

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

7,125,000
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**

SEPTEMBER 2014 QUARTERLY REPORT
24 OCTOBER 2014

HIGHLIGHTS

Maronan, QLD, Silver-Lead & Copper-Gold

- Step-out drilling in progress.
- Multiple zones of strong visible lead sulphide mineralisation intersected in MRN14003. Assays due shortly.
- Deep drill test MRN14005 in progress.

Tennant Creek, NT, Copper-Gold

- High resolution, helicopter-borne, magnetic survey grids to be flown over five “bulls-eye” anomalies in the December quarter.
- Targets prospective for shallow, high-grade copper and gold deposits and are scheduled for drilling early next field season.

Joint Venture Activity

- Joint venture partner Chinova is set to start drilling on the Emu Creek joint venture in the December quarter.

MOUNT ISA INLIER - QLD

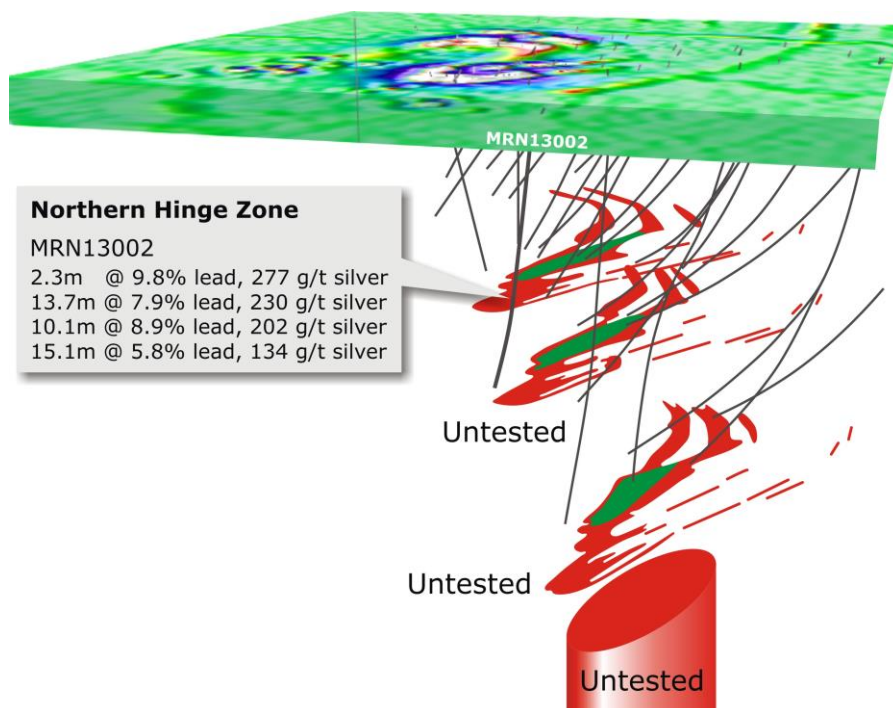
Maronan Project: Silver-Lead & Copper-Gold

Step-out drilling to evaluate the vertical and lateral continuity of the significant Cannington Mine-style lead and silver mineralisation discovered below the northern fold structure was initiated this quarter. To date, a total of three holes have been completed around the significant mineralisation in drill hole MRN13002 with the objective of better defining its extent and geometry (Figure 1 to 3).

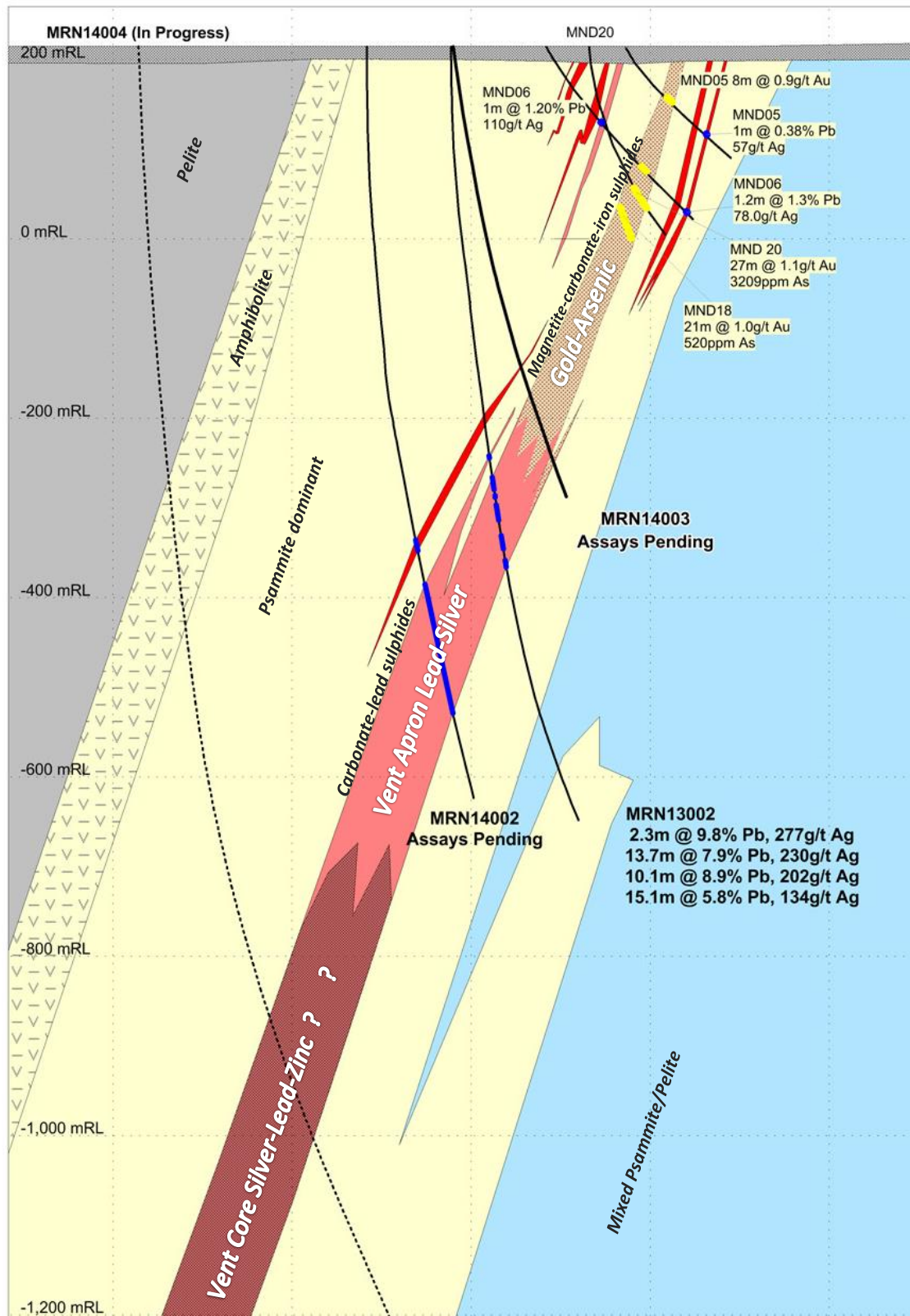
Surveying and structural logging confirmed that MRN14001A traced a path proximal but a little north of the apex of the hinge zone. MRN14002 has intersected lead sulphide mineralisation visually comparable to that in MRN13002 while MRN14003 intersected strong iron sulphide mineralisation in rock types comparable to the gold enriched iron sulphide mineralisation in the overlying holes (Figure 2). Logging and core cutting is in progress with assay results for MRN14002 expected shortly.

MRN14005 is currently in progress and is targeting the lead-silver horizons about 200 metres south of the mineralisation in MRN13002. A second rig has commenced a deep drill hole, MRN14004, designed to intersect the target horizons about 500 metres below the mineralisation in MRN13002 and MRN14002 (Figures 2 and 3).

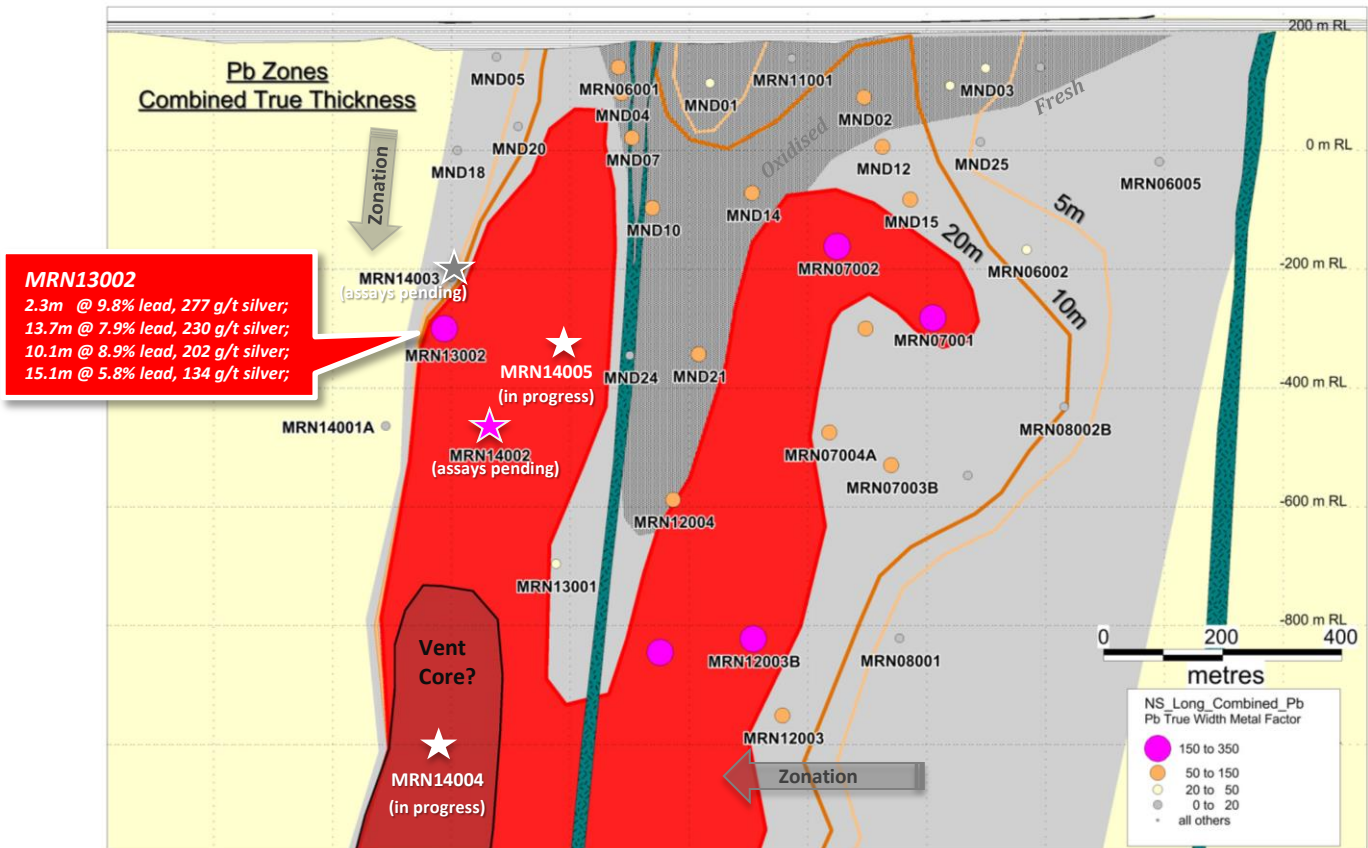
The Company expects to be drilling at Maronan up to the end of the field season.



[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).



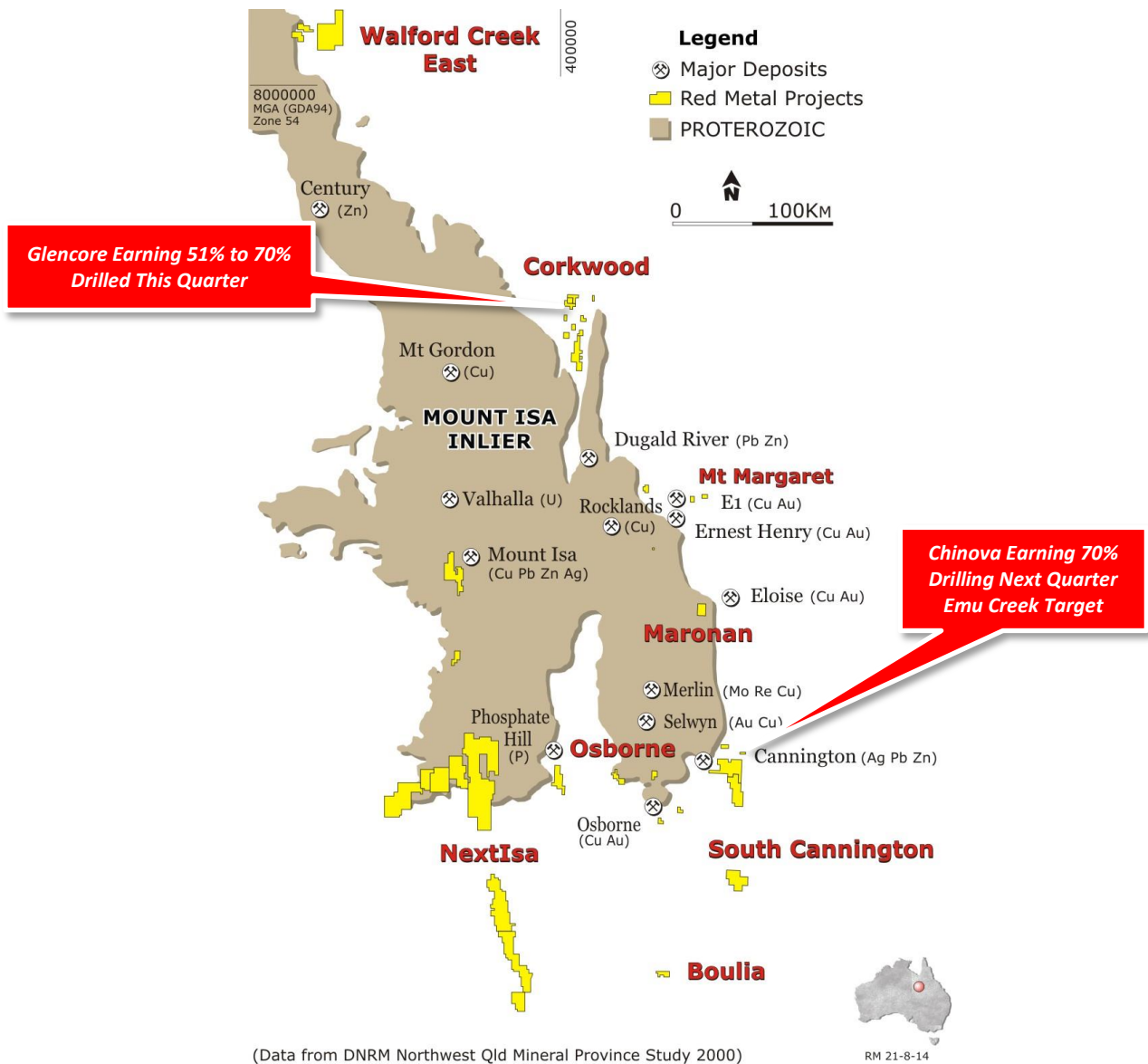
[Figure 2] Maronan Project: Working cross section showing the sharp transition from banded magnetite-carbonate-pyrrhotite rocks in MND18, MND20 and MRN14003 with elevated gold and arsenic values to banded carbonate-lead sulphide rocks in MRN13002 and MRN14002 with strong lead and silver values zoning to the theoretical high grade vent core region targeted by drill hole MRN14004.



[Figure 3] Maronan Project: Working long section showing completed holes MRN14001A, MRN14002 (assays pending) and MRN14003 (assays pending) as well as the planned pierce points of the current drill holes MRN14004 and MRN14005. Zonation vectors point to a theoretical vent core at depth and north which is the target of the current drill hole MRN14004.

Emu Creek Joint Venture: Copper-Gold

Joint venture partner Chinova Resources Limited finalised land access negotiations in preparations for drilling on the Emu Creek target which is set to begin during the December quarter (Figure 4). Drilling will test a chargeable zone, indicative of possible sulphide mineralisation, adjacent to a strong gravity and magnetic anomaly. Modern three dimensional, induced polarization surveying was used to identify the target. 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.



[Figure 4] Mount Isa Inlier: Major deposits and Red Metal tenement locations.

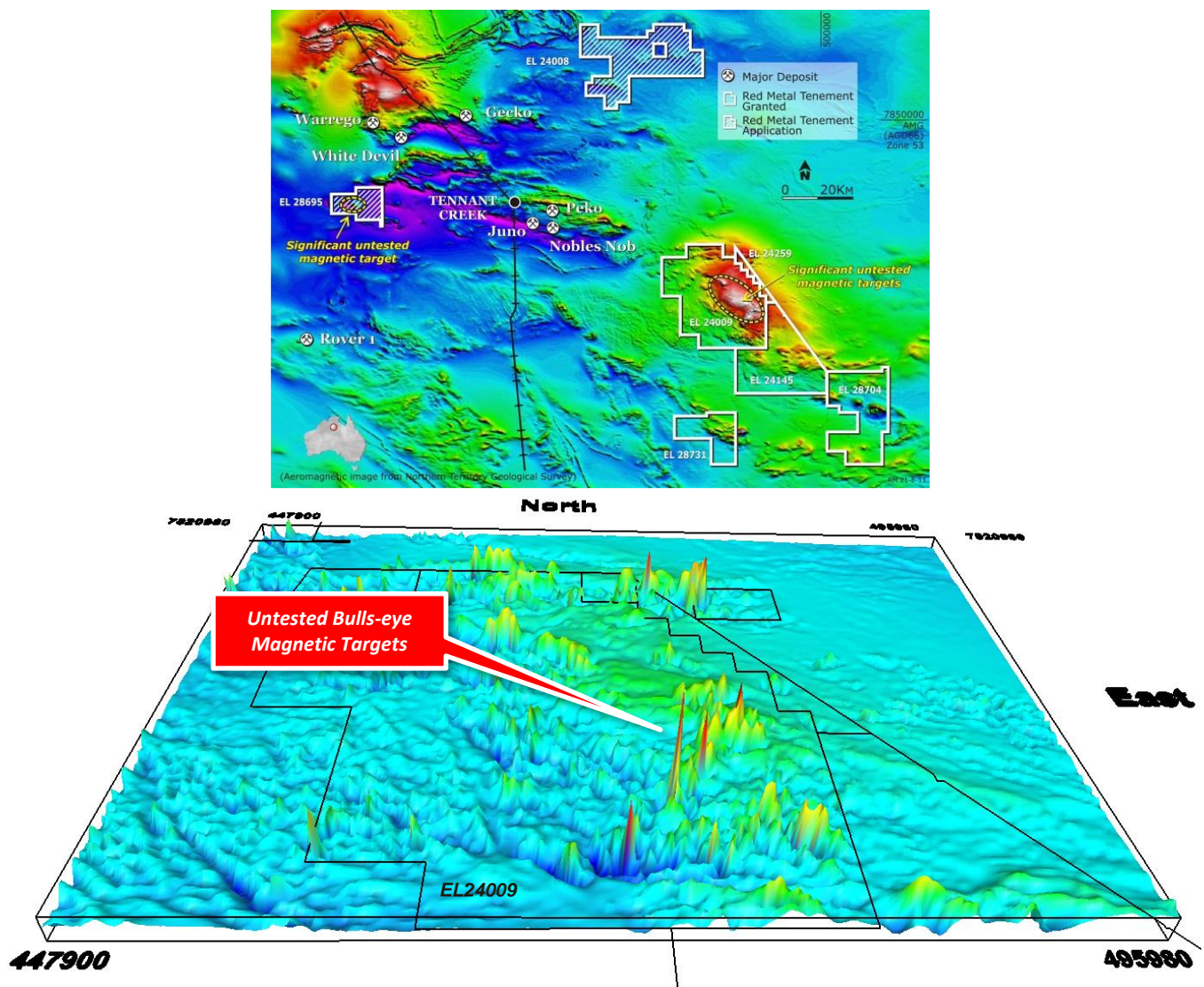
Corkwood Joint Venture: Copper-Gold

Joint venture partner Glencore have been targeting large copper-gold breccia systems at Corkwood by ranking a series of magnetic and gravity anomalies using electromagnetic surveying and low level soil geochemistry (Figure 4). Two proof of concept drill tests were completed this quarter however no significant results were reported.

TENNANT CREEK PROVINCE - NT

Tennant Creek Projects - Copper-Gold

Heritage surveys were successfully completed last 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 historic explorers or using modern techniques because of land access restrictions since about 1987. High resolution, helicopter-borne, magnetic survey grids will be flown over the targets in the December quarter in preparation for drilling early in the 2015 field 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.

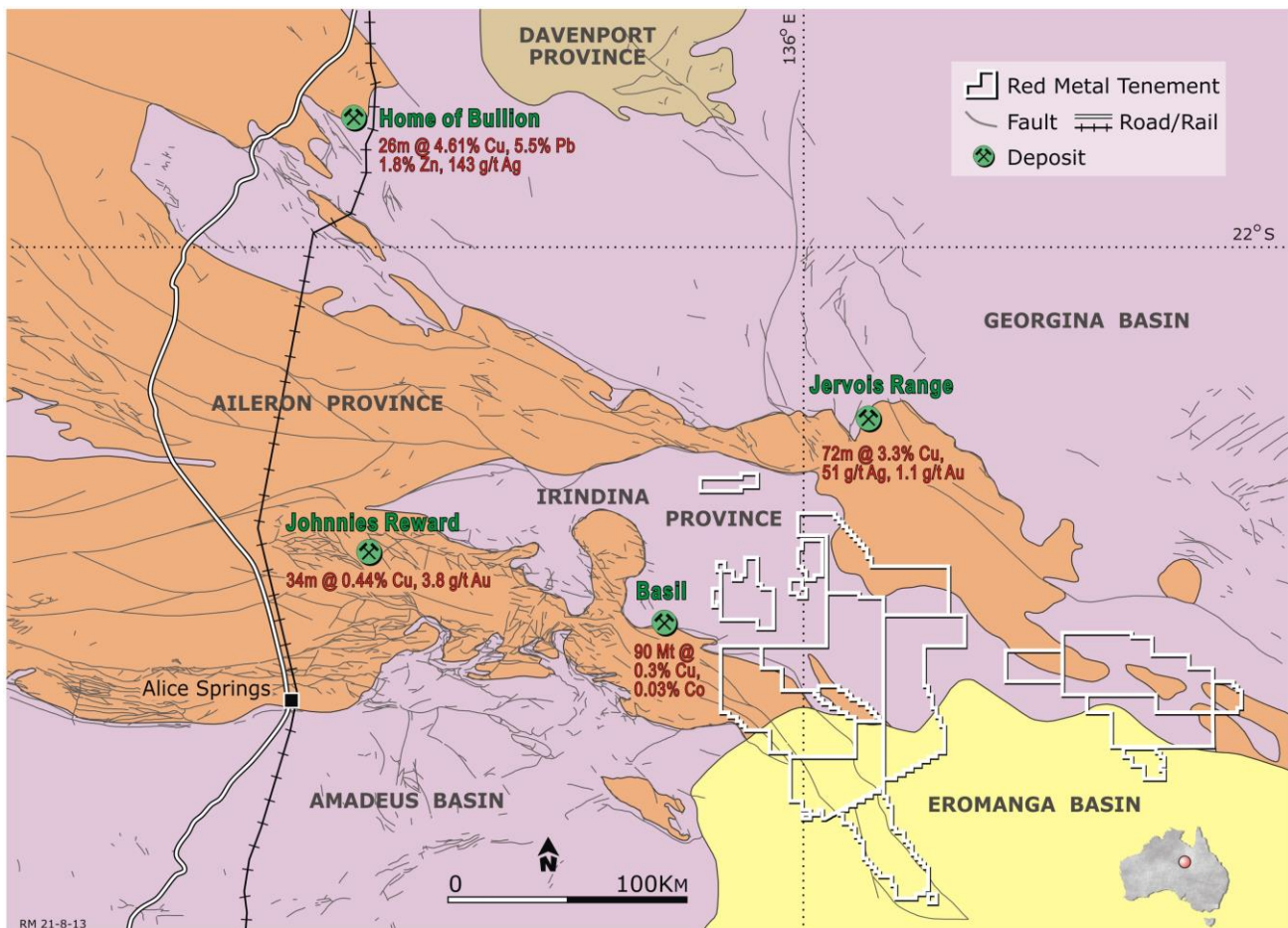
ARUNTA PROVINCE - NT

Irindina Project: Copper, Gold and Copper-Nickel

Terms for an access agreement were finalised and executed last quarter paving the way for grant of the exploration licenses and initiation of exploration in 2015.

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 and the Basil discovery of Mithril Resources Ltd reinforces this view (Figure 6).

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.



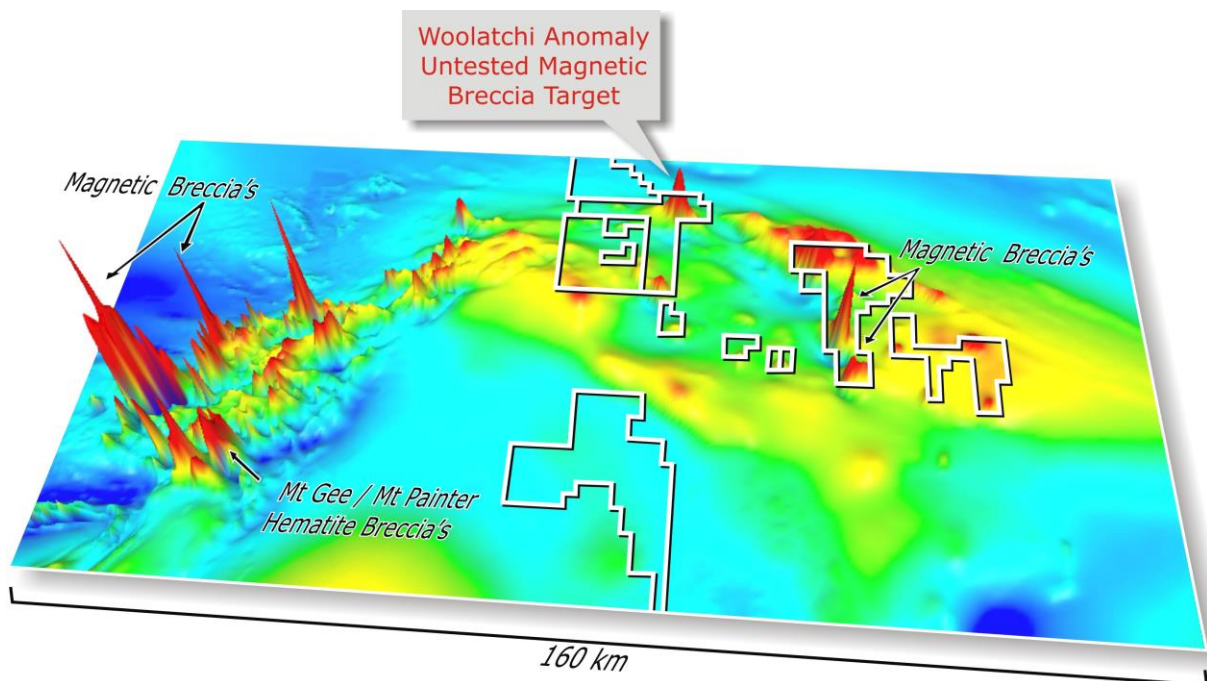
[Figure 6] Irindina Project: Regional geological setting, significant known copper mineralisation in the belt and location of Red Metal's Irindina exploration tenements. Note the high-grade potential shown at Jervois, Home of Bullion and Johnnies Reward and the large tonnage potential of the Basil prospect. Red Metal speculates that large, copper-rich deposits may exist within the Irindina project.

CURNAMONA PROVINCE - SA

Lakes and Frome Joint Ventures: Copper-Gold-Uranium

The Company withdrew from the Quinyambie joint venture (one of the Frome joint ventures) this quarter. This project had focused on uranium exploration in the region. Red Metal continues to assess basement copper-gold targets identified within the Callabonna joint venture tenements held by Variscan Mines Limited (formerly PlatSearch NL). Under this agreement Red Metal has the right to earn 70% of any discoveries.

Red Metal's work on the basement rocks has defined several untested gravity and magnetic targets along the northern margin of the Curnamona Craton considered highly prospective for copper, gold and uranium (Figure 7). Limited drilling directed towards high regional magnetic anomalies has intersected a number of separate, large hydrothermal breccia's which compare favourably with the geology of breccia systems in the proven Gawler Craton and Mount Isa Inlier. Nearby low-magnetic, high-gravity anomalies indicative of possible copper-bearing, hematitic breccia phases are being assessed. Detailed gravity grids were completed over six priority targets this quarter. Processing and depth modelling of the anomalies are in progress.



[Figure 7] Northern Curnamona Province: 3D view facing north of total magnetic intensity for northern margin of the Curnamona Province with Red Metal tenement outline. Image highlights high amplitude magnetic anomalies (red peaks) in the exposed Mount Painter Inlier (left) and those within the Frome joint venture areas (right). Limited drilling on these standout magnetic features has intersected encouraging magnetite-bearing hydrothermal breccia's some with copper and gold mineralisation. Gravity surveying has also identified nearby density anomalies considered prospective for possible copper-bearing, hematite breccia phases.

OTHER EMERGING PROJECTS

Red Metal continues to rationalize its exploration portfolio concentrating on its highest priority base metal targets. Key projects are briefly summarised below in Table 1.

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

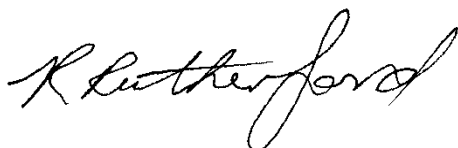
Project	Description	Status
QUEENSLAND		
<u>Nextisa</u> <i>Cu Ag-Pb-Zn</i>	Targeting Isa-type copper and stratabound lead-zinc in potential shale basins interpreted along the southward extensions to the Mount Isa fault. AMT surveying being used to map prospective conductive stratigraphy.	Government funded regional AMT survey in progress.
<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.	Targeting in progress.
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>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>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.	Drilling postponed until mid-2015
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

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:

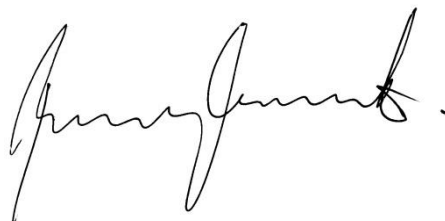
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www.redmetal.com.au



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.

ADDENDUM TO SEPTEMBER 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 5.
Nextisa	EPMs 19251, 25430, 25461, 25346, 25363	100	
Swift Hills	EPM 18080	100	
Maronan	EPM 13368	100	
Corkwood JV	EPMs 13376, 13380, 15632, 15643, 15644, 15633, 18179	100	Refer note 4.
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 3.
Algebuckina	ELs 4481, 4535, 5404	100	
Maitland	EL 4616	100	
Callabonna JV	EL 5360	-	Refer note 1.
Pernatty Lagoon JV	EL 5107	85.1	Refer note 2.
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 (85.1%) and Havilah Resources NL (14.9%). No change in interest during the quarter.
3. Joint venture between Red Metal (diluting to 49%) and Cristal Mining Australia Limited (earning 51%). No change in interest during the quarter.
4. Joint venture between Red Metal (diluting to 49%) and Glencore (earning 51%). No change in interest during the quarter.
5. 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 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(467)	(467)
	(b) development		
	(c) production		
	(d) administration	(104)	(104)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	19	19
1.5	Interest and other costs of finance paid		
1.6	Other	6	6
		(546)	(546)
	Net Operating Cash Flows		
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)	(546)	(546)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(546)	(546)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	5,100	5,100
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)	(318)	(318)
	Net financing cash flows	4,782	4,782
	Net increase (decrease) in cash held	4,236	4,236
1.20	Cash at beginning of quarter/year to date	1,674	1,674
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,910	5,910

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
		78
1.23	Aggregate amount of payments to the parties included in item 1.2	
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	Glencore incurred expenditure totalling approximately \$345,000 in the three months to September 2014 in respect of the Corkwood Joint Venture.

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

Estimated cash outflows for next quarter

	\$A' 000
4.1 Exploration and evaluation	1,600
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	1,700

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	710	74
5.2 Deposits at call	5,200	1,600
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	5,910	1,674

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	EL 4307, EL 4308	Granted tenements	100	0
6.2 Interests in mining tenements acquired or increased	EPM 25461, EPM 25363	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 (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital				
7.3	+Ordinary securities	174,771,919	174,771,919		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital	30,000,000	30,000,000	17 cents	-
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases				
7.7	Options (description and conversion factor)	1,325,000 1,475,000 1,200,000 1,125,000 1,000,000 2,000,000	- - - - - -	Exercise Price 18 cents 33 cents 33 cents 16 cents 18 cents 16 cents	Expiry Date 23.01.2015 30.11.2015 31.1.2016 01.10.2016 18.10.2014 19.11.2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ 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: October 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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