

**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:**

212,258,409  
Ordinary shares

6,700,000  
Unlisted options

**Directors:**

Rob Rutherford  
Managing Director

Russell Barwick  
Chairman

Joshua Pitt  
Non-executive Director

**RED METAL LIMITED**

Level 15  
323 Castlereagh Street  
Sydney NSW 2000

Ph: +61 2 9281 1805  
Fax: +61 2 9281 5747

info@redmetal.com.au  
[www.redmetal.com.au](http://www.redmetal.com.au)

## DECEMBER 2018 QUARTERLY REPORT

### 31 January 2019

#### Vale: Greg Kary

It is with deep regret that we mourn the sudden passing of Mr Greg Kary our much loved colleague and friend. Greg was Red Metal's founding Senior Project Geologist and played a significant role in the acquisition of the six key projects that stimulated the formation of the recent Red Metal/OZ Minerals Greenfields Discovery Alliance.

Greg also contributed in a major way to the overall success of Red Metal and the respect it enjoys within the Australian exploration community. As such the Board of Red Metal has pledged to name the first discovery made under the new alliance in his memory. We look forward to this day.

A memorial page to Greg Kary is available to view and comment on our web site.

## SUMMARY OF KEY ACTIVITIES

- Execution of the “Greenfields Discovery Alliance” agreement with OZ Minerals Limited (OZ Minerals) secures a minimum of \$8.05 million in early stage funding for the **Yarrie, Nullarbor, Gulf, Three Ways, Lawn Hill** and **Mount Skipper** projects plus \$1.8 million in front end cash payments.
- Five State Government funded collaborative drilling grants up to a value \$750,000 awarded to test targets on the Nullarbor, Gibsons Tank and Three Ways projects.
- Tenement holdings expanded in the exciting Paterson Province and Gawler Craton at Oakover and Birthday Well respectively.
- Six hole drilling program completed on the Punt Hill and Pernatty Lagoon joint venture with wide intervals of patchy, low-grade copper mineralisation visible in two holes. Assay results pending.
- Proof of concept drill tests completed on the Tennant Creek project. Assay results pending.

## GREENFIELDS DISCOVERY ALLIANCE WITH OZ MINERALS

### OZ Minerals option to earn 51%: Copper-Gold & Zinc-Lead-Silver

On 30 January 2019 Red Metal announced the execution of a significant, multi-project option and joint venture agreement with OZ Minerals aimed at fast-tracking the search for greenfield discoveries on the Company's highly sought after Australian base metal exploration portfolio.

The new "Greenfields Discovery Alliance" agreement provides OZ Minerals with a two year option to fund a series of mutually agreed, proof-of-concept work programs on Red Metal's exciting **Yarrie, Nullarbor, Gulf, Three Ways, Lawn Hill and Mount Skipper** projects (Red Metal ASX announcement lodged 30 January 2019).

Your Board believes the Greenfields Discovery Alliance sets a new standard for the effective collaboration of a growth oriented major Australian mining group with an expert, ASX-listed, junior exploration company well recognized for its ability to generate promising greenfields initiatives.

Key benefits for Red Metal include:

- **Sustained exploration funding** with a minimum expenditure commitment totaling \$8.05 million over two years across six early stage projects;
- **Flexible earn-in terms** that give Red Metal the right of election to contribute at 49% or not contribute and be diluted to a 30% interest at completion of a positive decision to mine;
- **Sufficient earn-in expenditure amounts** to clearly outline any potential ore discoveries before Red Metal must elect whether or not to contribute;
- **The opportunity to add new projects** on broadly similar terms into the future; and
- **Cash payments** of \$300,000 for each of the six nominated projects, totaling \$1.8 million. Red Metal is also eligible to receive an additional payment of \$500,000 for any successful project that OZ Minerals ultimately selects for joint venture earn-in.

Exploration under the Greenfields Discovery Alliance will commence early in the 2019 field season with high-resolution gravity surveys on Nullarbor and Lawn Hill, followed by proof-of-concept drilling on the Mount Skipper, Gulf and Nullarbor projects. Work programs on the exciting Yarrie and Three Ways projects are pending granting of the tenements which is expected in 2019.

Summaries of the six projects within the Greenfields Discovery Alliance can be found in the following operations review.

## MOUNT ISA INLIER - QLD

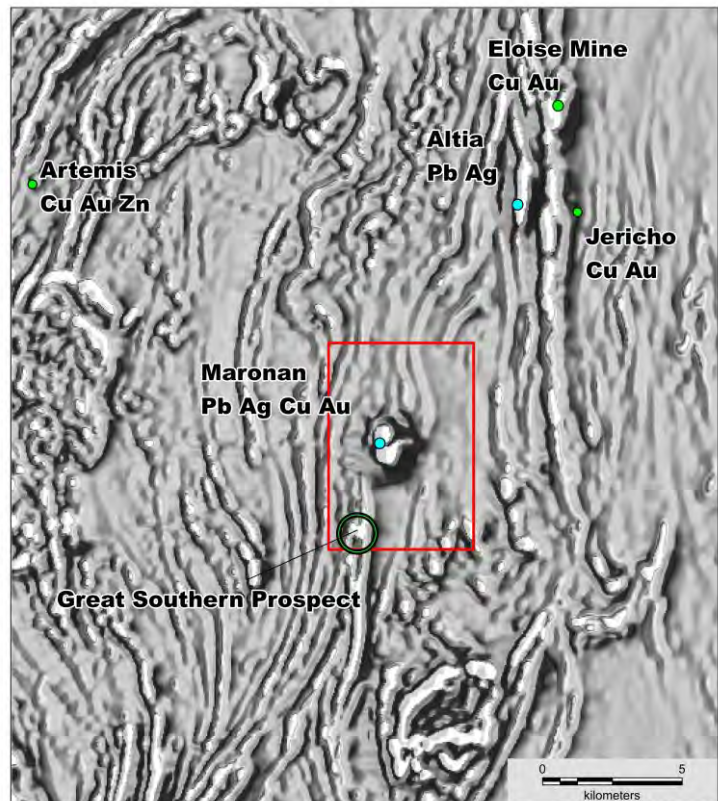
### Maronan Project: Silver-Lead & Copper-Gold

Last quarter Red Metal drill tested the source rocks to the two separate “Great Southern” electromagnetic conductors located just three kilometers south of the Maronan deposit (Figure 1). Both holes intersected a metasedimentary rock cut by multiple narrow shears and veins infilled with pyrrhotite, a highly conductive iron sulphide mineral that explained their source (refer to ASX announcements lodged 12 September and 27 September 2018).

No significant copper, gold or trace elements were identified from assaying.

Future work will now follow-up vectors that support the concept for a large, high-grade silver-lead-zinc and copper-gold system at depth below the existing Maronan resource.

[Figure 1] Maronan Project: Regional vertical gradient magnetic image showing the Maronan lead-silver and copper-gold deposit, other copper-gold and lead-silver-zinc prospects, the Eloise mine and Red Metal’s new Great Southern conductors.



### Cannington South Project: Lead-Zinc-Silver (Greenfields Discovery Alliance)

The key target in this project is a Cannington geophysical look-alike called “Mount Skipper” located 90 kilometres south of the Cannington mine under 400-500 metres of younger sedimentary cover (Figure 2).

South32’s large Cannington lead-zinc-silver mine and Red Metal’s Maronan lead-silver deposit were both discovered by drilling a standout bullseye magnetic target located within geophysically subdued clastic sequences known as the Mount Norna Quartzite. Red Metal has used regional magnetic and gravity data sets to search for analogous targets in covered terrains south of the Cannington deposit as a priority. The Mount Skipper target resulted from this approach and is proposed to be drill tested during the 2019 field season, dependent upon finalising an access agreement with the land owner.

The Mount Skipper target is included in the recently executed Greenfields Discovery Alliance between Red Metal and OZ Minerals Limited with a minimum of \$450,000 committed towards a proof of concept drill hole this field season (refer to Red Metal ASX announcement lodged 30 January 2019).



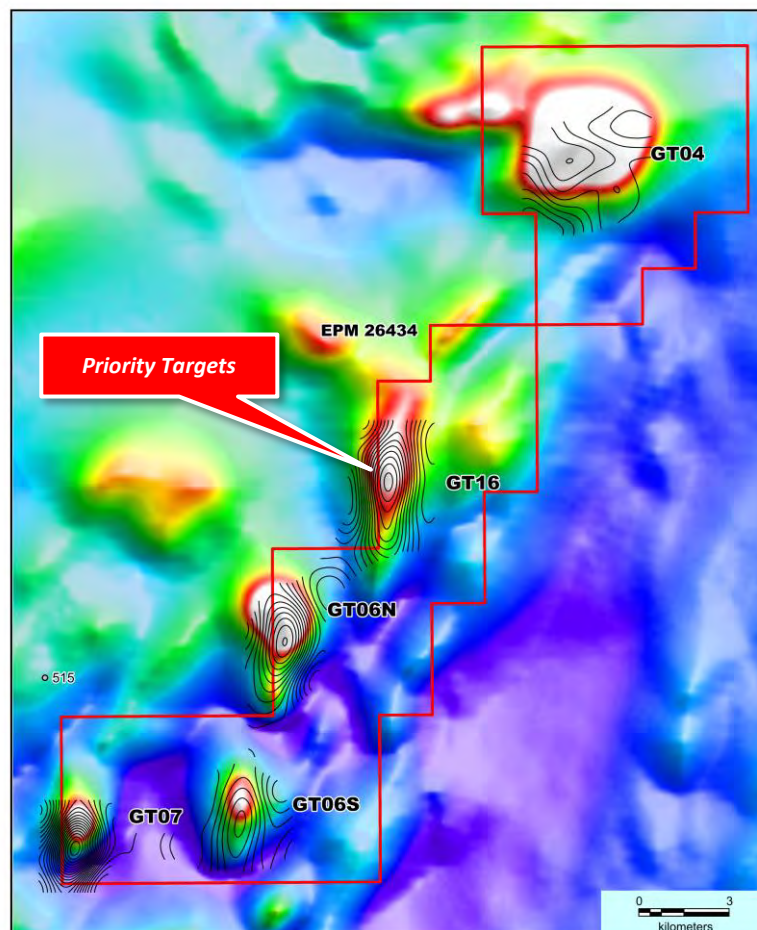
[Figure 2] Northwest Queensland and Northern Territory: Major deposits and Red Metal tenement locations.



## Gulf Project: Copper-Gold (Greenfields Discovery Alliance)

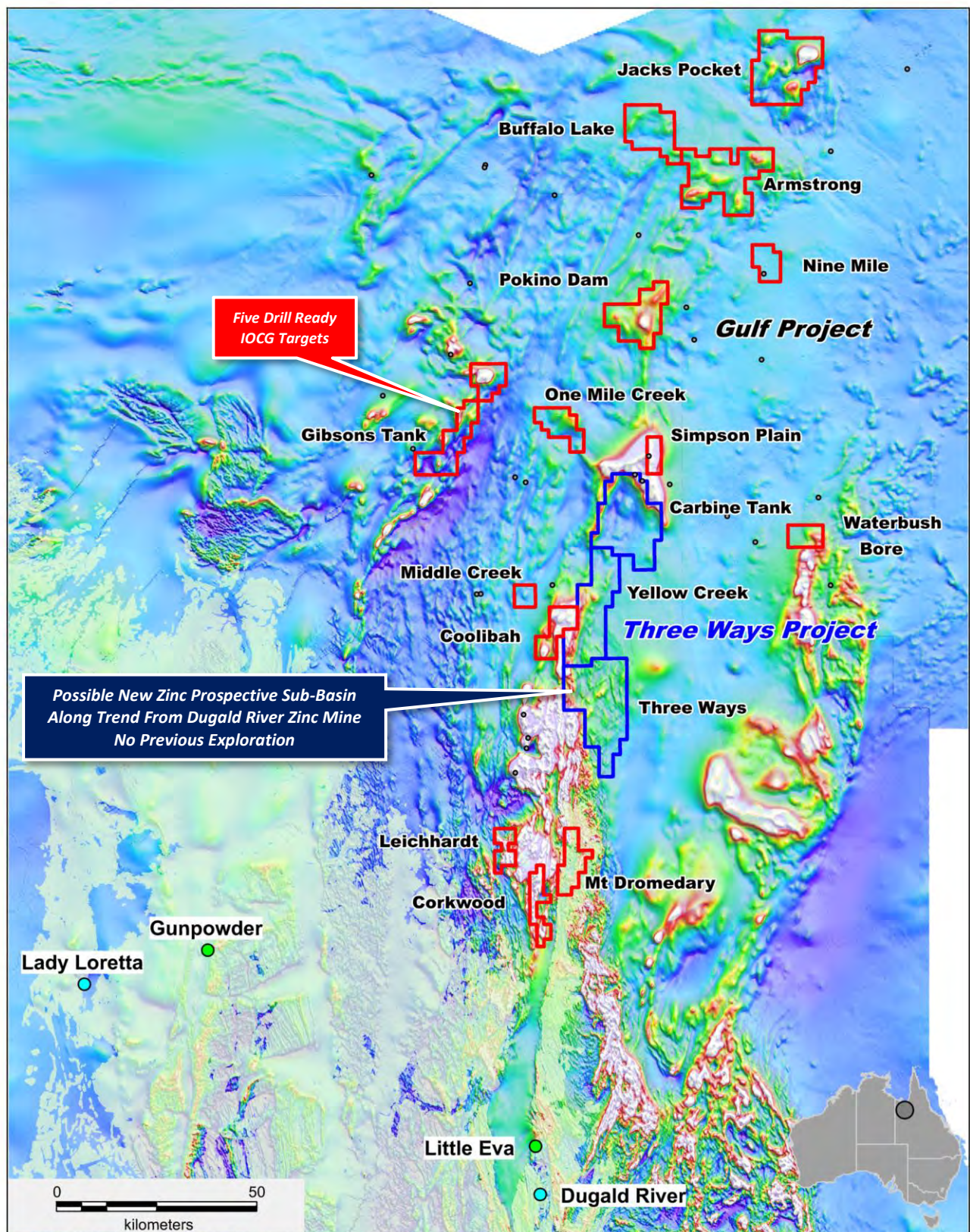
The Gulf project incorporates multiple exploration tenements over several standout geophysical anomalies in an under explored extension to the Cloncurry terrain which offers scope for large Iron Oxide Copper-Gold (IOCG) breccia systems (Figures 2 and 4). It is included in the recently executed Greenfields Discovery Alliance between Red Metal and OZ Minerals with a minimum of \$1.4 million committed towards proof of concept exploration programs over the next two years (refer to Red Metal ASX announcement lodged on 30 January 2019).

Infill gravity surveys were completed over ten of the Gulf tenements last quarter and modelling of this new data is in progress. Preliminary assessment of data from the Gibson's Tank tenement has identified five combined magnetic and gravity targets as priority for proof of concept drill testing under the new alliance (Figure 3). A proposal to drill two of the Gibson's Tank targets was awarded funding support of up to \$100,000 under the Queensland Governments collaborative drilling initiative.



[Figure 3] Gulf Project, Gibson's Tank tenement: Total magnetic image with residual gravity contours highlighting five coincident magnetic and gravity targets for follow-up drilling in the 2019 field season.





[Figure 4] Three Ways Project, Gulf Project, Leichardt Project, Corkwood Project and Mount Dromedary North Project: Total magnetic intensity image highlighting regionally project locations and historic basement drill holes with some basement depths labelled. Regions of exposed or outcropping geology highlighted as white translucent areas.

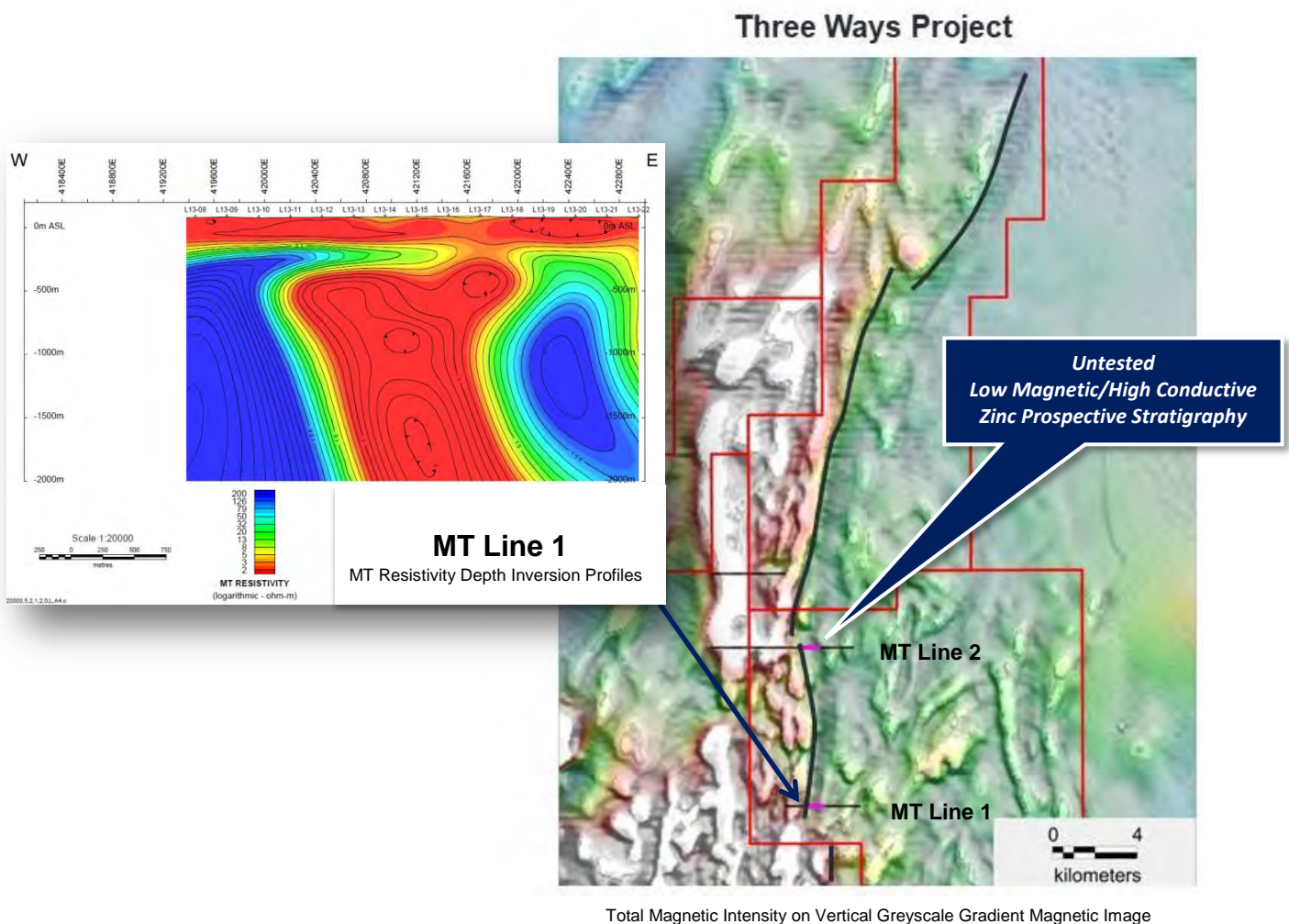


### Three Ways Project: Zinc-Lead-Silver, Copper-Gold (Greenfields Discovery Alliance)

These tenement applications enclose an entire sub-basin with no previous drill history located some 130 kilometres along trend from the recently commissioned Dugald River zinc-lead-silver mine (Figures 2 and 4). Zinc prospective host sequences in sub-basins such as these are highly conductive and often associated with a low magnetic response - making them detectable with combined electromagnetic and magnetic geophysical techniques. Historic magneto-telluric (MT) surveying across the interpreted Three Ways sub-basin has mapped thick conductive sequences which remain to be drill tested for the first time (Figure 5).

The Three Ways project is included in the recently executed Greenfields Discovery Alliance between Red Metal and OZ Minerals with a minimum of \$1.5 million committed towards proof of concept exploration programs over the next two years (refer to Red Metal ASX announcement lodged on 30 January 2019). With this funding Red Metal is proposing to expand the MT surveying to map and prioritize highly conductive zones within the sub-basin for drill testing.

A proposal by Red Metal to drill two holes into the conductive zinc prospective stratigraphy was recently awarded funding support of up to \$150,000 under the Queensland Governments collaborative drilling initiative.



[Figure 5] Three Ways Zinc Project: Magnetic imagery (right) showing magneto-telluric survey (MT) lines (fine black lines) and zones of low resistivity (high conductivity) in pink. MT resistivity depth inversion profile (left) highlights a steep east dipping conductor (low resistor) in red which Red Metal speculates may be prospective for stratiform zinc mineralisation.



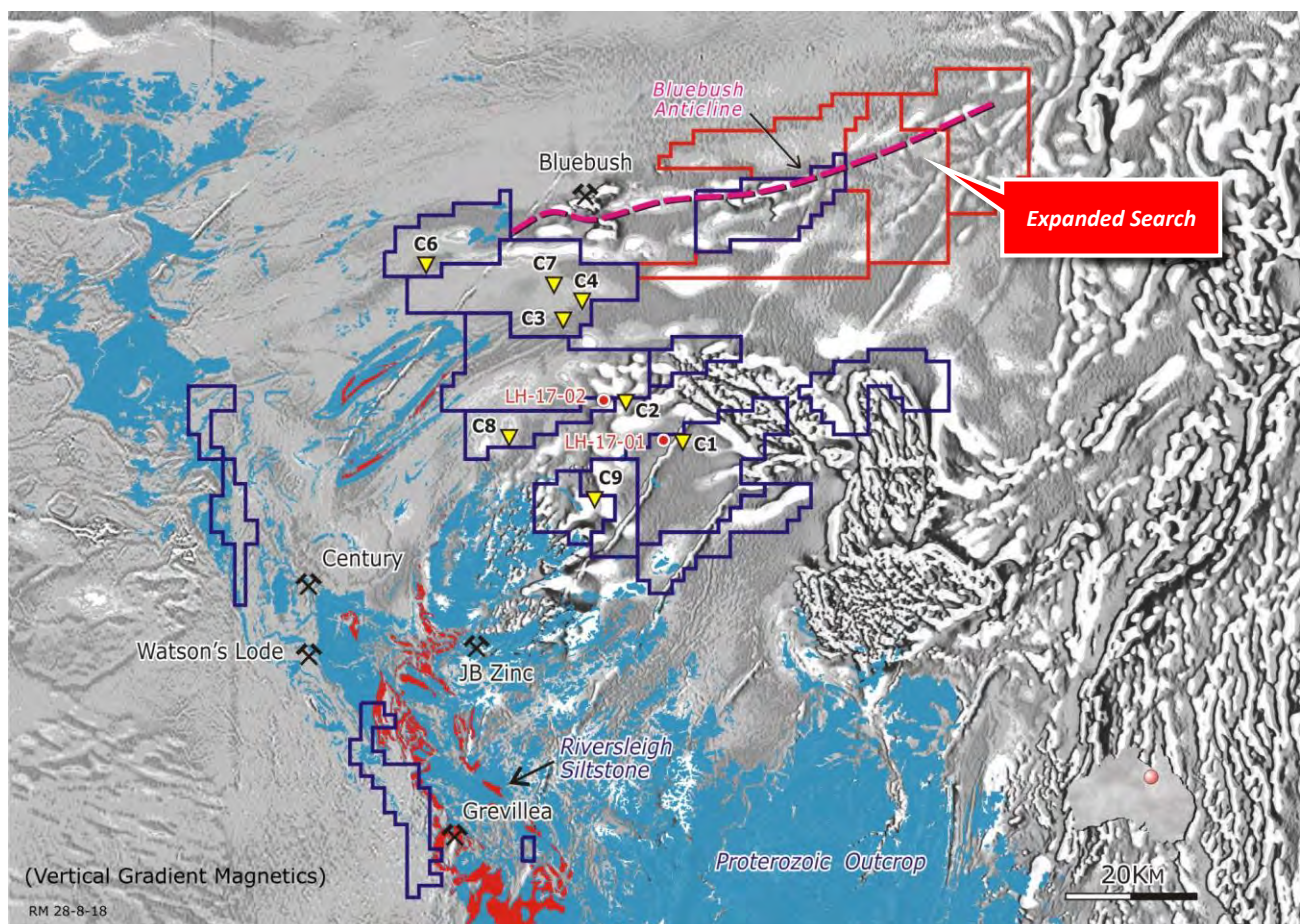
## Lawn Hill Project: Zinc-Lead-Silver, Copper (Greenfields Discovery Alliance)

This exciting project targets a range of new zinc deposit styles in the vicinity of the giant Century zinc-lead-silver deposit (Figures 2 and 6).

The Lawn Hill project is included in the recently executed Greenfields Discovery Alliance between Red Metal and OZ Minerals Limited with a minimum of \$1.5 million committed towards proof of concept exploration programs over the next two years (refer to Red Metal ASX announcement lodged on 30 January 2019).

The Century deposit is a structurally controlled, replacement style zinc-lead-silver deposit. Red Metal is focusing on advanced geological models that predict that the immediate region should also host stratiform controlled deposits of potentially similar size. This style of deposit occurs further afield in the Northern Territory and includes the giant McArthur River and the new Teena deposits. Red Metal is also hoping to define significant replacement deposits as occur at Century or, vein and breccia hosted styles.

Red Metal speculates the existence of thick, highly conductive, zinc prospective sequences about the eastern closure to the regional Bluebush Anticline structure (Figure 10). With funding from OZ Minerals, the Company proposes to utilise high resolution gravity in combination with deep penetrating, ground electromagnetic surveying methods to prioritize zinc targets for drill testing.



[Figure 6] Lawn Hill Project: Tenement locations on greyscale vertical gradient magnetic imagery overlain by outcropping Proterozoic geology (blue), highlighting the exposed, stratiform zinc prospective, Riversleigh Siltstone (red) with major zinc mines and prospects. The Bluebush stratiform zinc prospect occurs on the western closure to the regional Bluebush Anticline. Red Metal has expanded its search towards the under explored eastern closure of the Bluebush Anticline.

## Emu Creek Joint Venture: Copper-Gold, Zinc

This quarter joint venture partner Chinova Resources Limited completed an aircore and diamond core program over a new zinc target concept on the Sandy Creek tenement located 26 kilometres south of the Osborne copper and gold mine (Figure 4). Although wide intervals of disseminated iron sulphide were observed in the diamond core no significant zinc mineralisation was encountered. Further work during the 2019 field season is being assessed.

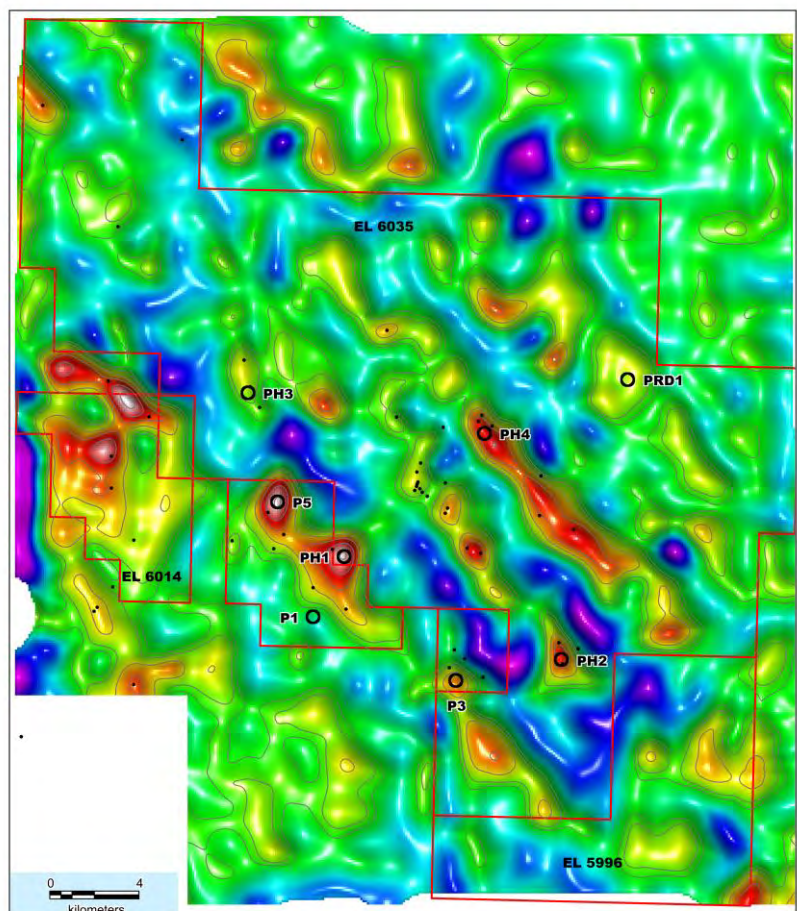
## GAWLER CRATON - SA

Interest in the Gawler Craton's Olympic Domain remains high following BHP's announcement this quarter of a world class copper and gold drill intercept on their historic Oak Dam West prospect. The hematite breccia intercept comprised 438m at 3.0% copper 0.6g/t gold, 6g/t silver including 180m at 6.1% copper and 0.9g/t gold, 13g/t silver. This spectacular result re-enforces the fertility of the Olympic Domain and opportunity for other large high-grade discoveries.

## Punt Hill and Pernatty Lagoon Joint Venture: Copper-Gold-Zinc

Last quarter joint venture partner OZ Minerals initiated a significant maiden drill program testing a series of geophysical targets on the Punt Hill and Pernatty Lagoon joint venture projects located 30 kilometres south of the Carrapateena deposit (Figure 7). The six hole program totaled 6149 metres of drilling and terminated mid-January 2019. Wide intervals of patchy low-grade copper mineralisation are visible in drill cores penetrating the PH1 and P5 targets (Figure 6). Geological logging and sampling for copper, gold and trace element analyses are in progress. A review of the geology and mineralisation potential is proposed next quarter.

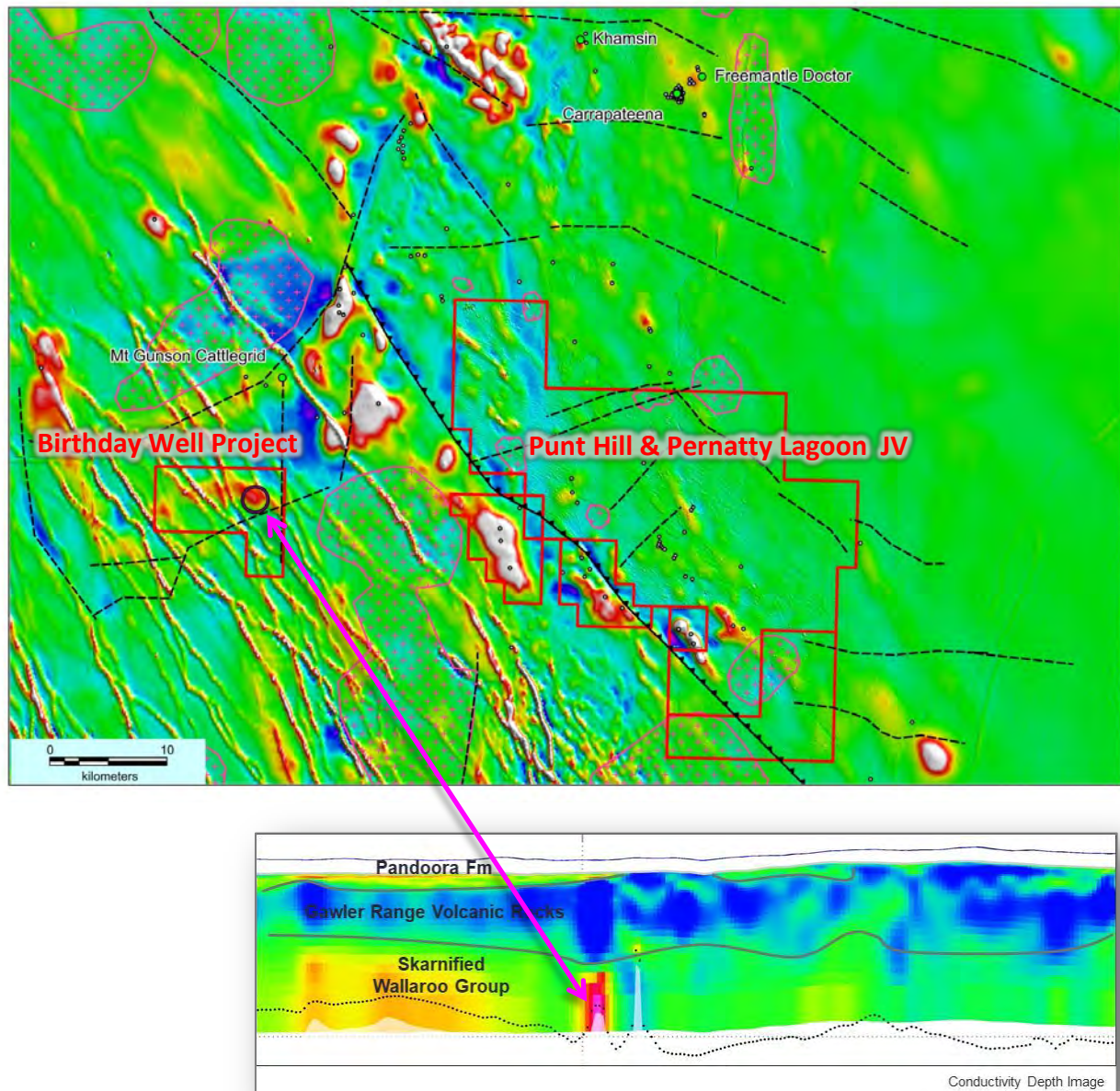
[Figure 6] Punt Hill EL 6035 and Pernatty Lagoon EL6014: Residual gradient gravity image (right) with gravity contours, existing drill holes (black dots) and key targets for possible drill tests (open black circles).





## Birthday Well Project: Copper-Gold-Zinc

Red Metal moved quickly to secure a standout, deep sourced, conductivity anomaly following the release of wide spaced airborne electromagnetic survey data over the Olympic Domain (Figure 7). The conductivity anomaly appears coincident with a low-amplitude magnetic target and remains untested by past exploration. Red Metal is targeting high-grade Iron Sulphide Copper and Gold (ISCG) deposit types associated with highly conductive but weakly magnetic pyrrhotite. Ground electromagnetic surveying will be used to validate the target once the tenement has been granted.



[Figure 7] Birthday Well Project: Total magnetic image (top) showing the location of the Birthday Well airborne electromagnetic (AEM) conductor (black circle) in relation to the Punt Hill and Pernatty Lagoon tenements and the Carrapateena and Mount Gunson copper deposits. Conductivity depth image from wide spaced AEM data (bottom image) highlights the possible deep sourced conductor. Note its coincidence with a low-amplitude magnetic anomaly. Ground validation is required. Interpreted granite bodies shown as pink stippled polygons. Pre-competitive AEM data was flown by the Geological Survey of South Australia and Geoscience Australia.



## PATERSON PROVINCE - WA

New data from the Geological Survey of Western Australia (GSWA) and Geoscience Australia (GA) backed up with recent discoveries by Rio Tinto at “Winu” and Greatlands Gold at “Haverion” are forcing a paradigm shift in base metal and gold targeting across the province. Red Metal has secured a significant land position in the search for giant-sedimentary-hosted copper-cobalt styles as well as variants of the Iron Oxide Copper-Gold (IOCG) and Iron Sulphide Copper-Gold (ISCG) types.

### Yarrie Projects: Copper-Cobalt, Copper-Gold (Greenfields Discovery Alliance)

Yarrie comprises five new exploration license applications covering almost 2,000 square kilometres in this highly sought after province. It has seen little past exploration but is well located along trend from Metal X Limited’s Nifty copper mine and the rumoured Rio Tinto copper discovery called Winu (Figure 8). Rio Tinto has multiple new exploration license applications surrounding Red Metal’s Yarrie applications.

The Yarrie project is included in the recently executed Greenfields Discovery Alliance between Red Metal and OZ Minerals with a minimum of \$2.5 million committed towards proof of concept exploration programs over the next two years (refer to Red Metal ASX announcement lodged 30 January 2019).

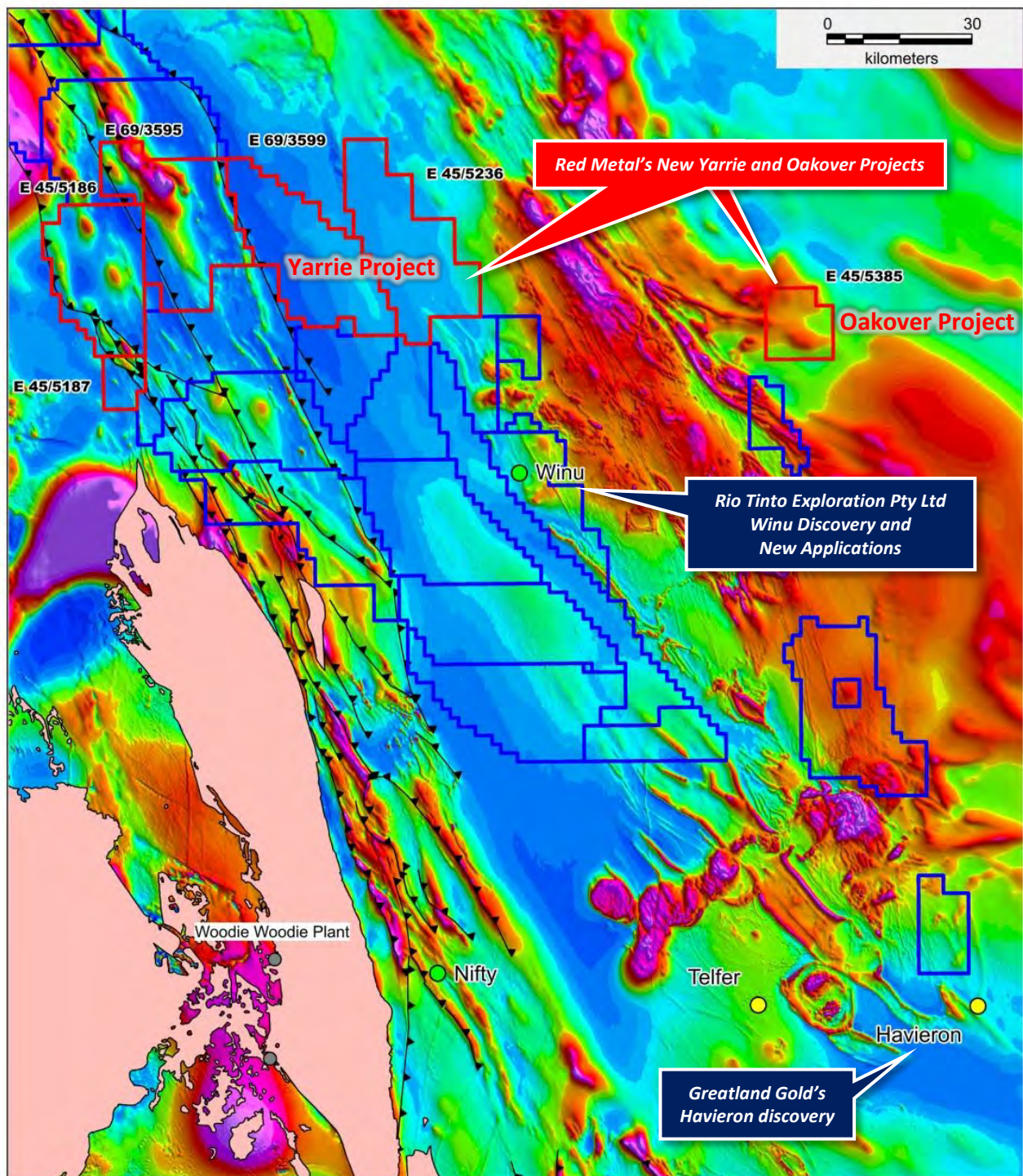
Combining recently released Falcon airborne gravity imagery with vertical gradient magnetic imagery has allowed Red Metal to highlight Rio Tinto’s Winu discovery as a low-amplitude, bullseye magnetic target along a high-gravity ridge (Figure 9). Two very similar low-amplitude magnetic bullseye targets along the same high-gravity trend are evident in Red Metals tenement application further to the north northwest (Figure 9).

Furthermore, new magnetic imagery mapping the northwest extension of the Nifty trend has enabled Red Metal to interpret a series of dome-shaped antiform structures located below 200 to 500 metres of younger sedimentary cover (Figure 10). These potential dome-shaped features are considered by Red Metal to be highly prospective for giant sedimentary-hosted copper-cobalt deposits as occur elsewhere in the province at Nifty with over 176 million tonnes grading 1.3% copper and Maroochydore with 48.6 million tonnes grading 1.0% copper. Global examples of sedimentary-hosted copper-cobalt deposits include the structure controlled Mount Isa deposit with over 225 million tonnes grading 3.3% copper and more stratabound Kamo-a-Kabula deposit with over 1.03 billion tonnes grading 3.17% copper recently discovered by Ivanhoe Mines in the Democratic Republic of Congo.

Future exploration funded by OZ Minerals under the Greenfields Discovery Alliance will utilize modern, deep penetrating, ground electromagnetic surveying methods to map prospective stratigraphy and rank the dome-shaped structures and magnetic bullseye targets for drill testing.

### Oakover Project: Copper-Gold

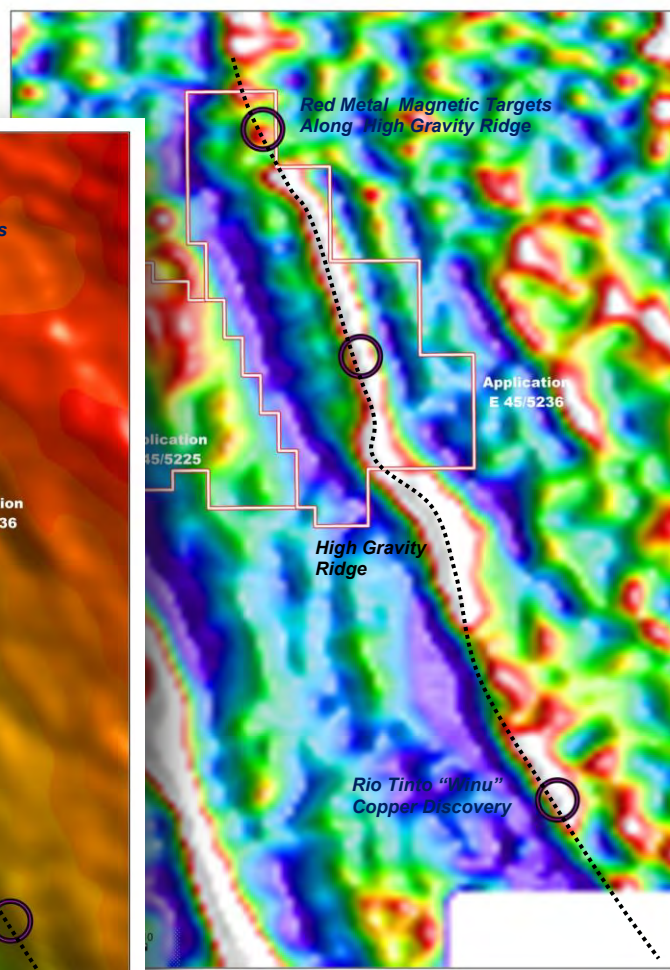
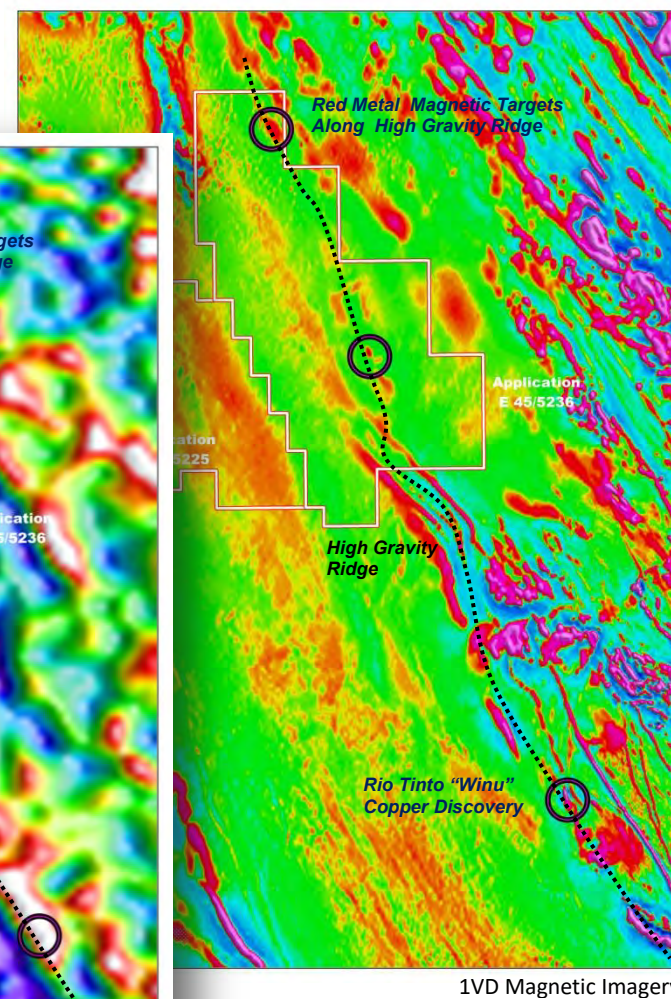
This new project targets a regional gravity feature located only 60 kilometres northeast of the Winu discovery and seeks copper and gold mineralised hematite breccia akin to the giant Olympic Dam deposit in South Australia. Red Metal is proposing to use infill gravity surveying to define potential drill targets.



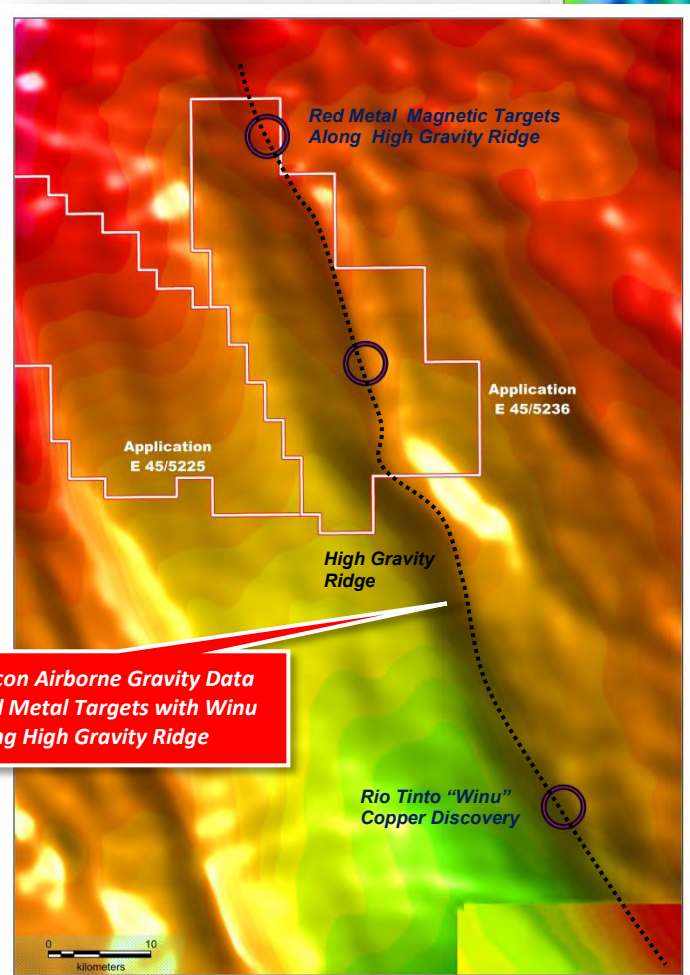
[Figure 8] Paterson Province Yarrie and Oakover Projects: Magnetic imagery with Nifty Mine, Telfer Mine, Haveron prospect, Winu prospects and Red Metal's Yarrie and new Oakover tenement applications (red line) and Rio Tinto Exploration Pty Limited's new applications (blue line). Note the exposed basement terrain of older Archaean rocks (buff coloured polygon). New data sets from the Geological Survey of Westerns Australia and Geoscience Australia greatly assisted Red Metal's new interpretation.



[Figure 9] Yarrie Project: New Falcon airborne gravity imagery (left and middle) highlighting high gravity ridge. Vertical gradient magnetic imagery (right) highlights a magnetic feature associated with the location of the rumoured Rio Tinto copper discovery called “Winu” sited along the high gravity ridge. Note two intriguing bullseye magnetic features on Red Metal’s new tenement application E45/5236 along trend to the north northwest. Falcon data was flown by the Geological Survey of Western Australia and Geoscience Australia.



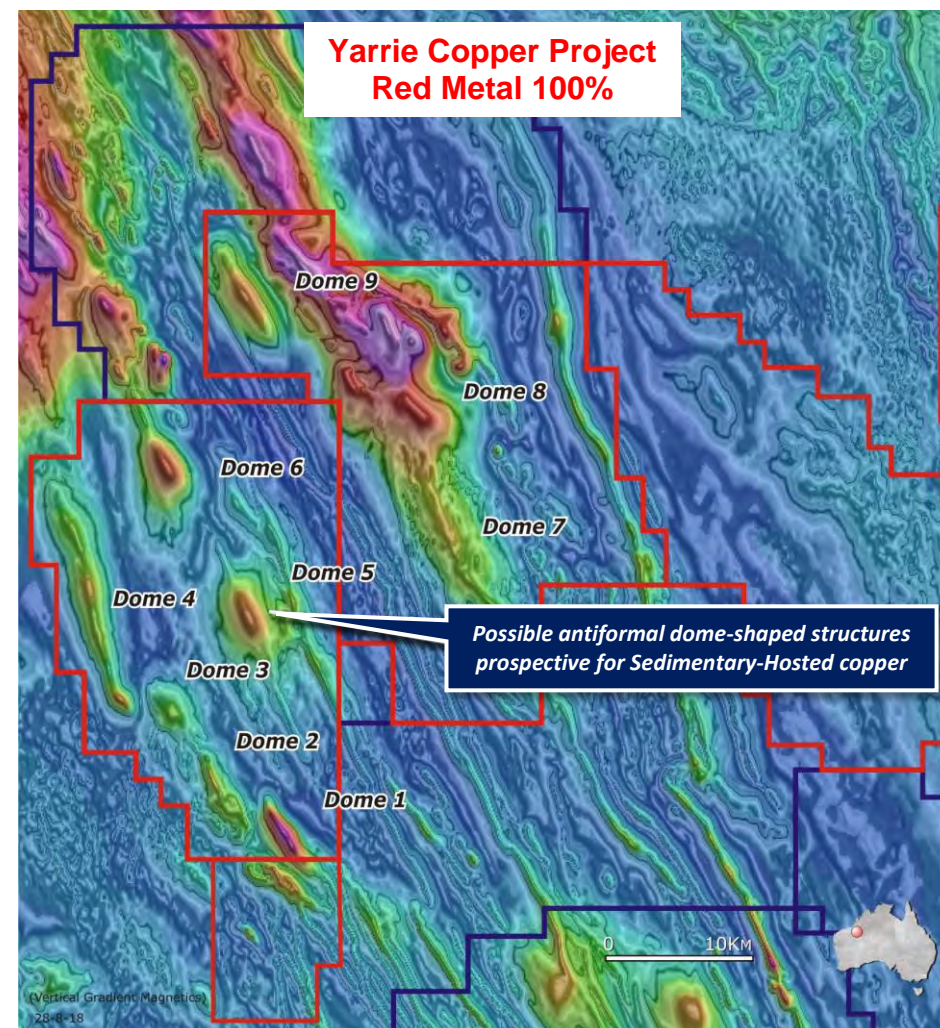
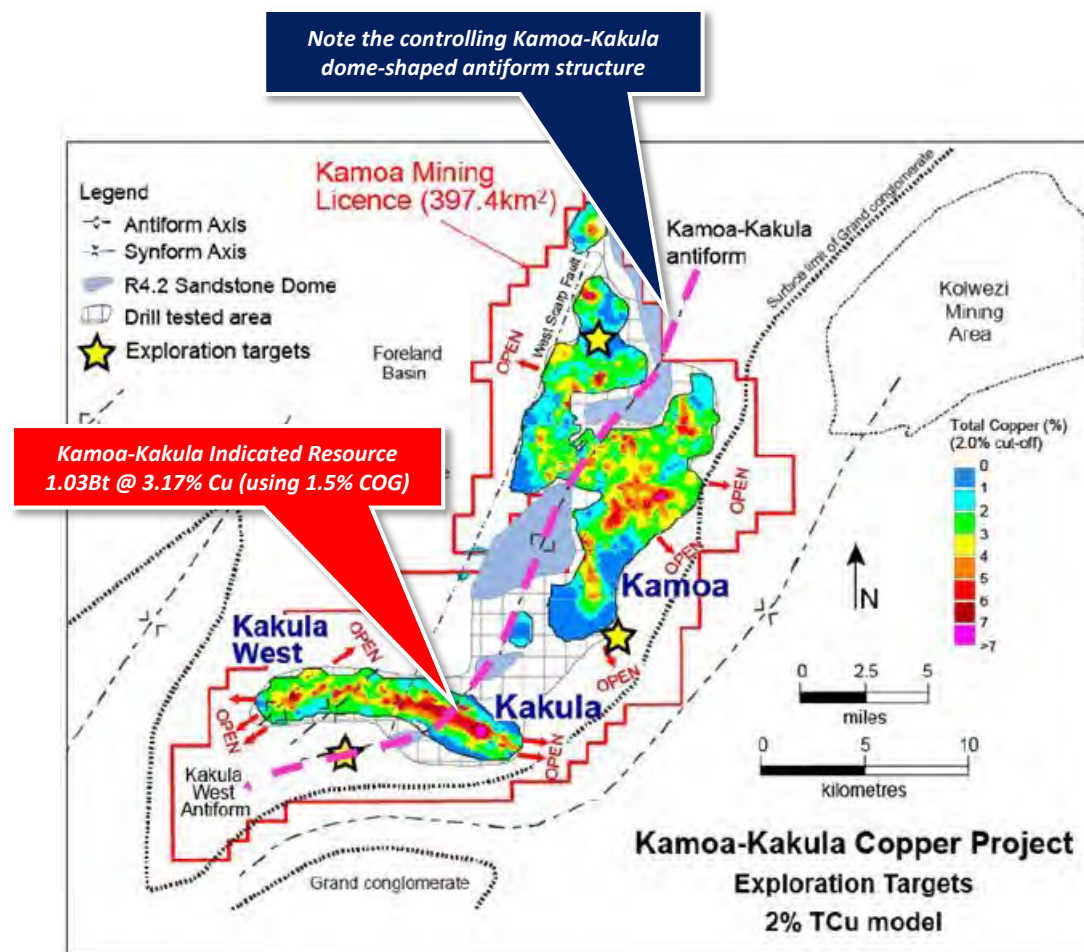
Falcon Gravity Vertical Gradient Imagery



Preliminary Falcon Gravity Imagery

**New Falcon Airborne Gravity Data Links Red Metal Targets with Winu Along High Gravity Ridge**





[Figure 10] Yarrie Project: Vertical gradient magnetic imagery showing interpreted dome-shaped antiform structures on the Yarrie project, Paterson Province, Western Australia (Right). Published map of the Kamo-a-Kakula deposit, Democratic Republic of Congo (left) highlighting the controlling Kamo-a-Kakula antiform. Red Metal interpret antiform-like structures on Yarrie that may offer exploration potential for Sedimentary-Hosted copper-cobalt mineralisation including Kamo-a-Kakula deposit types – these new target concepts remain to be evaluated.



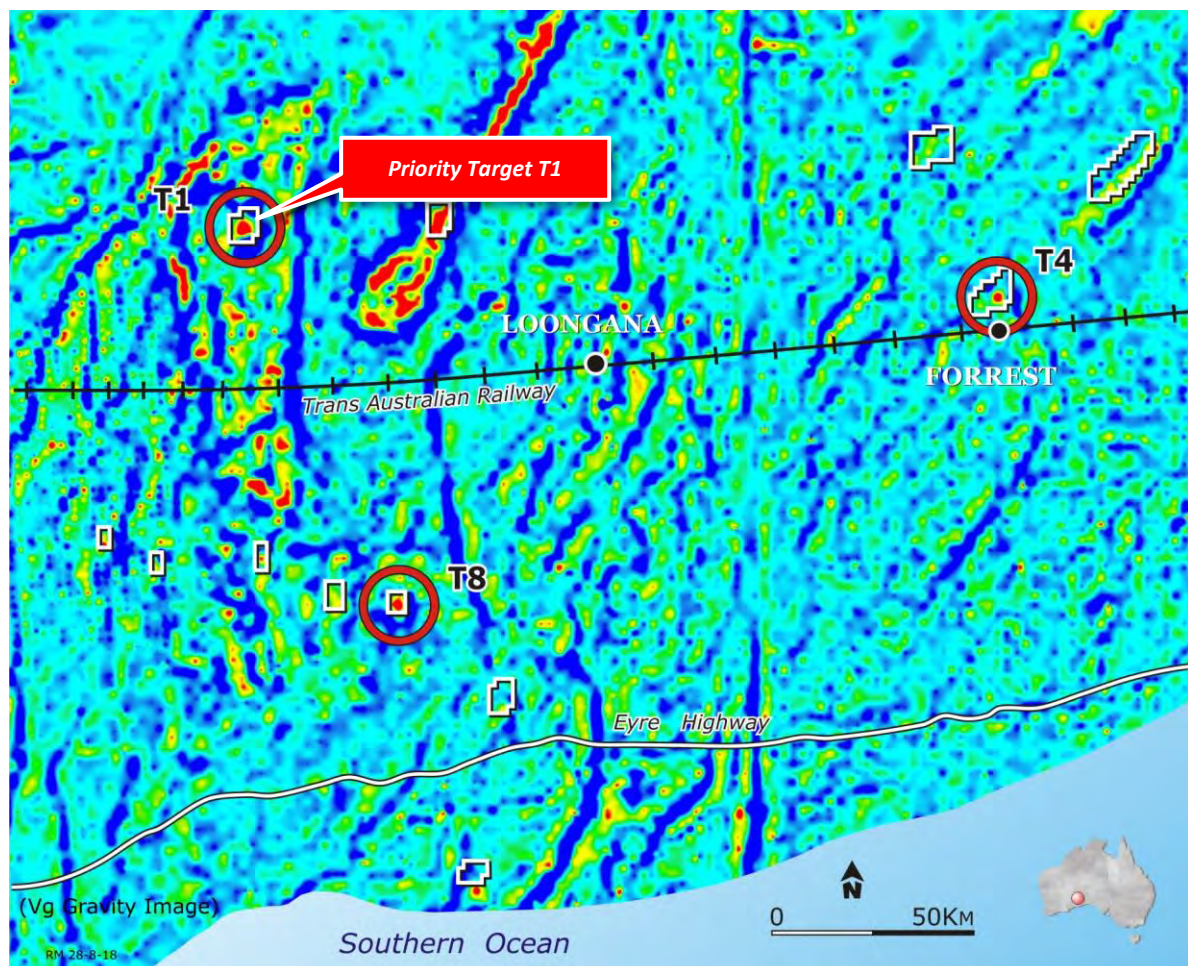
## COOMPANA AND MADURA PROVINCES - WA

### Nullarbor Projects: Copper-Gold, Copper-Nickel (Greenfields Discovery Alliance)

Red Metal has secured a number of key geophysical targets following the release of new geophysical and basement rock data by the Geological Survey of Western Australia (GSWA) and Geoscience Australia (GA) outlining what could be exciting new copper provinces under the Nullarbor Plain of Western Australia (Figure 11). Standouts targets from this assessment include three, regionally significant, combined gravity and magnetic anomalies (T1, T4 and T8) offering scope for Iron Oxide Copper-Gold (IOCG) styles of mineralisation (Figure 11).

The Nullarbor project is included in the recently executed Greenfields Discovery Alliance between Red Metal and OZ Minerals with a minimum of \$700,000 committed towards proof of concept exploration programs this year (refer to Red Metal ASX announcement lodged on 30 January 2019). In addition, Red Metal was successfully awarded three separate Exploration Incentive Scheme (EIS) grants from the Western Australian Government to drill test targets T1, T4 and T8. The grants provide funding of up to \$526,000.

Infill gravity grids over other second order targets are planned to start next quarter.



[Figure 11] Red Metal Nullarbor Projects: Vertical gradient gravity colour image showing main tenements and existing drill-hole locations. Drill holes that intersected basement rocks are labelled with the depth to basement (metres). Note the standout T1, T4 and T8 targets (circled red). Recent research by GSWA and GA highlight potential for new copper provinces under the Nullarbor Plain of Western Australia.

## TENNANT CREEK PROVINCE - NT

### Tennant Creek Project: Gold-Copper-Bismuth

Three percussion drill holes testing two magnetic targets, each with supporting copper and bismuth soil geochemistry, were completed this quarter. Although the source of the magnetic targets was identified from the drilling no significant visible copper mineralisation was intersected. Analyses for copper, gold and other trace elements are pending.

## OTHER PROJECTS

Red Metal's other projects are briefly summarised below in Table 1.

[Table 1] Red Metal Limited: other projects.

Project	Description	Status
<b>QUEENSLAND</b>		
<u>Corkwood &amp; Leichhardt</u> <i>Cu-Au</i>	Magnetite-biotite altered porphyritic intermediate volcanic rock types comparable to the halo alteration that surrounds the Ernest Henry deposit. Known copper-gold mineralised breccia. New IOCG targeting concepts being tested.	Drill ready
<u>Mt Dromedary North</u> <i>Graphite</i>	Covers northward extension of the large Mount Dromedary graphite trend defined from airborne electromagnetic imagery.	Drill ready, seeking third party funding.
<b>SOUTH AUSTRALIA</b>		
<u>Barton</u> <i>Zircon, Titanium &amp; Au</i>	Large tonnage, low-grade heavy mineral sand deposit discovered in Eucla Basin near Iluka's Ambrosia zircon mine. Gold potential in underlying basement shear zones remains untested.	Scope for higher grade of HM identified. Seeking third party funding.
<u>Callabonna JV</u> <i>Cu-Au</i>	Red Metal has recognized the potential for large Iron-Oxide Copper and Gold deposits (IOCG) along the northern margin to the Curnamona Province. Several large magnetic and gravity targets remain to be tested for their copper potential.	Ranking with electro-magnetic surveying.
<b>NORTHERN TERRITORY</b>		
<u>Mallapunyah</u> <i>Pb-Zn-Ag &amp; CuAgCo</i>	Application on Aboriginal Land located within the McArthur Basin targeting zinc-lead-silver deposits similar to the giant McArthur River and Century mines as well as sedimentary-hosted styles of copper mineralisation. Recent success on the Teena project by Teck has highlighted the potential for additional deposits within this fertile terrain	Joint venture with MMG Establishing access agreement

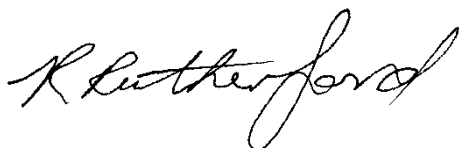


For further information concerning Red Metal's operations and plans for the future please refer to the recently updated web site or contact Rob Rutherford, Managing Director at:

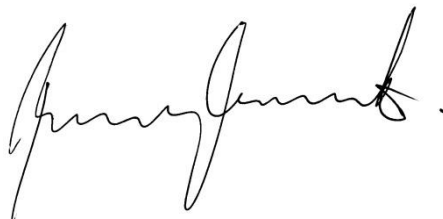
Phone +61 (0)2 9281-1805

Fax +61 (0)2 9281-5747

[www.redmetal.com.au](http://www.redmetal.com.au)



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.*

---

## ADDENDUM TO DECEMBER 2018 QUARTERLY ACTIVITIES REPORT

Granted exploration tenements held are as follows:

Project	Tenement Reference	Company Interest %	Comment
Maronan	EPM 13368	100	
Corkwood	EPMs 13380, 26032, 26125	100	
Lawn Hill	EPMs 25902, 25904, 25905, 25907, 25912, 25985, 26116, 26157, 26293, 26402, 26406, 26407, 26820, 26821, 26822	100	Refer note 1.
Gulf	EPM's 26434, 26436, 26654, 26655, 26656, 26657, 26671, 26672, 26673, 26674, 26675	100	Refer note 1.
Cannington South	EPMs 19232, 25871	100	EPM 19232 Refer note 1.
Chinova JV	EPMs 15385, 16251	100	Refer note 2.
Barton	EL 5888	100	
Callabonna JV	EL 5360, 6204	51%	Refer note 3.
Pernatty Lagoon JV	EL 6014	87.4	Refer note 4.
Punt Hill JV	EL 6035	100	Refer note 5.
South Gap	EL 5996	100	
Birthday Well	EL6289	100	
Tennant Creek	EL 24009	100	
Irindina	EL27266	100	
Nullarbor	ELs 3428, 3429, 3430, 3432, 3433, 3434, 3436, 34347, 3438, 3439, 3441	100	Refer note 1.

*Notes:*

1. Greenfields Discovery Alliance Agreement between Red Metal (diluting to 49%) and OZ Minerals Limited (earning 51%).
2. Joint venture between Red Metal (diluting to 30%) and Chinova Resources (Osborne) Pty Ltd (earning 70%). No change in interest during the quarter.
3. Joint venture between Red Metal (51% earning 70%) and PlatSearch NL now Variscan Mines Limited (49% diluting to 30%).
4. Joint venture between Red Metal (87.39%) and Havilah Resources NL (12.61%). New joint venture between Red Metal (diluting) and OZ Exploration Pty Ltd (earning 70% from Red Metal)
5. Joint venture between Red Metal (diluting to 30%) and OZ Exploration Pty Ltd (earning 70%).

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

RED METAL LIMITED

### ABN

34 103 367 684

### Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(500)	(817)
(b) development		
(c) production		
(d) staff costs	(168)	(349)
(e) administration and corporate costs	(113)	(201)
1.3 Dividends received (see note 3)		
1.4 Interest received	11	22
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
Other – Government grant	-	-
Other – R+D tax refund	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(770)</b>	<b>(1,345)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)		



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(c) investments		
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options	99	99
3.4	Transaction costs related to issues of shares, convertible notes or options	(2)	(2)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	<b>Net cash from / (used in) financing activities</b>	<b>97</b>	<b>97</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,401	1,976
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(770)	(1,345)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	97	97

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>728</b>	<b>728</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	228	351
5.2	Call deposits	500	1,050
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>728</b>	<b>1,401</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
78
-

Directors remuneration

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

## Mining exploration entity and oil and gas exploration entity quarterly report

**8. Financing facilities available**

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	100
9.2 Development	
9.3 Production	
9.4 Staff costs	150
9.5 Administration and corporate costs	75
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>325</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EPM 19531 (QLD), EL 69/3494 (WA)	Granted tenement	100	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EPMS 26820, 26821, 26822 (QLD), EL 6289 (SA)	Granted tenements	-	100



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Company secretary)

Date: January 2019

Print name: Patrick Flint

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.