

**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:**

144,771,919  
Ordinary shares

8,125,000  
Unlisted options

**Directors:**

Rob Rutherford  
Managing Director

Russell Barwick  
Chairman

Joshua Pitt  
Non-executive Director

**RED METAL LIMITED**

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Queensland  
Explorer of the Year  
2013

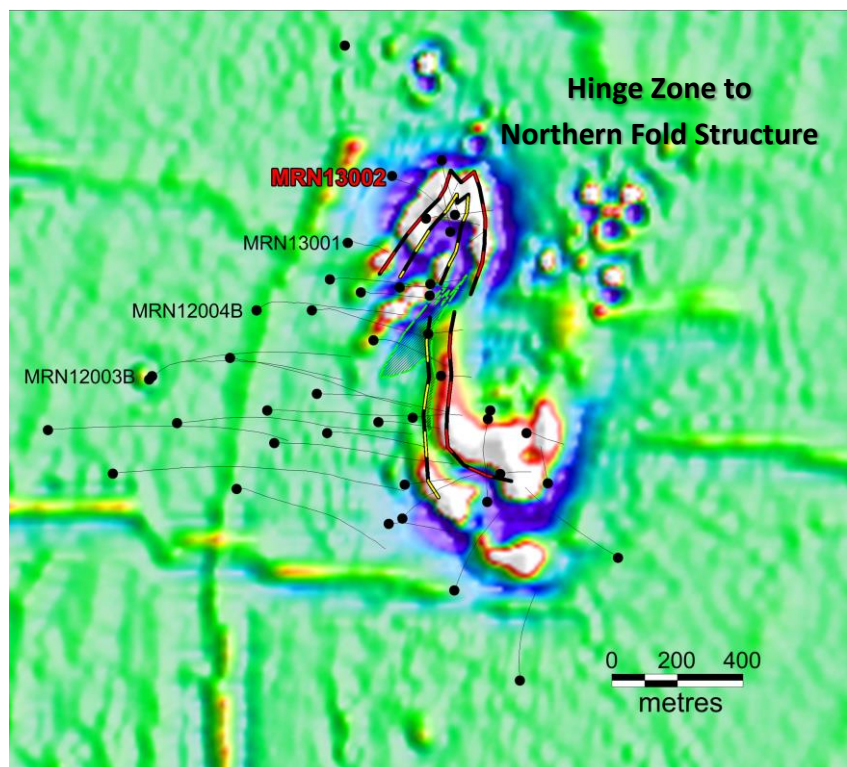
**ASX ANNOUNCEMENT**  
**07 JULY 2014**

**FIRST STEP-OUT DRILL HOLE TO START AT MARONAN**

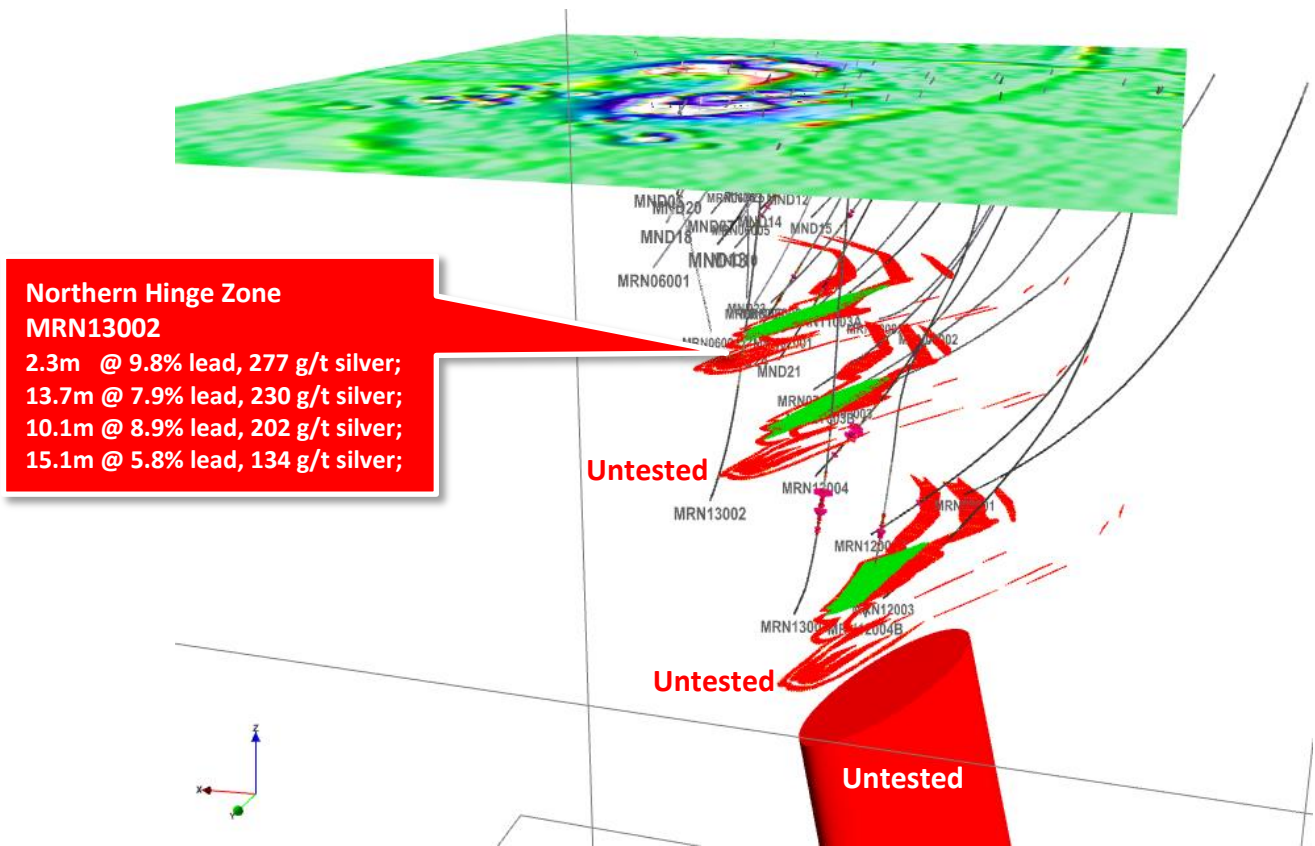
Red Metal has secured specialist directional diamond core drillers "DDH1" to initiate the first of a series of step-out exploration holes on the Company's 100% owned Maronan silver and lead project.

The step-out program, which is expected to start in about 2 weeks, aims to evaluate the vertical and lateral continuity of the significant Cannington Mine-style lead and silver mineralisation recently discovered below the northern fold structure (Figures 1 to 5). Scope for the system to zone towards thicker and higher grades of silver and lead mineralisation comparable to ores mined at the core of the giant Cannington deposit will be tested. Potential for higher grade structural enrichment or "bonanza zones" at the apex to the northern fold structure will also be evaluated (Figure 3).

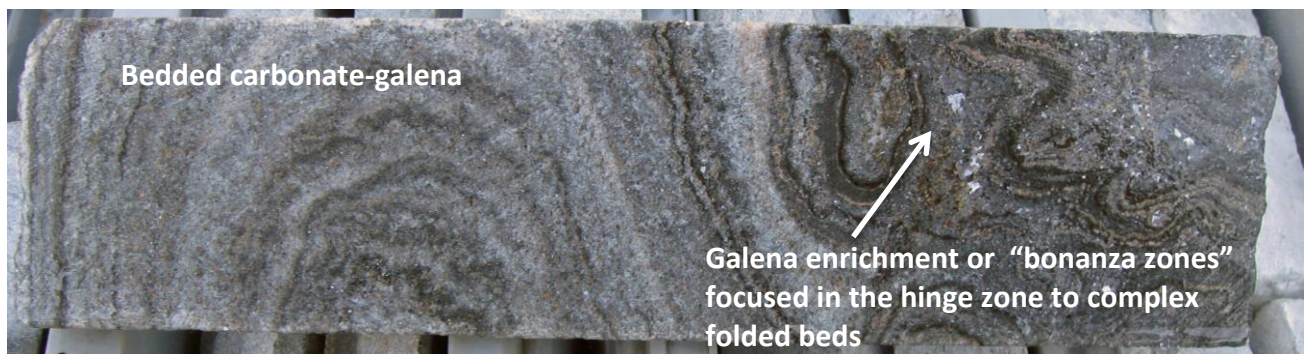
The first drill holes will target the host horizons about 100 metres north of the significant mineralisation in MRN13002 and test the apex of the northern fold structure (Figure 5). Once completed a deeper drill hole will test the vertical continuity and zonation of the mineralisation below MRN13002. Success at either of these early target zones could potentially lead to a significantly expanded program.



[Figure 1] Maronan Project: Drill hole location plan on magnetic image

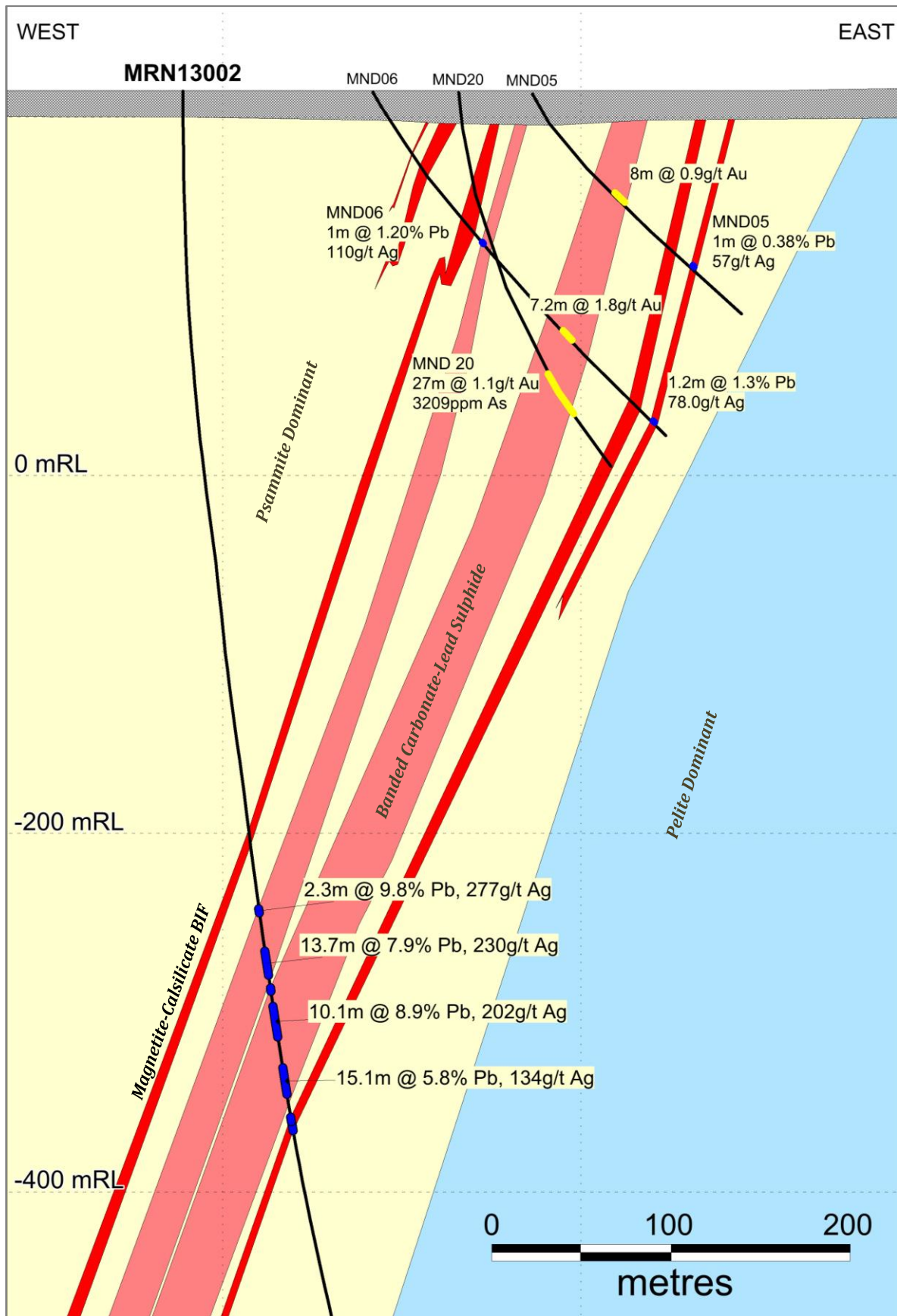


[Figure 2] Maronan Project: 3D geological model showing broad shape of the lead-silver host stratigraphy in red and copper vein zone in green (refer to the Red Metal web site for a video of this 3D presentation).

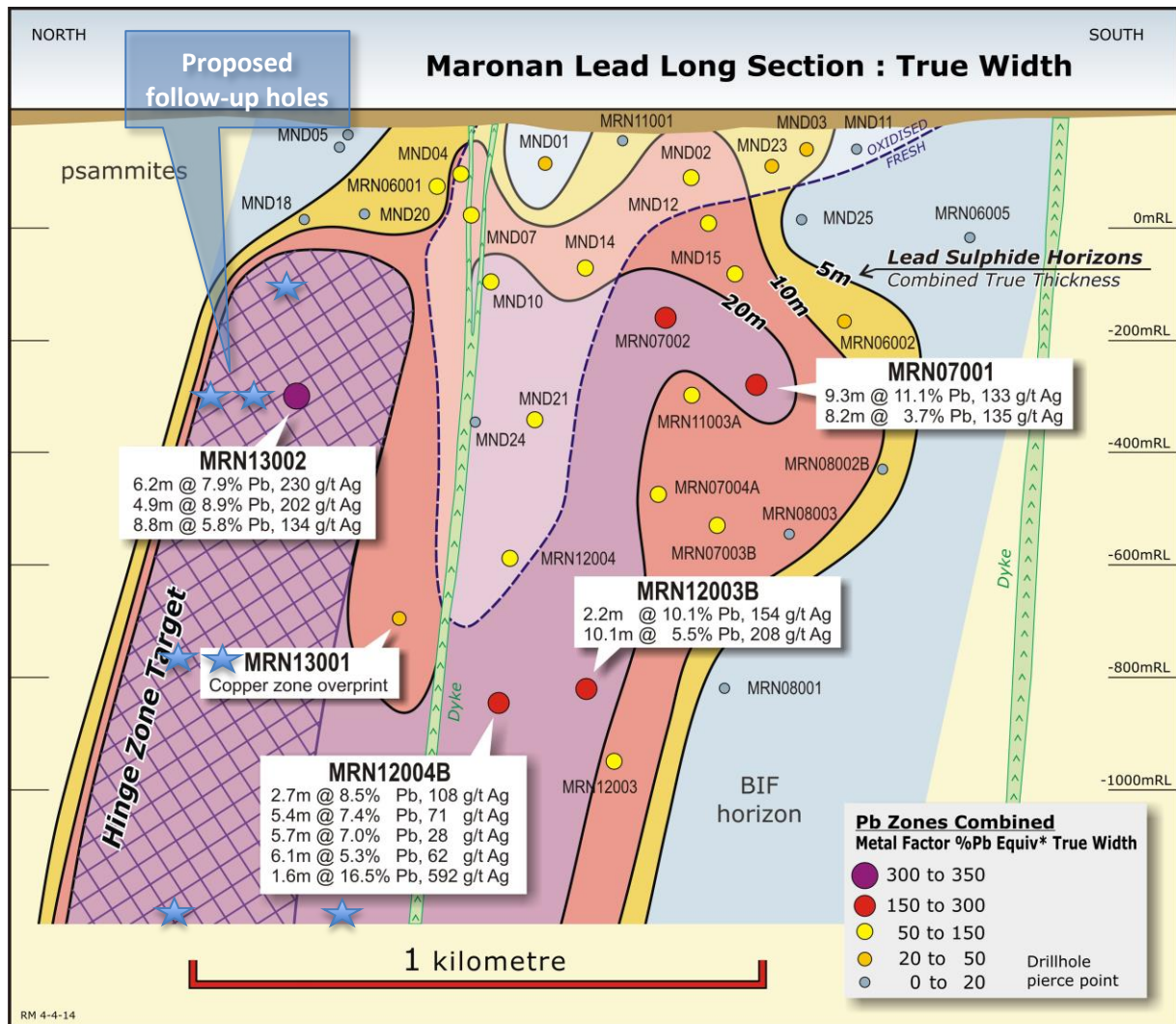


[Figure 3] Maronan Project: Strong banded carbonate-lead sulphide mineralisation from MRN13002 at 529.6 metres assayed **15.4% lead, 378 g/t silver**. The silver and grey metallic mineral is galena a lead sulphide mineral. Note the coarser-grained galena remobilised and enriched into the apex or hinge zone region of the small-scale fold structures. Potential may exist for larger scale, structurally enriched, high-grade "bonanza" zones at Maronan.





[Figure 4] Maronan Project: Cross Section containing MRN13002.



[Figure 5] Maronan Project: Longitudinal section showing all drill hole pierce points and contours of the cumulative or **combined true thickness** of lead intercepts greater than 1% lead from the Upper BLS (Banded Lead Sulphide) and Lower BLS horizons. The size and colour of the pierce points varies with the **lead and silver Metal Factor** which is calculated using the lead equivalent value\*\* times the combined true thickness of lead intercepts for each hole. This figure is designed to visualise regions of thicker and higher grade mineralisation for further infill and step out drilling and highlights the significant tonnage and grade potential of this very large, under-drilled, mineralised system. The lighter toned area reflects the extent of deep weathering and potential lead and silver depletion. The banded carbonate rock in MRN13001 appears to have been locally stripped of lead and silver mineralisation by the strong overprinting copper and gold mineralisation. Drill holes testing the continuity of mineralisation in the northern hinge zone region are shown as blue stars

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:

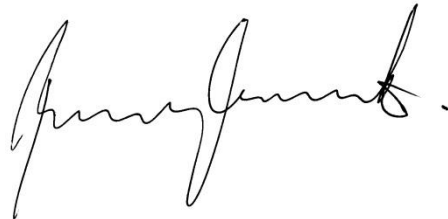
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**Background:** Exploration on Maronan has identified two separate styles of mineralisation, bedded lead-silver mineralisation partially overprinted by structurally controlled, copper-gold mineralisation. The silver-lead mineralisation is of a similar style to the nearby Cannington deposit, one of the world's largest silver and lead producing operations, while the overprinting copper-gold mineralisation can be compared with the mineralisation style at the nearby Eloise and Osborne ore bodies. Both mineralisation styles have shown improvement in grade and widths at depth and remain open down-plunge, towards the northern hinge zone and at shallow levels between the existing wide spaced intercepts.

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The information in this report that relates to the Maronan Project was first reported by the Company in compliance with JORC 2012 in a market release dated 28 January 2014. 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 28 January 2014.

All mineralised intervals have been length weighted. No top-cuts have been applied. A nominal 1% lead and 0.5% copper lower cut-off grade is applied.

\*\*The lead equivalent value is calculated using the metal prices on the 28<sup>th</sup> January 2014 (\$US2204 per tonne lead, \$US20 per ounce silver). The copper equivalent value is calculated using the metal prices on the 28<sup>th</sup> January 2014 (\$US7363 per tonne copper, \$US1242 per ounce gold). The Maronan project is at an early stage of exploration, and as a result no metallurgical test work has yet been undertaken. A metallurgical recovery of 100% was therefore assumed for the purpose of the lead and copper equivalent calculation. The lead equivalent percentage value is calculated by summing the US dollar value of lead and silver for each sample then dividing this value by the lead price x 100. The copper equivalent percentage value is calculated by summing the US dollar value of copper and gold for each sample then dividing this value by the copper price x 100. The Company's opinion is that all of the elements included in the lead and copper equivalent calculation have a reasonable potential to be recovered. The calculation assumes 100% recovery of all metals and does not take into account any potential changes in the equivalent value caused by different recoveries, processing or transport costs for the individual metals. The lead and copper equivalent values are not precise and are used here to map the broad variations in the in situ metal content to assist exploration targeting. It is highly likely these values will vary when metallurgical data is collected.