rotary mud chips to 640.4 metres, HQ diamond core to 737.5 metres and NQ2 diamond drill core to the end of hole at 963.8m. The method of drilling is considered to be of an acceptable quality for evaluating the source of a geophysical target and reporting of exploration results. Sampling for geochemical analysis was selective and is not continuous down the whole length of the core. A one metre length of half core was regularly sampled about every 4 to 10 metres down the hole with one metre spaced half core samples collected over localised intervals of mineralisation or geological interest.*
	Include reference to measures taken to ensure representativity samples and the appropriate calibration of any measurement tools or systems used.	*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. Samples for geochemical analyses were collected every metre through massive ironstone and visible sulphide-mineralised in GTK2101. Unmineralised drill core in GTK2101 was sampled every 4m locally increasing to 10m while unmineralised core in GTK2101 was sampled every 10m.*
	Aspects of the determination of mineralisation that are Material to the Public Report.	*Visual results of the geology and mineralisation were observed by an experienced senior geologist and checked by the Exploration Manager of Red Metal. Weak copper mineralisation and anomalous trace elements were confirmed with assays.*
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 and NQ2 diameter core samples in the basement.* *The core was oriented using Reflex ACT3. The drill hole was surveyed using an Axis 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 (90-100%). Minor intervals of poor core recovery (<30%) occur in, localised, 1-2m wide chloritic fault zones.*
	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). Specific gravity is quantified using the Archimedes Method at varying intervals down the holes based on the geology. A total of 90 specific gravity measurements were collected in GTK2101 and 28 in GTK2102.*
	Core photography	*Core is photographed wet and dry.*
	The total length and percentage of the relevant intersections logged.	*The total lengths of GTK2101 and GTK2102 have been geologically logged. RDQ and magnetic susceptibility and specific gravity have been measured for the total length of the core.*

Criteria	JORC 2012 Explanation	Commentary
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	*All samples were sawn half-core (HQ or NQ). Sample length was nominally 1m but varied between 0.75m and 1.25m*
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	*All samples were prepared with standard crush/split/pulverisation techniques at ALS Mt Isa (method CRU-32c / SPL-22Y / PUL-32m).*
	Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.	*Drilled core was generally of good quality with good core recoveries (>95%), leading to effective half-core sampling with a core saw.*
	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.	*No field duplicate samples were collected as early stage of exploration.*
	Whether sample sizes are appropriate to the grain size of the material being sampled.	*Samples of ~1m half-core are considered appropriate for material of <2mm grainsize.*
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.	*All 182 samples were assayed by ALS with 10 samples analysed for whole rock lithogeochemistry by Li-borate fusion (total digest) ICP-OES and ICP-MS finishes (method CCP-PKG01) including total C (C-IR07) and total S (S-IR08) with the remainder by four-acid (near total) digest with ICP-MS finishes that includes REE (method ME-MS61r). All samples were assayed Au by fire assay (30g) with AAS finish (method Au-AA23).*
	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 Gibsons Tank*
	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.	*Blanks and certified reference material were inserted and represented approximately 2.2% of samples assayed. Results and internal lab QC indicate acceptable levels of accuracy.*
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	*Result reviewed by senior geologist and the Managing Director*
	The use of twinned holes.	*No holes have been twinned*
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	*Primary data is stored both in its source electronic form, and, where applicable, on paper. Assay data is retained in both the original certificate (.pdf) form, where available, and the text files received from the laboratory. Primary data was entered in the field into a portable logging device using standard drop-down codes. Text data files are exported and stored in an Access database. MapInfo software is used to check and validate drill-hole data.*
	Discuss any adjustment to assay data.	*No adjustments were made*
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 GTK2101 and GTK2102 were 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*

Criteria	JORC 2012 Explanation	Commentary
Data spacing and distribution	Data spacing for reporting of Exploration Results.	*Single holes testing two separate deep geophysical targets.*
	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 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 weak copper mineralisation occurs as disseminations within a semi-massive weakly banded ironstone. Structural orientation data on core from GTK2101 suggests the ironstone dips about 50 degrees towards 130 degrees in the same easterly direction as the drill axis. Banding makes and angle to core axis of about 30 degrees which suggests the true width may be about 0.5 times the intercept width.*
	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.	*Insufficient data to determine bias at this point*
Sample security	The measures taken to ensure sample security.	*Core was logged and sampled at Red Metal's Cloncurry base and samples transported directly to ALS Mt Isa for preparation and analysis.*
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 Gulf 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 Gibsons Tank drilling is located within EPM 26434 situated in the Gulf region of north-west Queensland. EPM 26434 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 party and a standard landholder conduct and compensation agreement has been established with the pastoral lease holder at Augustus Down and Neumayer Stations.*
	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.*
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.	*This project targets several standout magnetic anomalies which offer scope for the discovery of Iron Oxide Copper-Gold (IOCG) breccia systems similar to that hosting the large Ernest Henry deposit further to the south.* *Prior to drilling there was no past drill history on Gibsons Tank geophysical targets and no understanding of the geological setting other than what is inferred from interpretation of regional magnetic and gravity imagery and regional exploration drill holes AUDDD01 and NEUDD01. The Geological Survey of Queensland interprets the basement rocks in this region as porphyritic meta-rhyolite belonging to the Augustus Complex, which is consistent with the host rock-types to the hydrothermal ironstone and alteration intersected in GTK2101 and GTK2102.*

Criteria	JORC 2012 Explanation	Commentary
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 GTK2101 and GTK2102.*
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 data aggregation methods have been applied*
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	*No metal equivalent values have been applied*
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').	*True widths are estimated by measuring the alpha and beta values relative to the oriented core axis for bedding, banding or veining in the hole. At this stage of exploration insufficient data exists to confidently estimate true widths using the detailed orientation data. However, in GTK2101 banding in the ironstone dips steep 50 towards 130 degrees and makes an angle to core axis of about 30 degree which suggests the true width may be about 0.5 times the intercept width.*
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.	*Not a significant discovery, refer Figures 1 and Table 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.	*See text to this announcement*
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.	*No other substantive exploration data*
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).	*No follow-up work is currently planned.*

Table 3 – Gulf Project: Drill collar summary

Hole ID	Easting	Northing	Dip	Grid Azimuth	Depth	RL
GTK2101	381055	7941000	-74	071	932	37
GTK2102	397745	7963880	-74	124	963.8	30