

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:

196,618,409
Ordinary shares

5,750,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

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Queensland
Explorer of the Year 2013

ASX ANNOUNCEMENT
17 May 2017**WOOLATCHI DRILLING UPDATE**

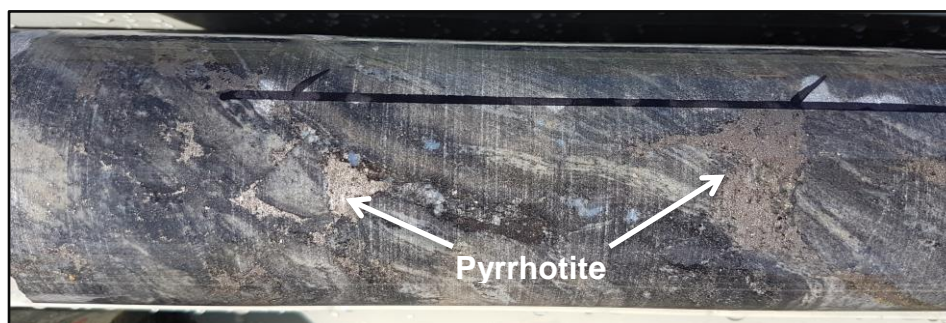
Drilling on the high-amplitude magnetic target, referred to as the “Woolatchi” anomaly, has intersected strong hydrothermal magnetite alteration with abundant magnetic iron sulphides (pyrrhotite) over a 59 metre downhole interval from 604 metres. Visible copper sulphide mineralisation is minor.

The iron and copper sulphides occur as veins and disseminations along shears or vein stock works associated with strong biotite and magnetite alteration of meta-sedimentary sequences (Figure 1)

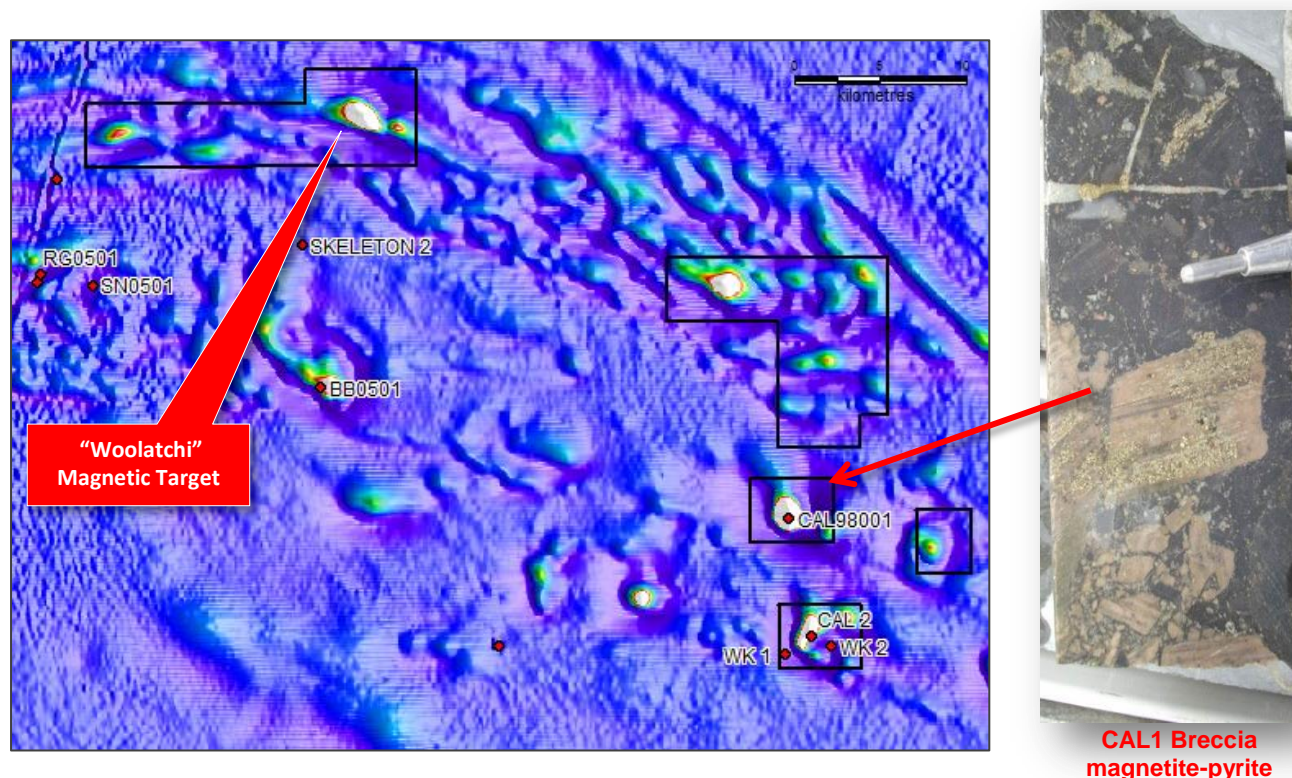
The core is being cut for analysis of copper, gold, cobalt and other trace elements. The hole remains open for future down-hole electrical surveying.

The Woolatchi drill hole (WO-17-01) highlights the exploration potential for iron sulphide styles of copper mineralisation in this frontier region. Scope to use electrical geophysical methods to target zones of higher copper grades is being considered.

Red Metal’s drill activity will now shift to Queensland where preparations for proof of concept drill tests on the Leichhardt copper and gold and Lawn Hill zinc projects are underway.



[Figure 1] Woolatchi WO-17-01, Callabonna Project: Core photographs showing iron sulphide (pyrrhotite) and minor copper sulphides as veins and disseminations along shears or vein stock works associated with strong biotite and magnetite alteration



[Figure 2] Callabonna Project: Vertical gradient magnetic image with historic basement drill holes. Note the magnetite-pyrite matrix-filled breccia intersected in CAL98001 (CAL1). A similar hydrothermal breccia was intersected in CAL2.

The Woolatchi target is subject to a joint venture with Variscan Mines Limited (ASX:VAR). Under this agreement Red Metal has the right to earn 70% of any discovery. The proof-of-concept Woolatchi drill hole has been awarded funding support of \$100,000 under the South Australia Government's PACE Discovery Drilling Initiative.

[Table 1] Drill hole collar survey data for the Woolatchi hole.

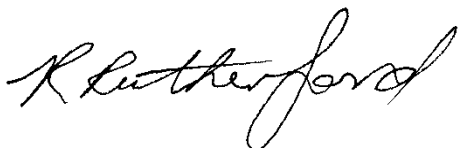
Hole ID	GDA94_E (m)	GDA94_N (m)	Azimuth	Dip	Depth (m)
WO-17-01	408546	6698222	000	-89.8	712.1

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.