

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:

210,233,409
Ordinary shares

8,675,000
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
18 July 2018**ELECTROMAGNETIC SURVEY DEFINES EXCITING NEW CONDUCTORS NEAR THE COMPANY'S LARGE MARONAN LEAD-SILVER & COPPER-GOLD DEPOSIT**

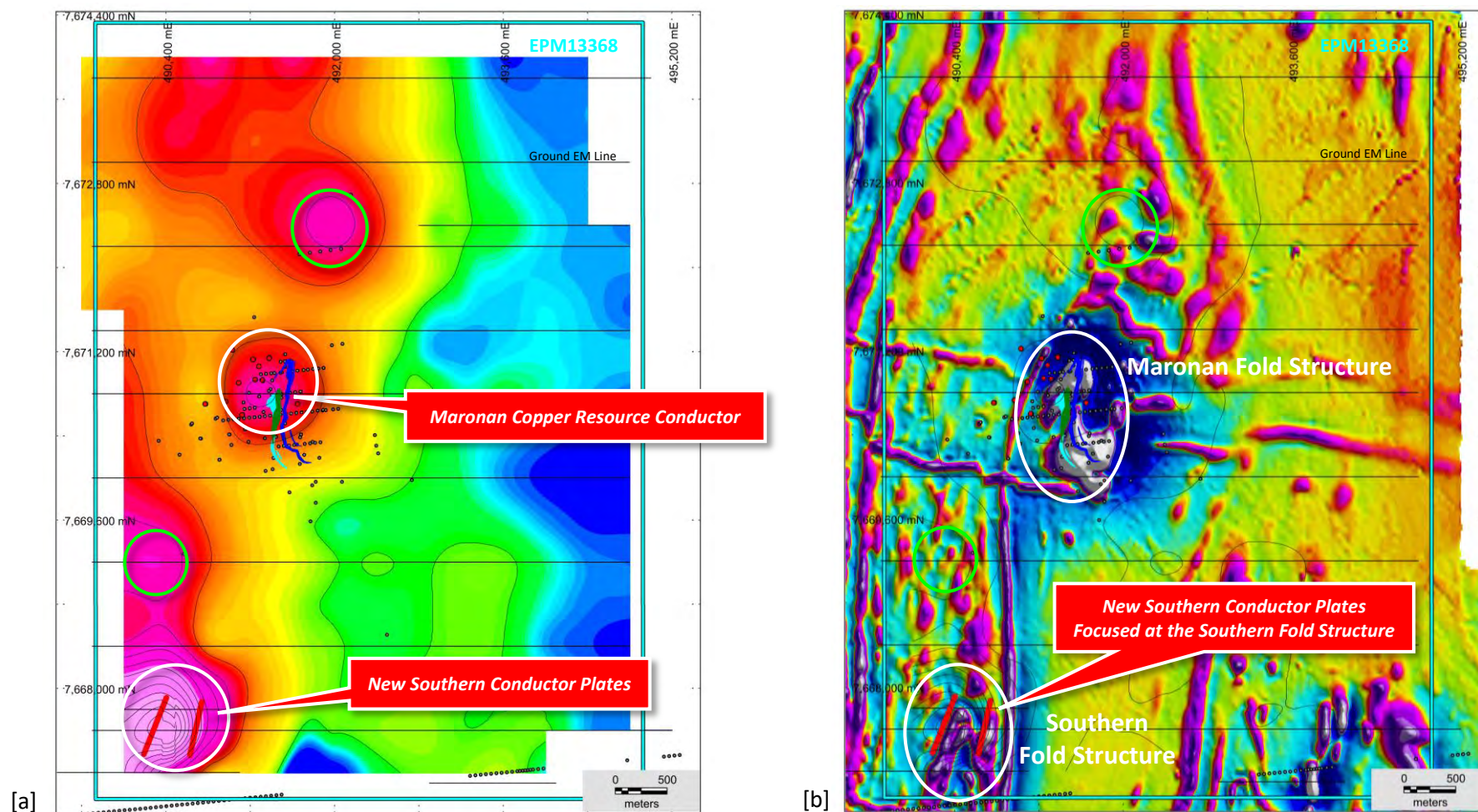
A ground-based electromagnetic survey recently completed over the whole of the Maronan project in Northwest Queensland, has discovered two strong, regionally significant, conductors just three kilometres south of the existing Maronan lead-silver and copper-gold deposit (Figure 1a). The survey was completed on 800 metre spaced lines and locally closed down to 200 metre spacing in the areas of interest.

The new southern conductors are about 400 to 600 metres long and model at a depth of about 100 metres below surface. Magnetic imagery places the southern conductors at the hinge zone to a regional fold closure (the Southern Fold Structure) which sits about 300 metres within the southern boundary of the Maronan tenement (Figures 1b).

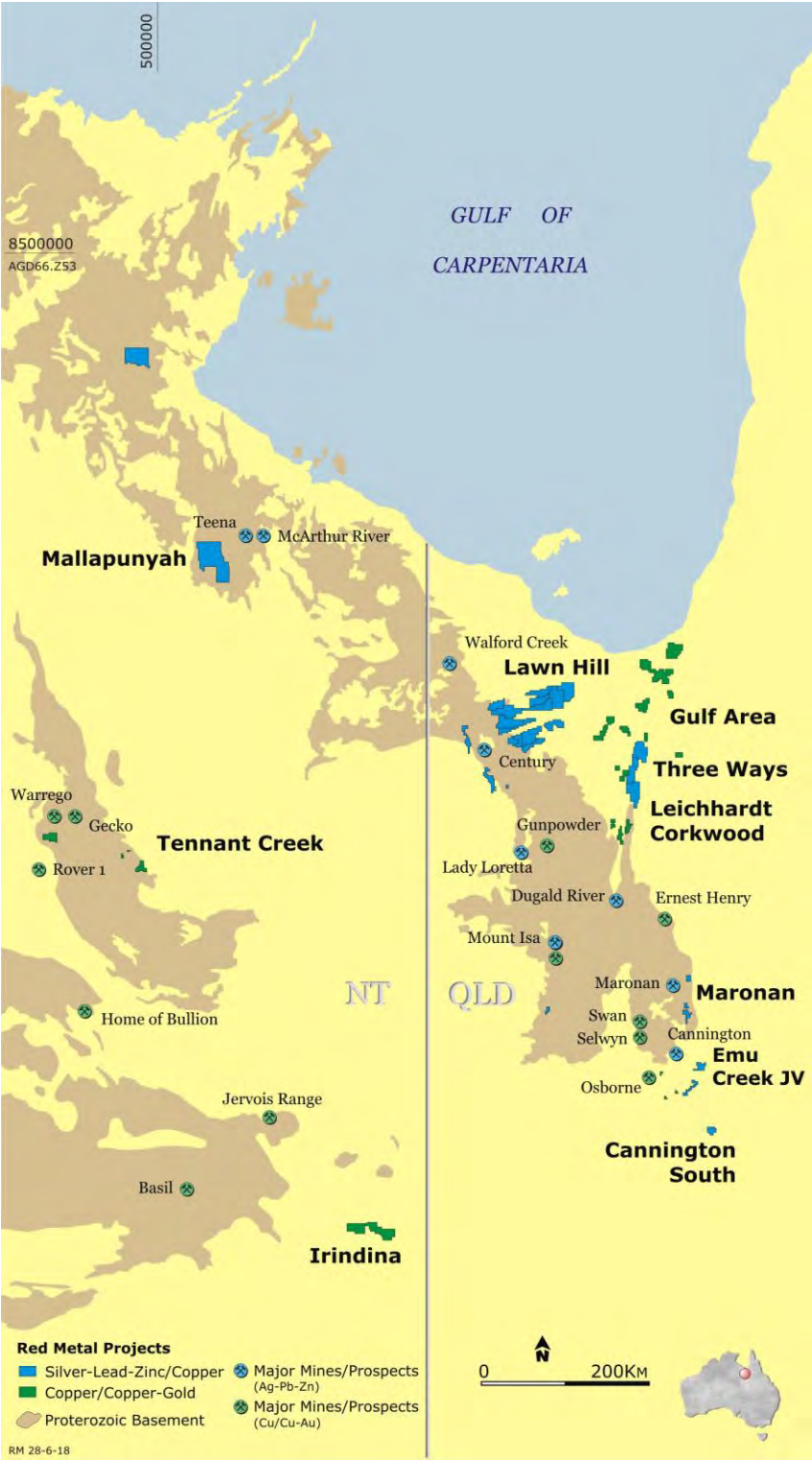
In addition to the new southern conductors, the survey successfully identified the existing Maronan chalcopyrite-pyrrhotite mineralisation plus two separate, moderate strength conductors both 1.5 kilometres north and south of the Maronan deposit that require confirmation with infill electromagnetic surveying (Figure 1a).

The existing Maronan deposit comprises two separate styles of mineralisation, bedded lead-silver mineralisation (30.7Mt @ 6.5% lead with 106g/t silver) partially overprinted by structurally controlled, copper-gold mineralisation (11.1Mt @ 1.6% copper with 0.8g/t gold). The copper-gold mineralisation occurs as chalcopyrite associated with intense iron sulphide (pyrrhotite) and silica veining and alteration. The sulphides are deposited as a network of veins in brittle quartzite and banded carbonate host rocks. Zones of strong pyrrhotite, often associated with copper sulphide mineralisation, are highly conductive and detectable using conventional ground electromagnetic techniques. The copper-gold deposit is focused at a fold structure evident in the regional magnetic imagery (Figure 1b).

Preparations for drill tests on the new southern conductors are underway.



[Figure 1] Maronan EPM 13368: Ground electromagnetic image and contours of Z component Channel 30 (Figure 1a) and vertical gradient magnetic imagery (Figure 1b) with historic drill holes (black and red dots) and ground electromagnetic survey lines (fine black lines). Note the untested strong conductors south of the Maronan resources (lead-silver resource as blue polygons, copper-gold resource as dark green polygon). The position of modelled conductor plates at 250 metres below surface are highlighted as red lines for the new southern conductors. Moderate conductors scheduled for additional infill surveying are highlighted in green circles.



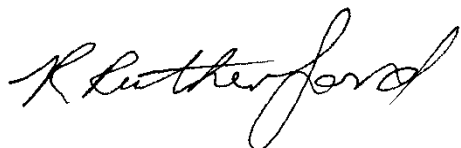
[Figure 2] Maronan: Project location and major mineral deposits

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.

The information in this report that relates to estimates of Mineral Resources for the Maronan Project was previously reported by the Company in compliance with JORC 2012 in a market release dated 27 October 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement dated 27 October 2015 and all material assumptions and technical parameters underpinning the estimate of Mineral Resources continue to apply and have not materially changed.

[Table 1] Maronan 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.	Maronan is located within EPM 13368 situated in the Cloncurry region of north-west Queensland. EPM 13368 is owned 100% by Red Metal Limited. No material ownership issues or agreements exist over the tenement. An ancillary exploration access has been established with the native title claimants and a standard landholder conduct and compensation agreement has established with the 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.	<p>The extent of mineralisation at Maronan has been defined by 54 diamond core drill holes drilled by five different companies since 1987 until the present. Shell Minerals/Billiton/Acacia discovered base metal mineralisation on the project in 1987 and completed 16 shallow holes to 1993. From 1995 to 1996 MPI completed 3 holes into the northern and southern fold hinge structures. From 2001 to 2004 Phelps Dodge completed 6 holes. BHP Cannington undertook a campaign of lead-silver exploration from 2006 to 2008 completing 13 holes. Red Metal Limited has completed 16 holes from 2011 to the present seeking depth extensions to the bedded lead-silver and separate copper-gold mineralisation.</p> <p>Fixed-loop, ground electromagnetic surveying has been undertaken by historic explorers over the Maronan deposit focused around the Maronan fold structure evident in the regional magnetic imagery (Figure 1b).</p>
Geology	Deposit type, geological setting and style of mineralisation.	<p>Exploration on Maronan has identified two separate styles of mineralisation, bedded lead-silver mineralisation partially overprinted by structurally controlled, copper-gold mineralisation.</p> <p>The lead-silver mineralisation is of a similar style to the nearby Cannington deposit, one of the world's largest silver and lead producing operations. The Maronan lead-silver mineralisation occurs in two separate but sub-parallel banded carbonate-lead sulphide-magnetite-calcisilicate units referred to as the Western (Upper) Banded Lead Sulphide and Eastern (Lower) Banded Lead Sulphide horizons. The two horizons can be separated by up to 100 metres of quartz clastic meta-sediments (psammites, pelites and quartzite). At the northern fold structure the horizons are folded forming a steep plunging tight to isoclinal fold structure with attenuated or transposed limbs and a thickened hinge zone region.</p> <p>The overprinting copper-gold mineralisation can be compared with the ISCG mineralisation styles at the nearby Eloise and Osborne ore bodies. Mineralisation is associated with intense silica alteration within a bedding-parallel structure focused between the Western and Eastern Lead-Silver mineralised zones. The copper-gold mineralisation at Maronan (Inferred 11.1Mt @ 1.56% copper and 0.84g/t gold) occurs as chalcopyrite associated with intense iron sulphide (pyrrhotite) and silica veining and alteration. The sulphides are deposited as a network of veins in brittle quartzite and banded carbonate host rocks. Zones of strong pyrrhotite, often associated with copper sulphide mineralisation, are highly conductive and detectable using conventional ground electromagnetic techniques. The deposit is structurally controlled and focused at a fold structure evident in the regional magnetic imagery (Figure 1b).</p>
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:	Not applicable as drill results are not being reported.

Criteria	JORC 2012 Explanation	Commentary
Data aggregation methods	<i>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.</i>	<i>Not applicable</i>
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	<i>Not applicable</i>
Relationship between mineralisation widths and intercept lengths	<i>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').</i>	<i>Not applicable</i>
Diagrams	<i>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.</i>	<i>Refer to Figures 1a and 1b in this report</i>
Balanced reporting	<i>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.</i>	<i>Not applicable</i>
Other substantive exploration data	<i>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.</i>	<p><i>The recent ground electromagnetic survey was completed by GEM Geophysics and utilised a High-T SQUID ground electromagnetic system. The survey was completed on 800 metre spaced lines with station readings collected every 100 metres. Areas of interest were locally closed down to 200 metre spaced lines with station readings every 100 metres.</i></p> <p><i>The ground electromagnetic technique maps conductive bodies which in the Maronan area may include false positives such as graphitic or pyrrhotite-rich metasedimentary rock types or barren pyrrhotite-rich structures or true positives such as chalcopyrite-pyrrhotite bearing structures.</i></p>
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<p><i>Preparations for drill tests on the new southern conductors are underway.</i></p> <p><i>Moderate strength conductors both 1.5 kilometres north and south of the Maronan deposit require confirmation with infill surveying (Figure 1a).</i></p>