

July 23, 2014

RED METAL COMPLETES SHARE PLACEMENT

The Board of Red Metal Limited (ASX: RDM) is pleased to advise that the share placement announced on 17 July 2014 has now been completed. The Company confirms the allotment of 30,000,000 fully paid ordinary shares at an issue price of \$0.17 each to raise \$5.1 million. The shares were placed to selected Australian institutions and professional investors. Veritas Securities Limited acted as lead manager to the issue.

The monies raised will be used to fund step-out drilling on the exciting Maronan silver-lead project and exploration of the Company's other projects, and also for working capital purposes.

The Company provides notice pursuant to ASX Listing Rule 3.10.5A that:

- (a) Dilution to existing shareholders as a result of the issue

A total of 14,472,192 shares were issued pursuant to Listing Rule 7.1A, representing 8.28% of the post-placement capital. The balance of the capital raising was completed under the Company's 15% capacity and comprised 15,527,808 shares, representing 8.88% of the post-placement capital.

The percentage of the post-placement capital held in aggregate by pre-placement security holders who did not participate in the placement is 81.36%; the percentage of the post-placement capital held in aggregate by pre-placement security holders who did participate in the placement is 2.02% and the percentage of the post-placement capital held in aggregate by participants in the placement who were not previously security holders is 16.62%.

- (b) The Company issued shares to selected Australian institutions and professional investors as it was considered to be the most efficient and expedient method for raising the funds required to achieve the stated objectives.
- (c) No underwriting arrangements were in place for the placement.
- (d) Commission for the placement was 6% (plus GST) of the total funds raised.

An Appendix 3B is attached with respect to the new securities issues and the Company gives notice that:

- it issued the securities without disclosure to investors under Part 6D.2 of the Corporations Act 2001 ("Act");
- this notice is being given under section 708A(5)(e) of the Act;
- as at today's date, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act; and

- as at today's date there is no other information that is excluded information which is required to be set out in this notice pursuant to section 708A(6)(e) of the Act.

For further information concerning Red Metal's operations and plans for the future, please refer to the Web site www.redmetal.com.au or contact Managing Director Rob Rutherford.

Rob Rutherford
Managing Director



Russell Barwick
Chairman



Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Red Metal Limited

ACN

103 367 684

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 30,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary shares rank equally with existing quoted shares (RDM) |

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New issue announcement

4	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	\$0.17 per share
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	Drilling program at Maronan Project, ongoing exploration at other projects and working capital.
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes.
6b	The date the security holder resolution under rule 7.1A was passed	19 November 2013.
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	15,527,808
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	14,472,192

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of securities issued under an exception in rule 7.2	Nil				
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes. Issue date –23 July 2014 Issue price – 17 cents 15 day VWAP – 19.0 cents 75% of 15 day VWAP – 14.3 cents Source - IRESS				
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	5,130,480 – 15% capacity Nil – 10% capacity.				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	23 July 2014				
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>174,771,919</td><td>Ordinary fully paid shares (RDM)</td></tr></table>	Number	+Class	174,771,919	Ordinary fully paid shares (RDM)
Number	+Class					
174,771,919	Ordinary fully paid shares (RDM)					

+ See chapter 19 for defined terms.

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	1,325,000	Options exercisable at 18 cents on or before 23 January 2015.
	1,475,000	Options exercisable at 33 cents on or before 30 November 2015.
	1,200,000	Options exercisable at 33 cents on or before 31 January 2016.
	1,125,000	Options exercisable at 16 cents on or before 1 October 2016.
	1,000,000	Options exercisable at 18 cents on or before 18 October 2014.
	2,000,000	Options exercisable at 16 cents on or before 19 November 2016
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No plans to pay dividends at this stage	

Part 2 - Bonus issue or pro rata issue
Not Applicable

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	

+ See chapter 19 for defined terms.

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30 How do +security holders sell their entitlements *in full* through a broker?

31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1.

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

+ See chapter 19 for defined terms.

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

Number		+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 23 July 2014
(Company secretary)

Print name: Patrick Flint

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	144,721,919
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	144,721,919

+ See chapter 19 for defined terms.

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	21,708,288
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>15,527,808 (issued 23 July 2014)</p> <p>50,000 shares (issued 3 September 2013)</p> <p>1,000,000 options (issued 18 October 2013)</p>
“C”	16,577,808
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	21,708,288
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	16,577,808
Total [“A” x 0.15] – “C”	<p>5,130,480</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	144,721,919
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	14,472,192
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	14,472,192 (issued 23 July 2014)
“E”	14,472,192

+ See chapter 19 for defined terms.

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<i>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</i>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	14,472,192
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	14,472,192
Total [“A” x 0.10] – “E”	<i>Nil</i> <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.