

Farellon

January 2018



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Red Metal Properties

CARRIZAL ALTO AREA

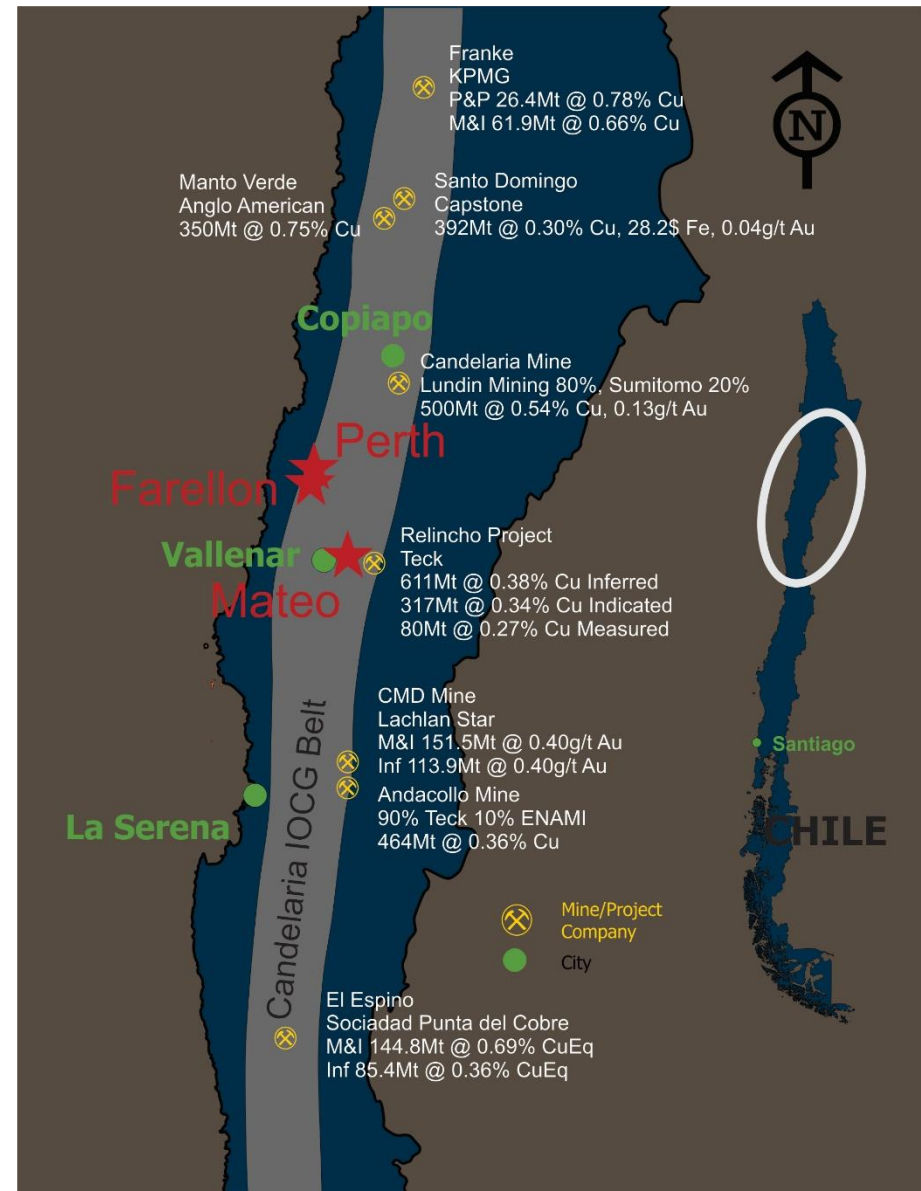
Farellon IOCG Cu Au Co

Flagship Advanced Exploration Project

Perth IOCG Cu Au Co

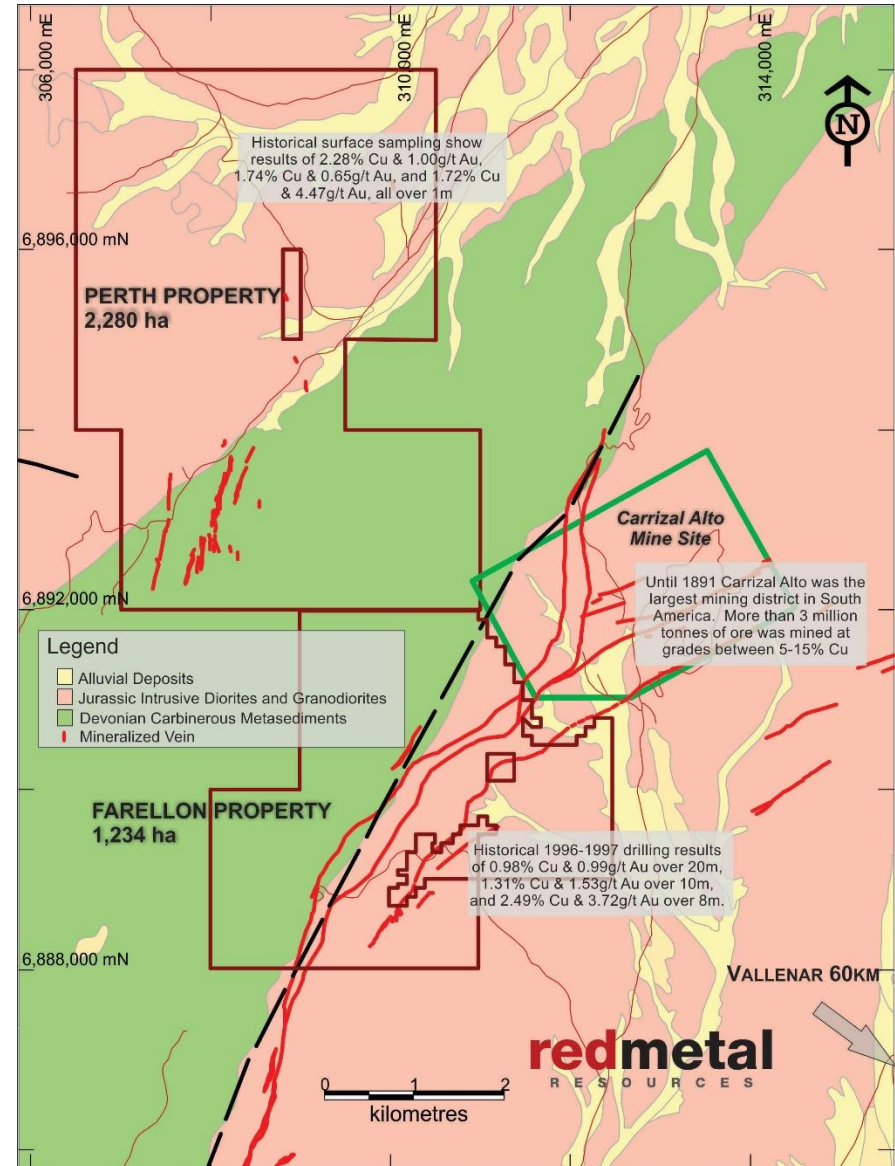
Early Stage Exploration Project

Plan to combine projects into one.



Carrizal Alto Area

- Historically one of the Chile's major mining districts
- Operational from 1820's to 1891 when flooding closed the mines
- More than 3Mt grading +5% copper extracted during this time
- Deepest parts of the mine at depths of 500-600m
- Veins on the Farellon and Perth Projects were part of the historic Carrizal Alto mine complex



Why Chile?

- The world's leading copper producing country, very mining friendly jurisdiction
- According to the 2011 Fraser Institute Survey of Mining: "*Chile is the only jurisdiction outside North America that has consistently been in the top 10*" and ranks 1st in Current Mineral Potential.

Why III Region?

- Chile's III Region was the mining center for copper, gold and silver starting in the 16th century
- Several operating cobalt mines 1940's
- With the discovery of large porphyry deposits inland, mining halted on the Coastal Cordillera
- Mechanized mining methods and exploration techniques have improved over the last century providing the region with new potential
- Present day mining includes large iron mines and revived small scale copper, gold and silver mines as well as several **large IOCG copper gold mines** such as **Candelaria** and **Mantoverde**

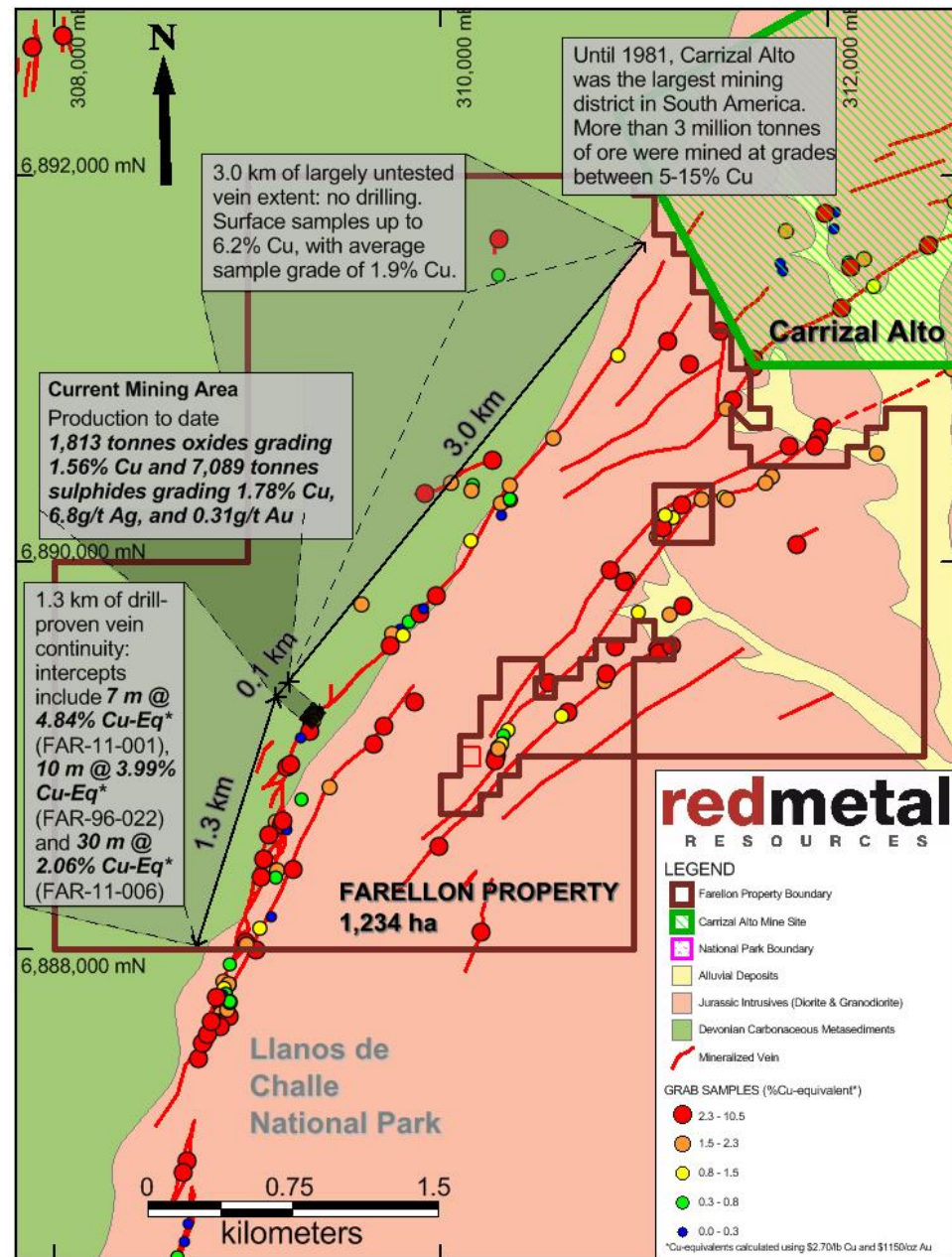
Why Cobalt?

- Chile was an active cobalt mining district from 1906 to 1944
- Minimal exploration activity focused on cobalt since 1940's
- Continuity of Chilean Cu-Au-Co veins has potential for significant cobalt deposits

Farellon Property

Quick Facts

- 1,234ha of mining claims
- 3km southwest of the historic Carrizal Alto mine
- 45 minutes from Vallenar, population 40,000
- Readily accessible by road
- At low, 500m asl, elevation
- 6,992m of drilling completed in four programs along a 1.3km strike length
- Further 5km of veining of strike extent to expand



Cobalt at Farellon

Farellon

- Incomplete assaying for silver and cobalt during previous drill programs
- Property never drilled specifically for cobalt, the best cobalt targets to the north have never been drilled
- Assaying technique during previous programs not ideal for cobalt recovery
- Mine assay returns for silver at 5.8g/t Ag
- Cobalt intercepts in drilling and reconnaissance sampling include:

Drilling				
HOLE_ID	length (m)	Copper (%T)	Gold (ppm)	Cobalt (%)
FAR-96-010	11	0.45	0.55	0.19
including	3	0.37	1.30	0.55
FAR-96-032	5	1.94	1.21	0.19
FAR-11-001	6	5.09	0.64	0.11
FAR-96-021	3	5.29	4.17	0.11
FAR-96-019	9	0.02	0.23	0.08

Reconnaissance Sampling				
Gold (ppm)	Copper (%)	Cobalt (%)	Easting	Northing
1.9	1.34	0.68	311121	6889538
0.4	1.33	0.51	311713	6890455
13.5	1.27	0.43	311113	6889560
7.4	2.25	0.43	310281	6889013
1.8	1.88	0.40	310846	6889392
12.1	1.74	0.34	308109	6893340
2.3	0.72	0.34	310846	6889392
0.8	1.71	0.33	311349	6890332
3.9	1.98	0.32	308005	6893075
9.4	3.94	0.32	310652	6889237

Farellon Property

Recent Exploration Work

11-hole RC & diamond drilling program totaling 2,233m completed in Summer 2011

2 hole RC program in 2013

Key Highlights:

- 12 of 13 holes intersected mineralization and continued to confirm target grades
- FAR-11-006, 32m @ 1.35% Cu and 0.99g/t Au**
- FAR-13-001, 7m @ 2.15% Cu and 0.28g/t Au**
- Deepest intersection: FAR-11-009, 202-212m @ 0.95% Cu, 0.42g/t Au in sulphide zone

Drill Hole	Assay Interval (m)		Core Length	Assay Grade		
	From	To		Copper (%)	Gold (ppm)	Cobalt (%)
FAR-11-001	36	49	13	2.51	0.35	0.06
including	37	42	5	5.81	0.56	0.13
FAR-11-001	78	85	7	0.43	0.04	0.02
FAR-11-002	zone faulted off					
FAR-11-003	150	155	5	0.4	0.28	0.03
FAR-11-003	177	182	5	0.44	0.15	0.01
FAR-11-004	141	145	4	0.73	0.01	0.01
FAR-11-005	124	133	9	0.84	0.26	0.03
FAR-11-006	80	112	32	1.35	0.99	0.02
FAR-11-007	56	74	18	0.5	0.4	0.04
FAR-11-008	98	102	4	0.85	0.26	0.02
FAR-11-009	202	212	10	0.95	0.42	0.05
FAR-11-010	179	183	4	0.5	0.39	0.05
FAR-11-011	54	56	2	0.97	0.48	0.03
FAR-13-001	36	42	6	0.7	0.2	
FAR-13-002	47	54	7	2.15	0.28	



Farellon Property

Recent Mining Activity

Key Facts:

- **Mining agreement made with local artisanal miner in December 2013 to start artisanal mining on the property in exchange for a 10% gross sales royalty**
- Mineralized vein averages 5 meters wide for 100 meters strike length
- Evidence of a supergene enrichment zone with native copper, chalcocite and malachite.
- Permits for up to 500 tonnes per month received in January 2014
- Permits to increase to 5,000 tonnes per month received in April 2015
- **1,813 Tonnes of oxide ore sold to ENAMI grading 1.56% Cu Since December 2014**
- **11,265 Tonnes of Sulphide ore sold to ENAMI grading 1.67% Cu, 5.8g/t Ag, 0.21g/t Au January 2015 to February 2017**



Farellon Property

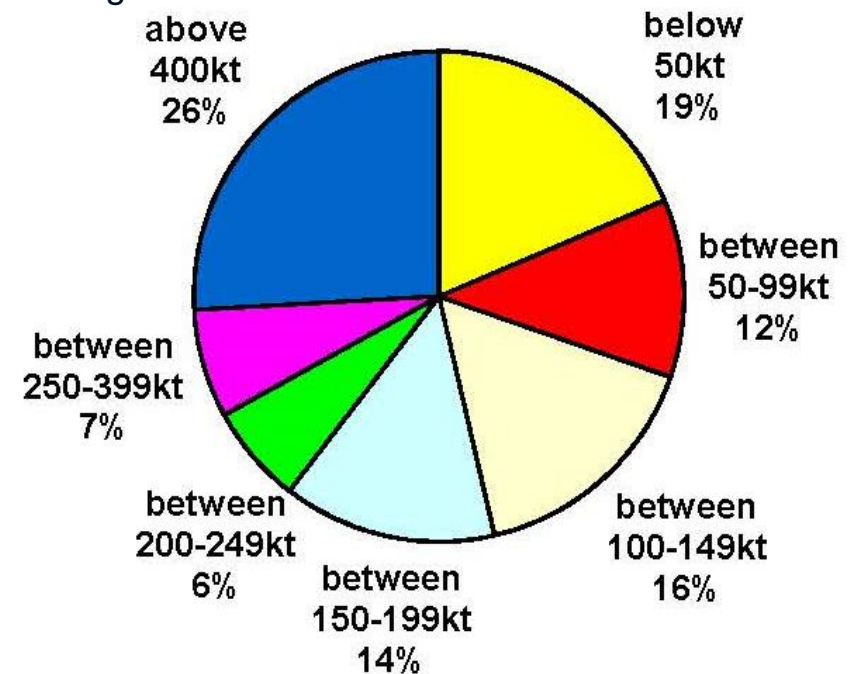
Copper Mining

- 35% of the worlds copper is produced in Chile
- Eight mines in the world produce >400kt of copper per year, six of those are in Chile. Five more deposits this size are known in the world.
- 19% of world copper production is from medium size mines producing less than 50kt of copper a year
- In 2013 thirty companies in Chile made up the medium mining sector and produced ~300,000 tonnes of copper.

Examples of Intermediate Mines Coastal Cordillera Chile (<50ktpa)

Mine	Owner	Resource Size (Mt)	Grade % Cu	Production Rate ktpa Cu
Ivan-Zar	Milpo	17Mt	1.3	10
Mantos de la Luna	Mantos de la Luna	30Mt	1.39	25
Sierra Valenzuela	Milpo	30Mt	1.2	Not found
Sierra Miranda	Sierra Miranda	25Mt	0.7	Not found
Las Luces	Minero Las Cenizas	20Mt	1.2	8
Atacama Kozan	Nittetsu Mining	30MT	1.5	30
Cinabrio	SMC Gold Limited	10Mt	1.43	Not found

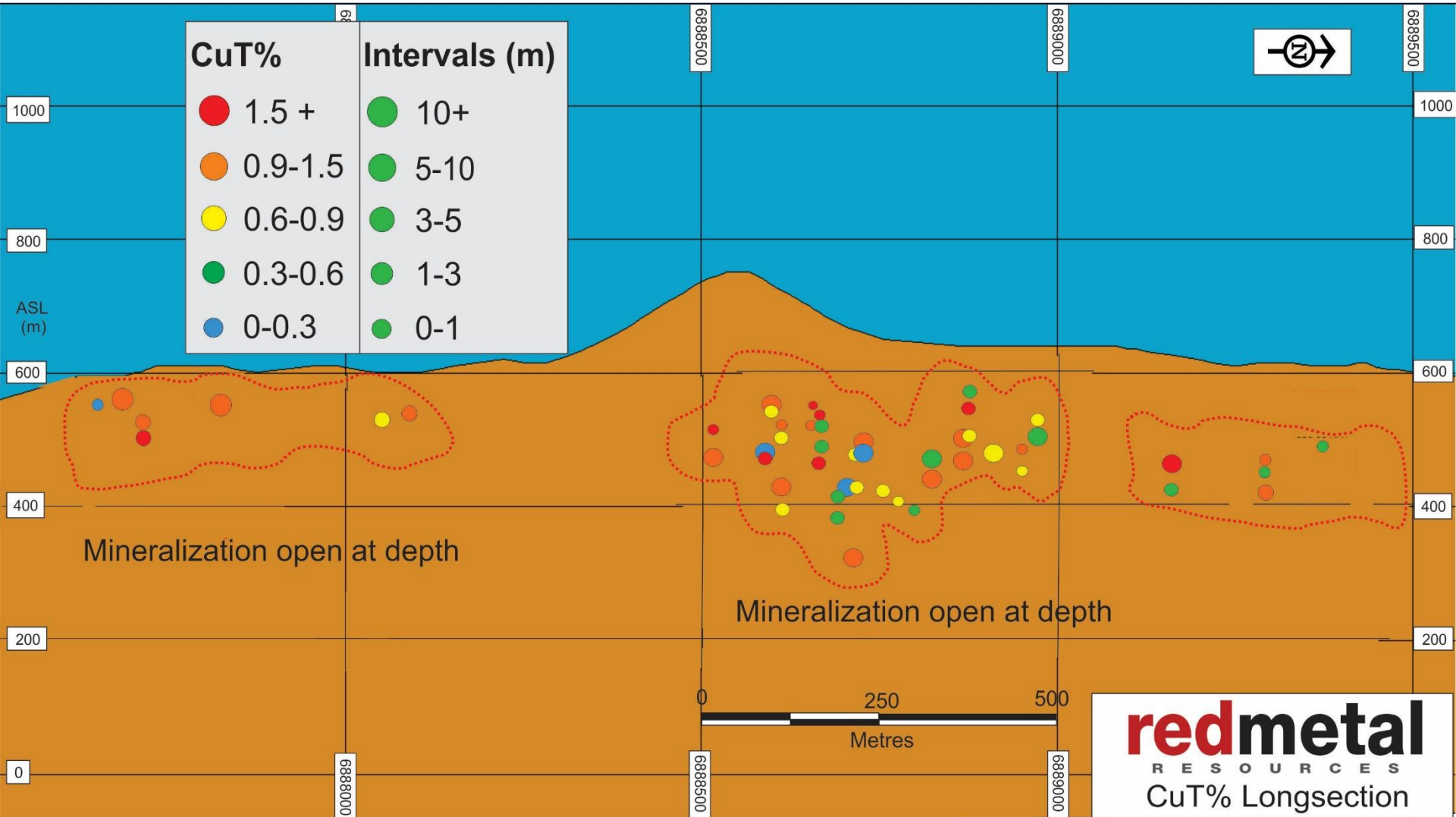
Capacity by Mine Size



Capacity stats from; International Copper Study Group Directory of Copper Mines and Plants 2009 to 2014 Published March 2011

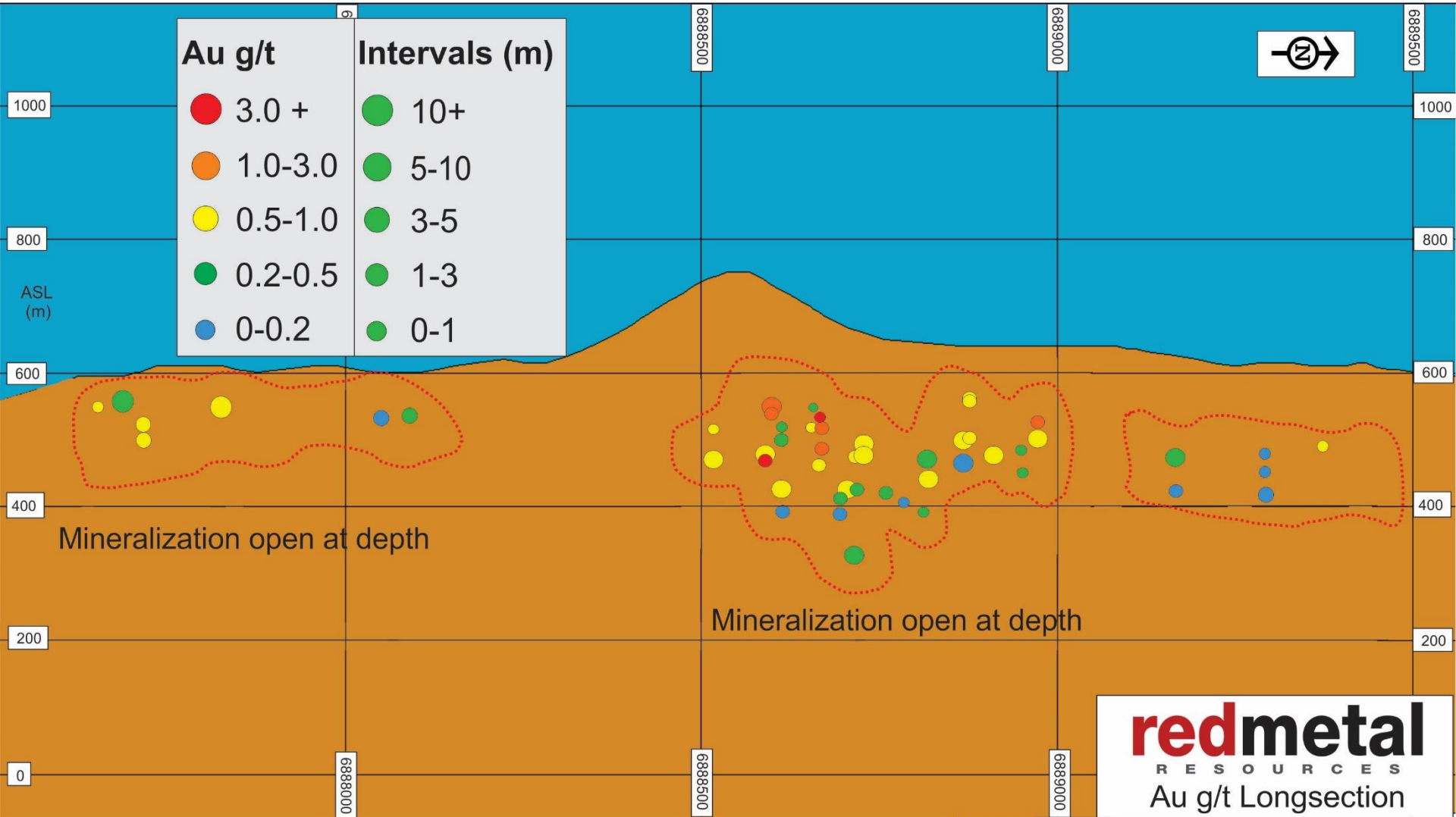
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CuT% Longsection



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Au g/t Longsection



Historic exploration (1996-1997)

- 22 RC drillholes along 1.7km strike length and regional sampling along surface expressions of veins and from historic dump piles
- Independent party valuation completed on original Farellon 1-8 claim, estimated potential for 7Mt in core mineralized zone assuming mineralization continued to 500m depth

RMR Early-stage exploration (2009-2014)

- 5 hole, 725m, drill program to confirm drill results from historic work (2009)
- Acquired further claims adding a further 3km of veins with potential for mineralization
- 11 hole, 2,233m drill program testing gaps in previous drilling and testing depth extents (2011)
- Completed an initial 3D interpretation of the mineralization zones (2011)
- 2 hole, 116m drill program expanding on significant intercept from 2011 (2013)
- Artisanal mining commenced by affiliated company paying a royalty, approximately 250 m of development completed (2014)

Future Plans (2018 and on) – dependant on financing

- 5,000m of RC and diamond drilling in core zone, possible inferred resource
- Continued expansion of small scale mining up to 5,000 tpm
- Airborne geophysics (mag and VTEM) to aide in further targeting for extending zones
- Approximately 15,000m of drilling continuing to expand on 100-150m centers
- Complete a competitive inferred resource with the target of reaching 20-50Mt

Perth Property

Quick Facts

- Adjacent to Carrizal Alto
- Fault related copper gold bearing quartz veins crosscut the property
- 12 veins identified on surface
- Veins average two meters wide but have been measured up to six meters wide
- Located approximately three kilometers north of Farellon Property with similar geology and structural setting

Recent Work:

- 2011 Prospecting and mapping program identified multiple veins on the north side of the property.
- **29.93g/t Au with 0.14% Co and 1.10% Cu and 8.66g/t Au with 0.07% Co and 2.29% Cu** from samples interpreted to be in the same vein
- **Multiple veins along the same structural system** over the Property with high-grade gold and copper results
- **48 of the 129 samples returned Au results greater than 1.00 g/t**, 19 samples returned over 0.05% Co and 46 samples returned over 1.00% Cu
- Optioned to Geoactiva in Spring of 2013
- Geoactiva completed a property wide sampling program and followed up with a small drill program including 763 surface/chip samples and four drillholes (results in NR dated Dec. 16, 2014)
- Geoactiva dropped option in 2014



Cobalt at Perth

Quick Facts

- Assaying technique during previous programs not ideal for cobalt recovery
- Cobalt intercepts from 2013 trench program sampling

Individual Trench Samples

Width	Gold (ppm)	Copper (%)	Cobalt (%)	Easting	Northing
0.60	6.73	7.16	0.44	308144	6893502
0.30	7.60	1.04	0.44	308262	6893266
2.00	0.22	1.43	0.35	309658	6895359
2.00	0.24	0.65	0.31	309947	6895597
1.10	0.36	0.55	0.27	308460	6893870
0.90	1.32	1.62	0.27	308934	6894815
1.00	4.54	1.04	0.25	308460	6893870
1.10	0.70	0.54	0.25	308460	6893870
0.50	4.39	0.48	0.25	308434	6894326
0.60	4.55	1.53	0.25	307726	6892469
0.30	0.74	0.31	0.24	307885	6892600
0.80	1.31	2.73	0.24	308344	6893953
2.00	0.88	0.94	0.23	309950	6895593
1.20	1.77	1.38	0.20	308795	6895117

