

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:

174,771,919
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**

JUNE 2014 QUARTERLY REPORT
28 JULY 2014

HIGHLIGHTS

Maronan, QLD, Silver-Lead & Copper-Gold

- Step-out drilling in progress.
- The first holes aim to intersect the host horizons about 100 metres north of the significant mineralisation in MRN13002.
- Once completed deeper drill holes will test the vertical continuity and zonation of the mineralisation below MRN13002.

Tennant Creek, NT, Copper-Gold

- Heritage surveys over five significant magnetic targets successfully completed. Field work planned to commence this season.

Joint Venture Activity

- Partner-funded drilling on the Corkwood (copper-gold), Emu Creek (copper-gold) and Barton (heavy mineral) joint venture projects planned for 2014.

Corporate Activity

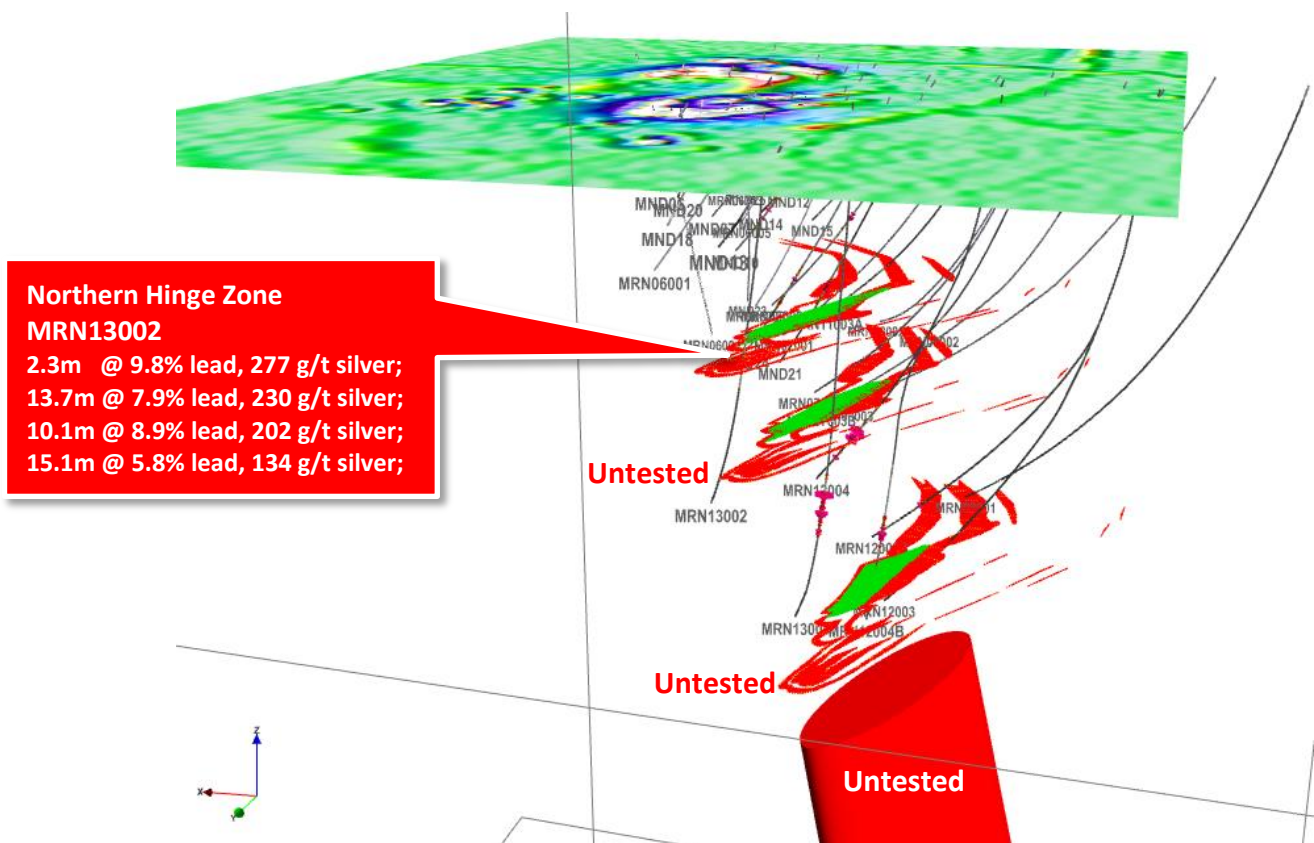
- \$5.1 million placement closes oversubscribed.
- Company in a strong financial position with in excess of \$6.4 million in available funds.

MOUNT ISA INLIER - QLD

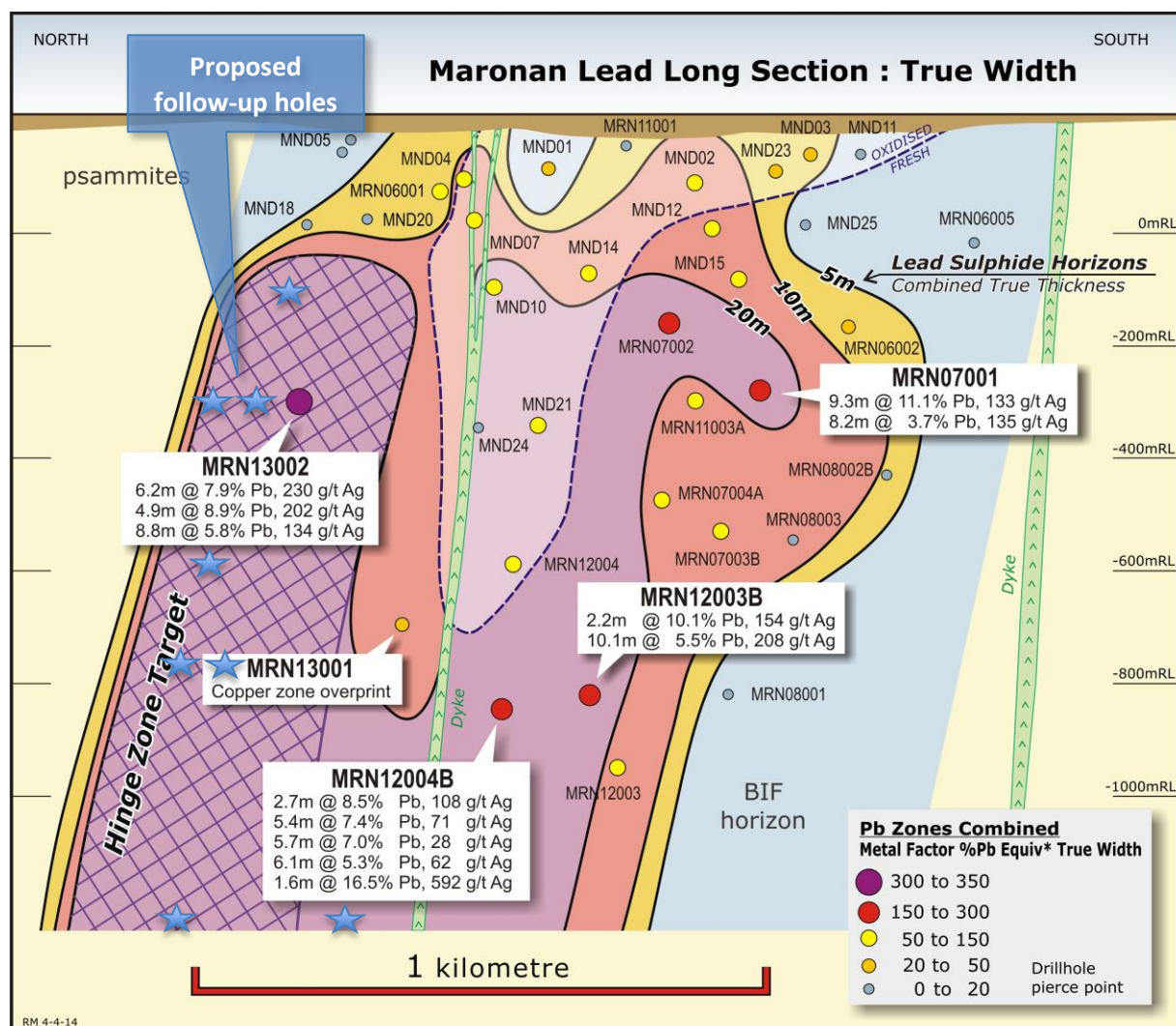
Maronan Project: Silver-Lead & Copper-Gold

Step-out drilling 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 and 2) was initiated on 24 July 2014. 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.

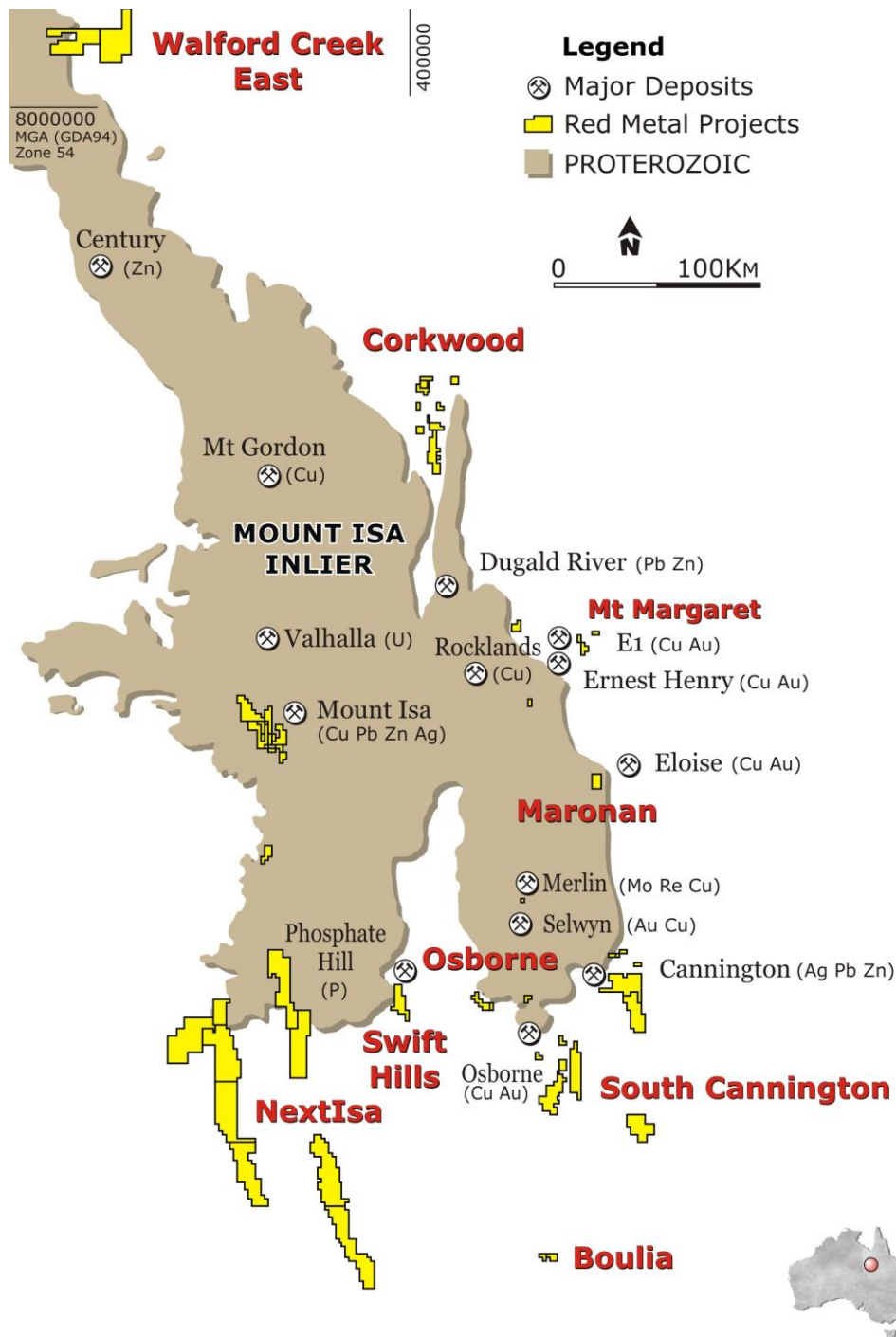
The first drill holes will target the host horizons about 100 metres north of the significant mineralisation in MRN13002 and test the hinge zone or apex of the northern fold structure (Figure 1). Once completed deeper drill holes will test the vertical continuity and zonation of the mineralisation below MRN13002. Success at either of these early target zones could potentially lead to a significantly expanded program.



[Figure 1] Maronan Project: 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 2] 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. Initial drill holes testing the continuity of mineralisation in the northern hinge zone region are shown as blue stars



[Figure 3] Mount Isa Inlier: Major deposits and Red Metal tenement locations.

Emu Creek Joint Venture: Copper-Gold

Joint venture partner Chinova Resources Limited has completed detailed modelling of ground gravity and magnetic survey data in preparation for electrical induced polarization surveying scheduled to begin shortly. The Emu Creek joint venture targets copper-gold mineralisation comparable with the styles at the nearby Osborne and Ernest Henry ore bodies. Red Metal retains 30% of any discoveries made on the farm-in tenements and the right to reduce to 20% with all costs carried by Chinova through to production. The induced polarization survey aims to map potential zones of sulphide mineralisation for drill testing later in the year.

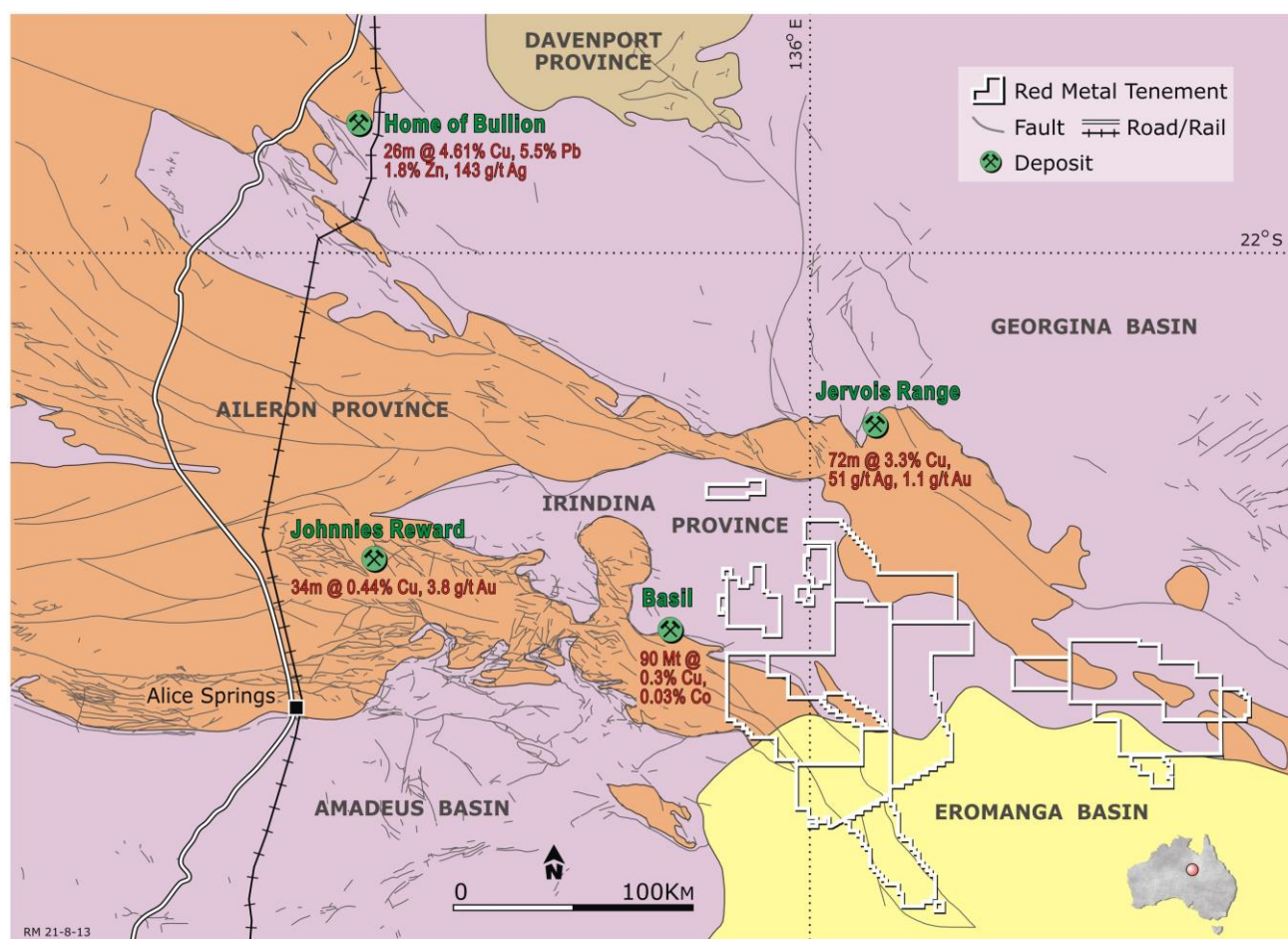
ARUNTA PROVINCE - NT

Irindina Project: Copper, Gold and Copper-Nickel

Terms for an access agreement were finalised and executed this quarter paving the way for grant of the exploration licenses and possible initiation of exploration in 2014.

The Irindina project is located in the Eastern Arunta province which is emerging as a highly prospective district for **high-grade massive copper sulphide** deposits. Recent success from shallow drilling by KGL Resources Limited on their Jervois deposits reinforces this view (Figure 4).

Red Metal's large tenement holding over this prospective base metal terrain is covered by a thin veneer of younger sedimentary cover sequences and remains largely unexplored using modern exploration techniques. Red Metal aims to be the first to apply airborne electromagnetic technology to identify shallow covered massive sulphide deposits over this exciting base metal project.

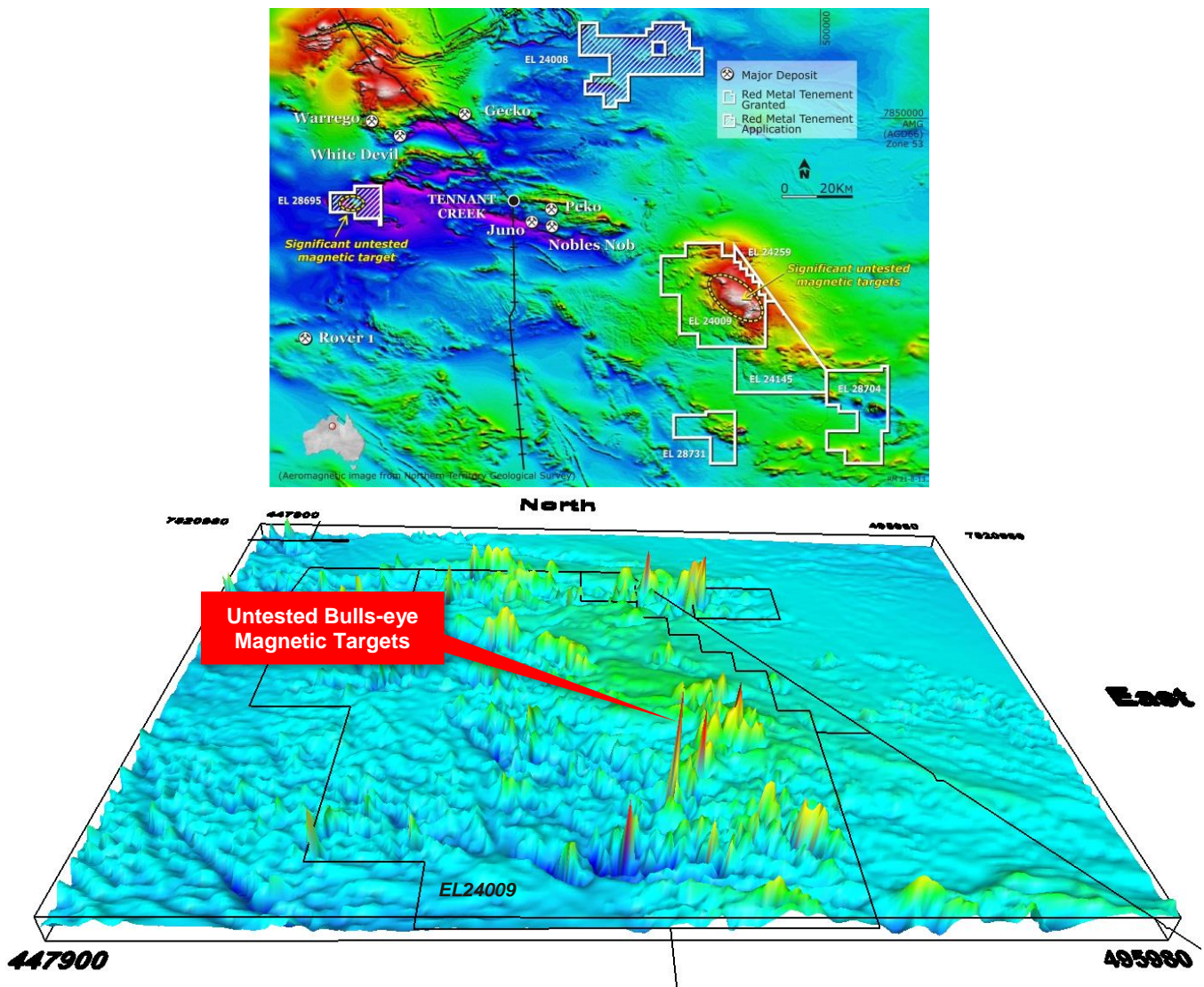


[Figure 4] Irindina Project: Regional geological setting, significant known copper mineralisation in the belt and location of Red Metal's Irindina exploration tenements. Note the high-grade potential shown at Jervois, Home of Bullion and Johnnies Reward and the large tonnage potential of the Basil prospect. Red Metal speculates that large, copper-rich deposits may exist within the Irindina project.

TENNANT CREEK PROVINCE - NT

Tennant Creek Projects - Copper-Gold

Heritage surveys were successfully completed this quarter over five high-amplitude magnetic targets considered prospective for **shallow, high-grade, copper and gold** deposits (Figure 5). These targets are covered by a thin blanket of younger sedimentary sequences and remain untested by past exploration due to historic land access restrictions. In 2013 the Aboriginal land owners consented to the grant of the exploration license applications opening these areas to modern exploration for the first time since about 1987. Field work is planned to begin this season.



[Figure 5] Tennant Creek Projects: Regional magnetic image with main gold and copper deposits (top). Three dimensional view of vertical gradient magnetic image highlighting strong bulls-eye magnetic targets (red peaks) which have a similar magnetic response to that over high-grade copper and gold deposits in the known mineral field.

OTHER EMERGING PROJECTS

Red Metal has an enviable portfolio of base metal projects in Australia. Some of these other projects are briefly summarised below in Table 1.

[Table 1] Red Metal Limited: other emerging projects.

Project	Description	Status
QUEENSLAND		
<u>Corkwood</u> <i>Cu-Au</i>	Joint venture with Glencore targeting large IOCG breccia targets similar to Ernest Henry ore body. Several drill ready targets defined but budget postponed until 2014.	Drilling 2014
<u>Nextisa</u> <i>Cu Ag-Pb-Zn</i>	Targeting Isa-type copper and stratabound lead-zinc in potential shale basins interpreted along the southward extensions to the Mount Isa fault	MT surveying being used to map prospective conductive stratigraphy
<u>Walford Creek East</u> <i>Cu-Pb-Zn</i>	Targeting Isa-type copper and stratabound lead-zinc and silver east from significant base metal mineralisation on the historic Walford Creek project. Airborne electromagnetic conductors located adjacent to major transfer faults have been identified.	Ground based follow-up of significant AEM targets dependent upon obtaining site access.
<u>South Cannington</u> <i>Ag-Pb-Zn</i>	Target areas were defined by processing new regional magnetic and gravity data sets and assessing the geology from Red Metal's comprehensive historic drill hole database.	Grant of tenements pending.
NORTHERN TERRITORY		
<u>Mallapunyah</u> <i>Cu-Pb-Zn-Ag</i>	Prospective sedimentary sequences in McArthur Basin with district scale silver anomalism.	Land access negotiation underway.
SOUTH AUSTRALIA		
<u>Pernatty Lagoon</u> <i>Cu-Au</i>	Standout magnetic/gravity targets near Carrapeteena deposit in the Gawler Craton. Extensive sericite, tourmaline, siderite, garnet, chlorite alteration. Magnetite-siderite-hematite copper association.	Drill ready targets model at 500m, 1000m and 1600m depth range.
<u>Maitland</u> <i>Cu-Au</i>	Extensive magnetic alteration zone under shallow cover in the Gawler Craton prospective for copper ± magnetite mineralisation.	Drill ready EM and soil geochemistry targets.
<u>Algebuckina</u> <i>Cu-Au</i>	Magnetite-associated copper-gold potential in Gawler Craton, Prospective magnetic targets defined under shallow cover.	Drill ready, seeking third party funding.
<u>Lakes Frome</u> <i>U and Cu-Au-U</i>	Extensive drill and geophysical data base covering sedimentary sequences in Frome Sub-basin considered prospective for ISL uranium as well as IOCGU breccia targets in basement rocks. Numerous drill ready ISL targets and large Cu-Au-U breccia targets.	Drill ready, seeking third party funding.
<u>Ooldea-Barton JV</u> <i>Zircon, Titanium</i>	Joint venture with Cristal Mining Australia Limited. Large tonnage, low-grade heavy mineral sand deposit discovered in Eucla Basin near Iluka's Ambrosia zircon mine.	Planning in progress for drilling in 2014

COLORADO USA

<u>Colorado Potash</u>	Potash salt beds recognised in historic oil wells within the Paradox Basin. Vast tonnage potential, solution mineable depths and grades.	Economic study in progress
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CORPORATE ACTIVITY

Red Metal raised \$5.1 million by the placement of 30 million ordinary fully paid shares at a price of A\$0.17 per share on the 22 July 2014 to selected Australian institutions and professional investors.

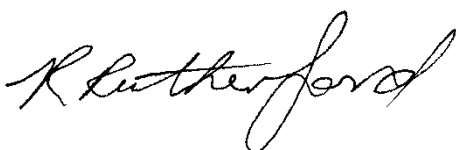
The placement was **oversubscribed** and brings several resources focused institutions on to the Company's share register. After costs and together with existing cash reserves this successful capital raising puts the company in a strong financial position with in excess of \$6.4 million in available funds.

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 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.

The information reported above (other than in respect of the Maronan Project) relating to Exploration Results was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Exploration Results (other than in respect of the Maronan Project) 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rutherford consents to the form and context in which the Exploration Results and supporting information are presented in this report.

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 on the metal prices on the 28th January 2014 (\$US2204 per tonne lead, \$US20 per ounce silver). The copper equivalent value is calculated using on the metal prices on the 28th 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.*

ADDENDUM TO JUNE 2014 QUARTERLY ACTIVITIES REPORT

Mining tenements held are as follows:

Project / Location	Tenement Reference	Company Interest %	Comment
Western Isa	EPM 12653	100	
Cannington	EPMs 19230, 19232, 19531,	100	
Osborne	EPMs 15334, 17111, 19076	100	
Chinova JV	EPMs 15385, 16251, 18303, 13318, 13321	100	Refer note 6.
NextIsa	EPMs 19251, 25430	100	
Swift Hills	EPM 18080	100	
Maronan	EPM 13368	100	
Corkwood JV	EPMs 13376, 13380, 15632, 15643, 15644, 15633, 18179	100	Refer note 5.
Corkwood	EPMs 18178, 18709	100	
Cloncurry	EPMs 14293, 16519, 18164	100	
Walford Creek	EPM 18182	100	
Sybella	EPMs 18951-52, 18988, 19315, 19417	100	
Ooldea JV	ELs 4245, 4777, 5044	100	Refer note 4.
Algebuckina	ELs 4307, 4308	100	
Peake Denison	ELs 4481, 4535, 5404	100	
Maitland	EL 4616	100	
Callabonna JV	EL 5360	-	Refer note 1.
Quinyambie JV	EL 4289	-	Refer note 2.
Pernatty Lagoon JV	EL 5107	85.1	Refer note 3.
Lakes Project	ELs 4614, 4615, 4617	100	
Tennant Creek	ELs 24009, 24145, 24259, 28704, 28731	100	
Irindina	ELs 27389, 27407, 28747	100	
Colorado Potash	Potash Prospecting Permits COC 73567, 73569, 73572, 73574, 73576	100	

Notes:

1. Joint venture between Red Metal (earning 70%) and PlatSearch NL (diluting to 30%). No change in interest during the quarter.
2. Joint venture between Red Metal (earning 70%) and PlatSearch NL and a prospecting syndicate (diluting to 30%). No change in interest during the quarter.
3. Joint venture between Red Metal (85.1%) and Havilah Resources NL (14.9%). No change in interest during the quarter.
4. Joint venture between Red Metal (diluting to 49%) and Cristal Mining Australia Limited (earning 51%). No change in interest during the quarter.
5. Joint venture between Red Metal (diluting to 49%) and Xstrata Copper (earning 51%). No change in interest during the quarter.
6. Joint venture between Red Metal (diluting to 30%) and Chinova Resources Osborne Pty Ltd (earning 70%). No change in interest during the quarter.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

RED METAL LIMITED

ABN

34 103 367 684

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(183)	(1,267)
	(b) development		
	(c) production		
	(d) administration	(78)	(512)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	17	58
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid / refund received (R+D refund)	-	1,409
1.7	Other (Security bonds refund)	-	54
	Other	1	16
	Net Operating Cash Flows	(243)	(242)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)	(243)	(242)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(243)	(242)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (costs)		(2)
	Net financing cash flows		(2)
	Net increase (decrease) in cash held	(243)	(244)
1.20	Cash at beginning of quarter/year to date	1,917	1,918
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,674	1,674

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	78
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors remuneration

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

No significant expenditure.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil
3.2	Credit standby arrangements	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,200
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	1,300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	74	117
5.2 Deposits at call	1,600	1,800
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,674	1,917

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM 18952, EPM 18248, EPM 18295, EL 27268	Granted tenements	100	0
6.2 Interests in mining tenements acquired or increased	EPM 19417, EPM 19452, EPM 25430	Granted tenements	0	100

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital				
7.3	+Ordinary securities	144,771,919	144,771,919		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases				
7.7	Options <i>(description and conversion factor)</i>	1,325,000	-	Exercise Price 18 cents	Expiry Date 23.01.2015
		1,475,000	-	33 cents	30.11.2015
		1,200,000	-	33 cents	31.1.2016
		1,125,000	-	16 cents	01.10.2016
		1,000,000	-	18 cents	18.10.2014
		2,000,000	-	16 cents	19.11.2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: July 2014
(Company secretary)

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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