

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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ASX ANNOUNCEMENT
12 September 2018

MARONAN: DRILLING UNDERWAY ON THE NEW GREAT SOUTHERN CONDUCTORS

Drilling is underway on the new "Great Southern" electromagnetic conductors recently identified just three kilometres south of Red Metal's Maronan lead-silver and copper-gold deposit (Figures 1 and 2).

The two Great Southern conductors are about 400 to 600 metres long, model at a depth of about 100 metres below surface and are considered highly prospective for copper and gold mineralisation (Figure 1a). Magnetic imagery places the southern conductors at the hinge zone to a regional fold closure (the Great Southern Fold Structure) which sits about 300 metres within the southern boundary of the Maronan tenement (Figure 1b).

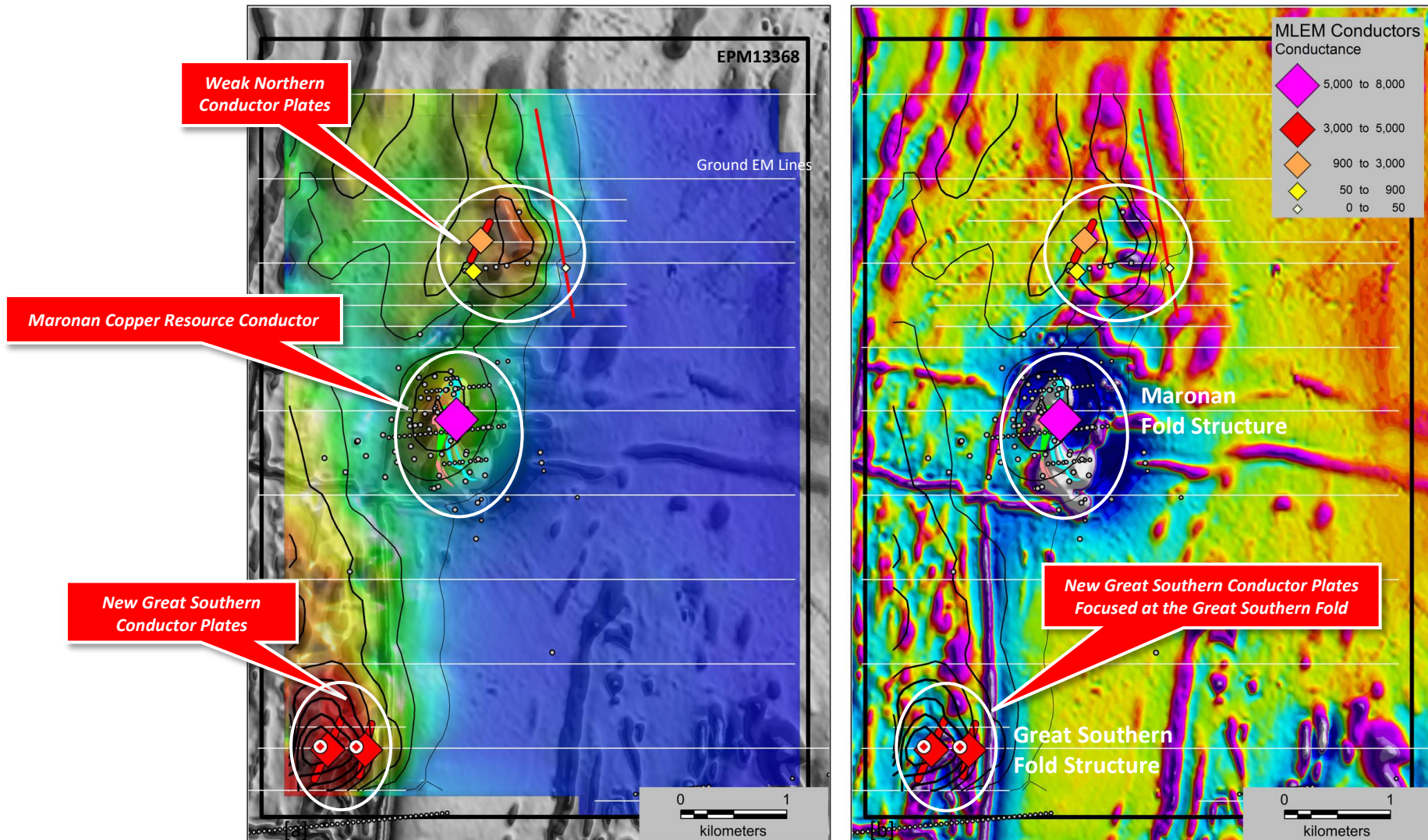
The current RC percussion drill program aims to drill one proof-of-concept hole into each of the Great Southern conductors. Two holes totaling about 600 metres are planned.

Recently completed infill ground electromagnetic surveying has also verified a separate zone of elevated conductivity only 1.5 kilometres north of Maronan (Figure 1a). Modelling interpreted two weakly conductive plates in this complexly buckle folded region which are considered lower-priority at this point.

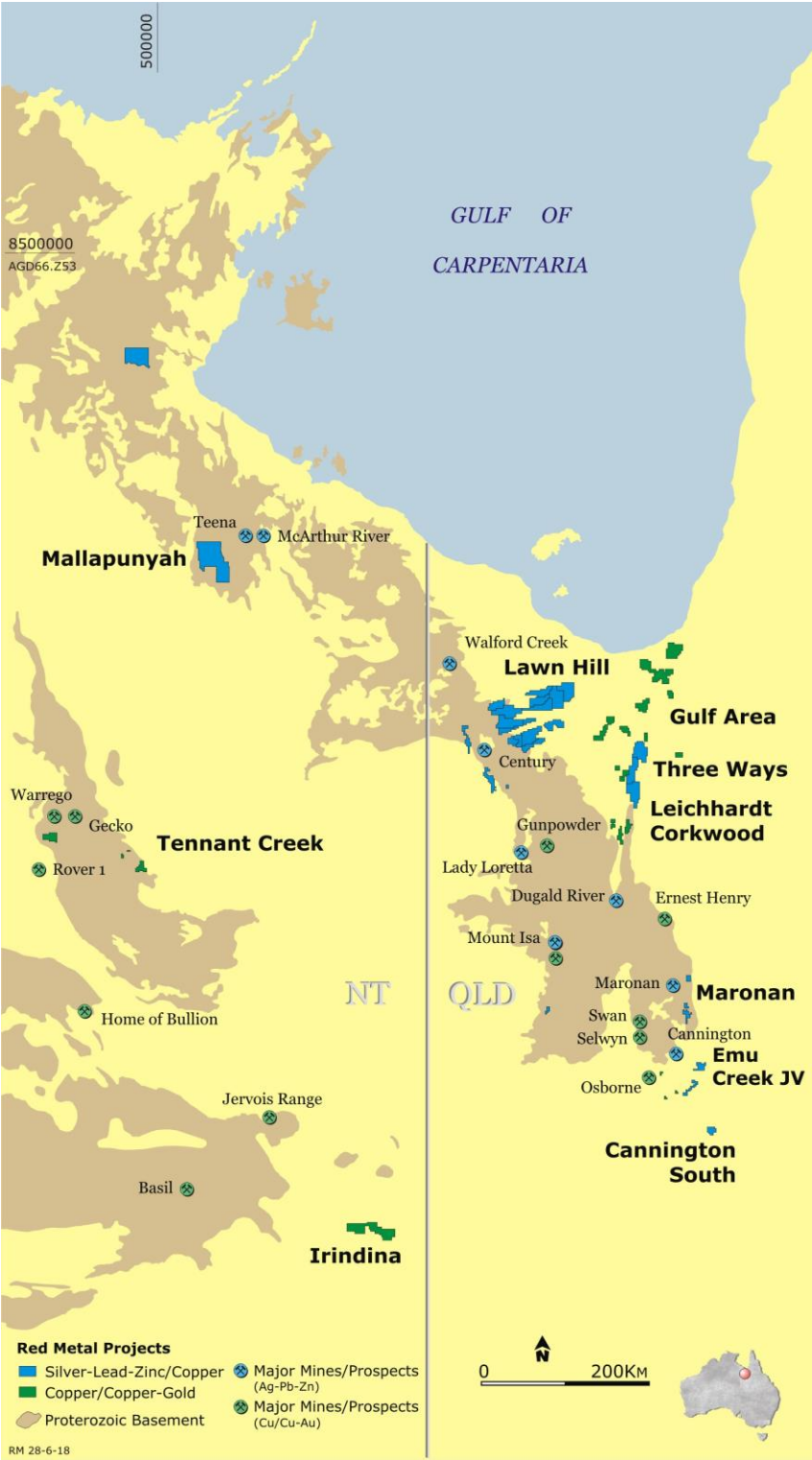
The copper-gold mineralisation at Maronan and the nearby Eloise Mine are typical examples of the Iron Sulphide Copper-Gold (ISCG) style of deposit. These deposit types are characterized by varying amounts of copper and iron sulphides (pyrrhotite) in vein and breccia zones that are strongly conductive and can be directly detected using electromagnetic surveying. Unmineralised false positive conductors such as graphite and/or pyrrhotite enriched meta-sediments are also known to occur in the district.

A Preliminary Mine Scoping Study for Maronan based on significant inferred resources of lead, silver, copper and gold presents a reasonable technical and economic case to advance the project towards a final feasibility study. A nearby discovery at Great Southern could, however, materially enhance the economics of the Maronan project.

If applicable, visual results from the current drilling will be announced upon completion of the program.



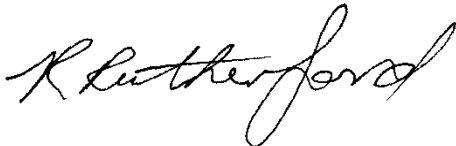
[Figure 1] Maronan EPM 13368: Ground electromagnetic image and contours of Z component Channel 30 (Figure 1a) and vertical gradient magnetic imagery (Figure 1b) with historic drill holes (black and white dots) and ground electromagnetic survey lines (fine white lines). Note the untested strong conductors south of the Maronan resources (lead-silver resources as blue and beige polygons, copper-gold resource as green polygon). Modelled conductor plates are highlighted as red lines for the new southern conductors and the weaker northern conductors. Conductance values of the modelled plates are shown thematically. Proposed RC percussion drill holes are shown as white circles with red centres.



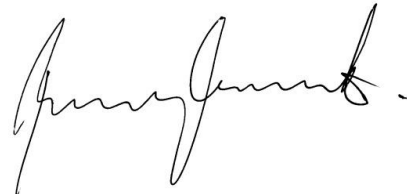
[Figure 2] Maronan: Project location and major mineral deposits

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.