red metal limited

ACN 103 367 684

ASX ANNOUNCEMENT
25 NOVEMBER 2014

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:

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Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

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Queensland Explorer of the Year 2013

MARONAN PROJECT VISUAL RESULTS UPDATE DRILL HOLES MRN14007 and MRN14004

The Board of Red Metal is pleased to announce that step-out drill hole MRN14007, located 30 metres north and 65 metres below the strong lead and silver mineralisation in MRN13002 (Figure 2), has clipped the apex of the northern fold structure and encountered a 10 metre intercept of strong lead sulphide mineralisation. This mineralisation is typical of the coarse grained, structurally remobilised "bonanza" style (Figure 1).

Drill hole MRN14004 that targeted the hinge axis 600 metres down plunge of MRN13002 (Figure 2) intersected banded carbonate-lead sulphide rock with prevalent quartz and iron sulphide (pyrrhotite) veins with weak copper sulphide mineralisation over a downhole width of 56 metres. Only narrow intervals of strong lead mineralisation were observed.

It is interpreted that the banded carbonate-lead sulphide rock in MRN14004 has been heavily affected by overprinting of a later mineralising event introducing silica, iron and copper sulphides, similar to what was intersected above and further to the south in MRN14005 and MRN13001 (Figure 2).

Assay results from MRN14007 will be available within about three weeks.

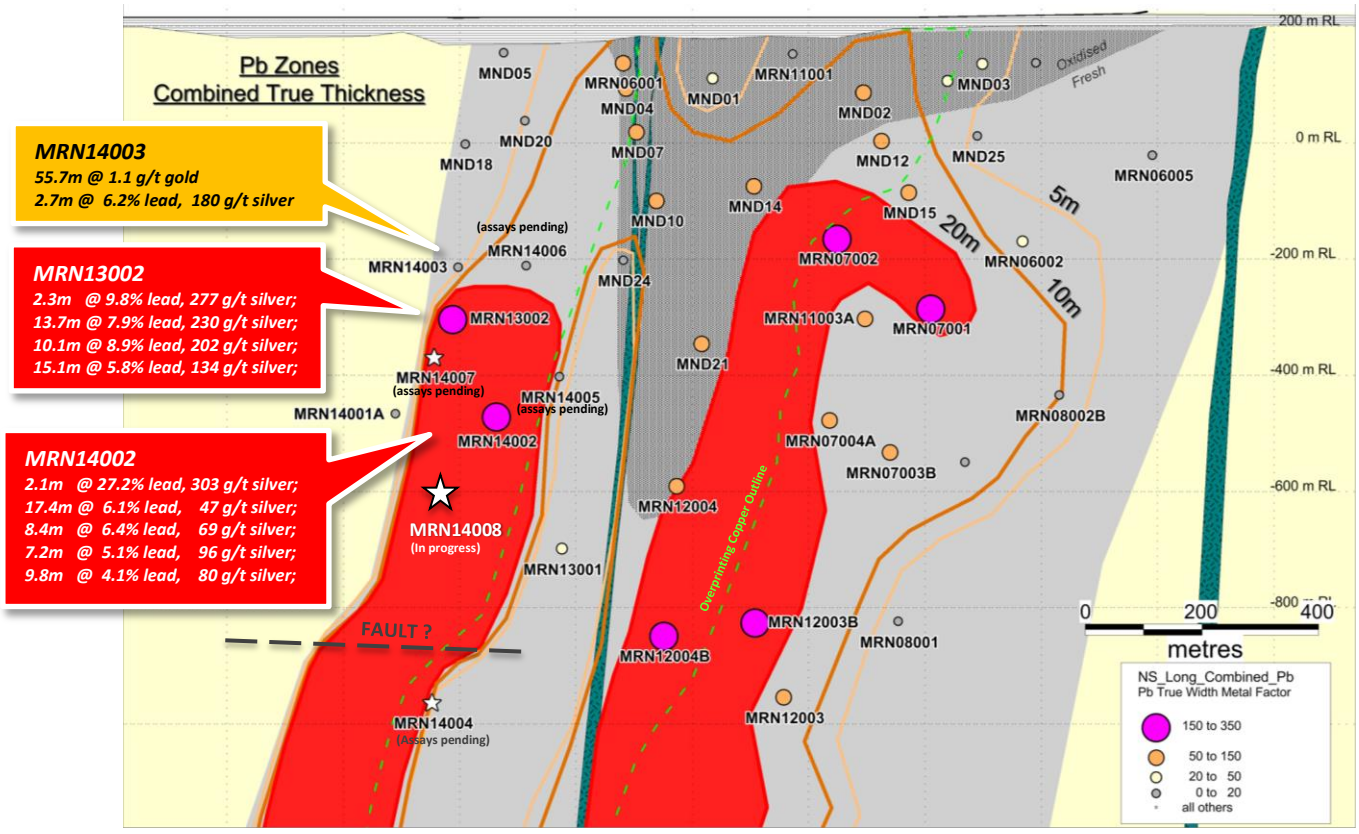
[Figure 1] Maronan Project: MRN14007 coarse grain size, remobilised lead mineralisation typical of the higher grade "Bonanza" style from the apex of the northern fold structure.

DISCUSSION OF RESULTS

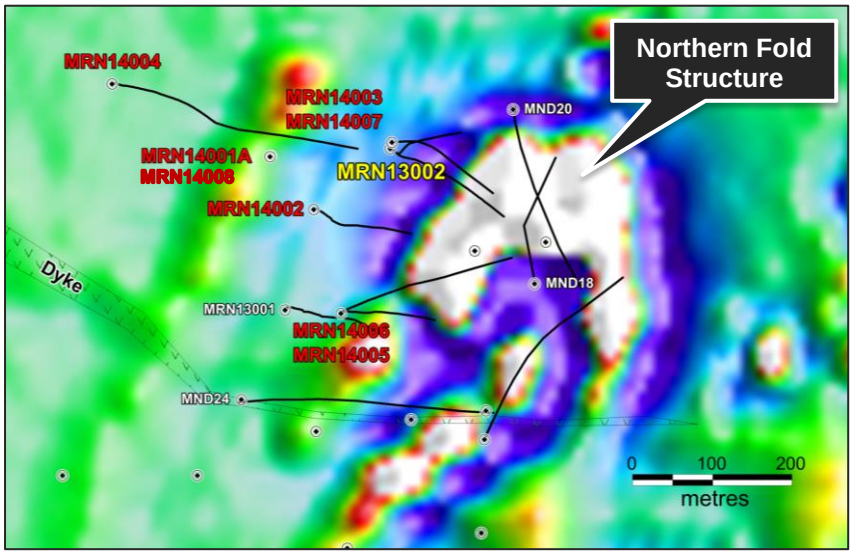
MRN14007 together with the recent holes stepping north and south of MRN13002 have enabled Red Metal to interpret the broad geometry and mineralisation distribution of the northern fold structure (Figure 4). Lead-silver mineralisation trends to higher grade and is structurally enriched towards the apex of the fold. The prospective sequences thin toward the south and appear depleted in lead and silver which is understood to be caused by overprinting of silica-pyrrhotite dominant sulphide veining. The schematic level plan shown in Figure 4 highlights the target potential at the north fold structure.

Drill hole MRN14008 is currently being drilled to intersect 200 metres below the level of the MRN14007, MRN13002 and MRN14002 intercepts (Figures 2 and 5) and will help determine whether this fold structure persists with depth. Visual results from MRN14008 should be available in about three weeks.

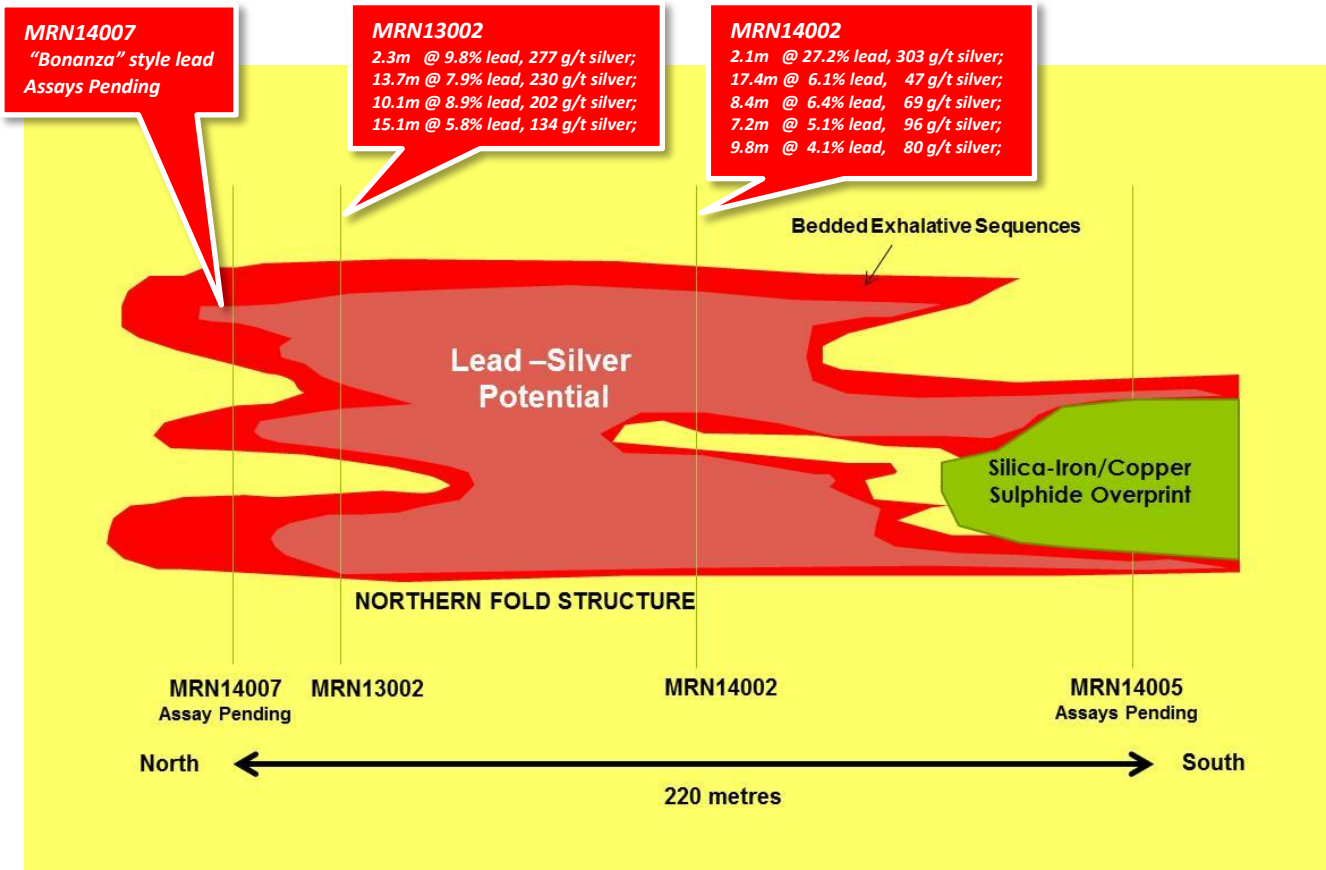
The disappointing intersection of MRN14004 (Figure 5) may be explained by it being located well to the south of the target fold hinge zone (Figure 6). The unexpected thinness of the section and the fact that it is overprinted by silica and pyrrhotite suggest the possibility that the northern fold structure may have been displaced to the north by faulting (Figure 2 and Figure 6).



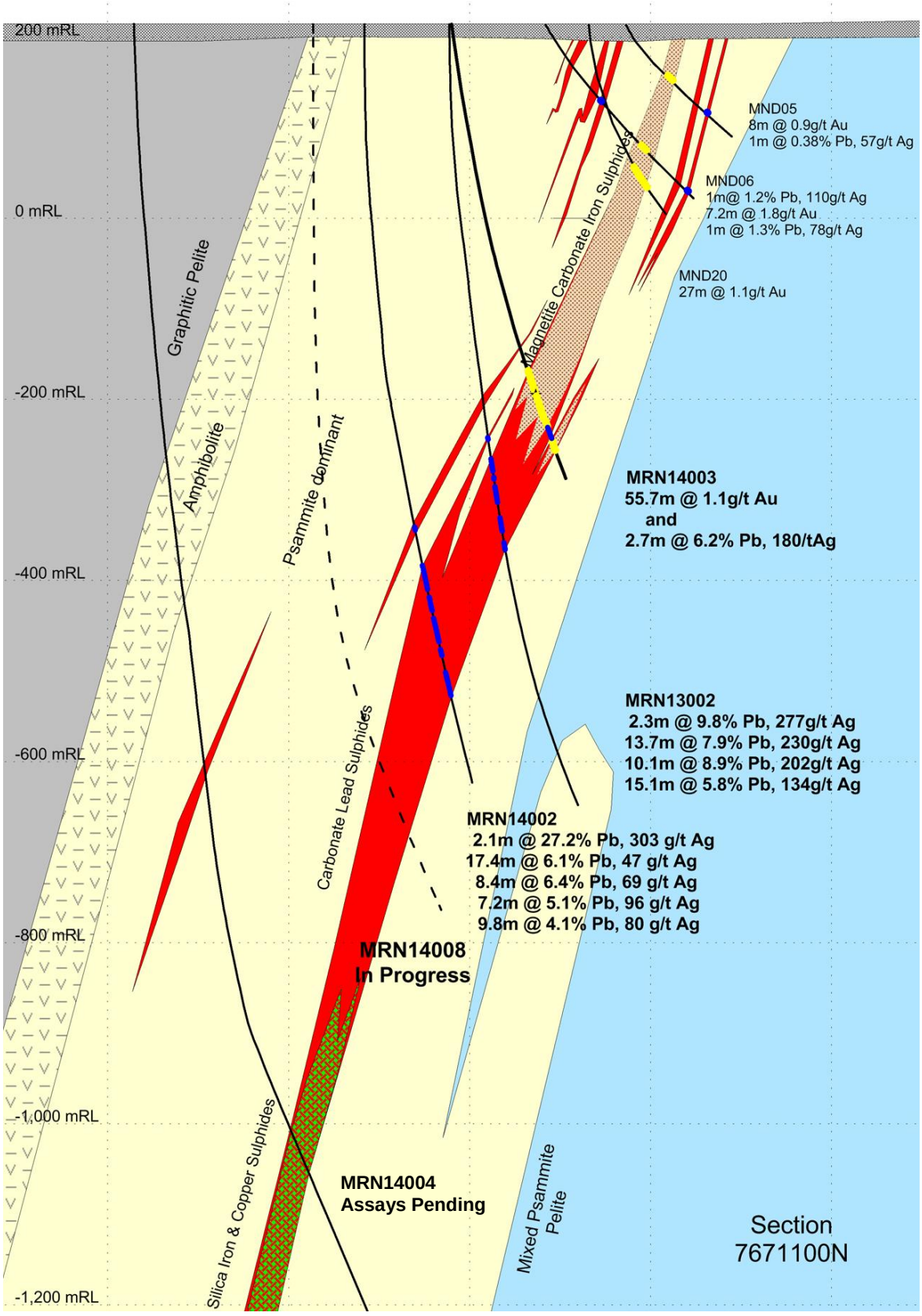
[Figure 2] Maronan Project: Working long section showing completed holes MRN14001A, MRN14002, MRN14003, and MRN14004, MRN14005, MRN14006, MRN14007 (assays pending) as well as the planned pierce points of the current drill hole MRN14008. The interpreted extent of the large iron and copper sulphide vein zone is outlined as a green dashed line – this zone partially overprints the earlier formed, bedded lead and silver mineralisation in MRN13001, MRN14005 and MRN14004. Red Metal interpret there to be potential for thickened carbonate-lead sulphide sequences at the hinge zone to the northern fold structure situated to the north of MRN14004 (refer to Figure 6).



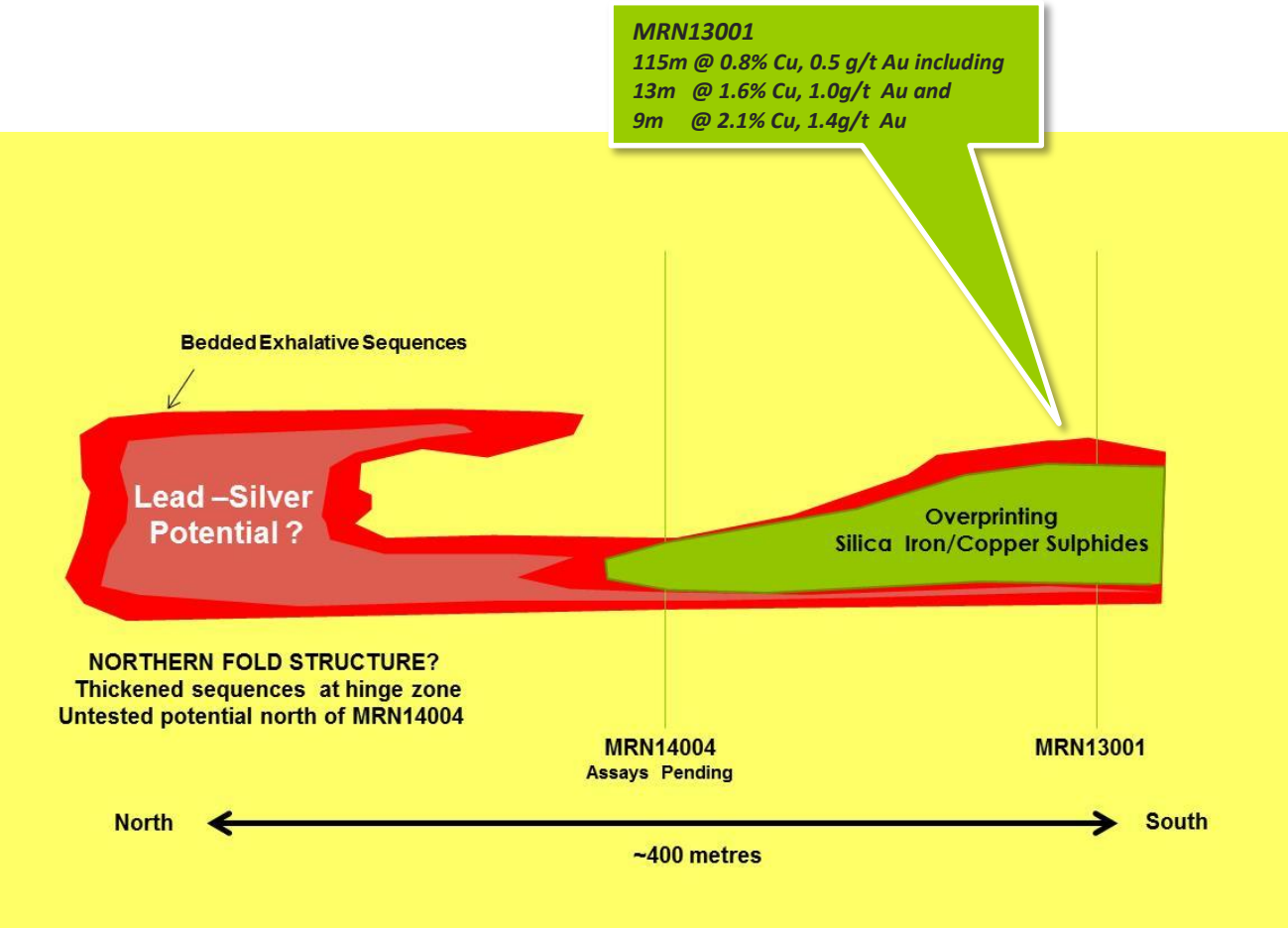
[Figure 3] Maronan Project: Drill hole location plan showing current holes around the lead-sulphide mineralisation in MRN13002 (yellow). Drill holes MRN14001A, MRN14002, MRN14003, MRN14005, MRN14006 and MRN14007 are evaluating the shallower ore potential around MRN13002. MRN14004 is the first deep test targeting the down plunge extension of the northern fold structure. Drilling is in progress on MRN14008.



[Figure 4] Maronan Project: Schematic level plan at about -400m RL highlighting the broad geometry of the northern fold structure and the region offering potential for lead and silver sulphide mineralisation. Note the thickened sequences at the hinge to the northern fold structure and general increase in grade towards the apex of the fold. The prospective sequences thin towards the south and the lead and silver mineralisation appears depleted where overprinted by the silica, iron and copper sulphide veins. Step out drill hole MRN14008 is targeting the wide zones of mineralisation in MRN14002 and MRN13002 a further 200 metre down plunge.



[Figure 5] Maronan Project: Working cross section showing MRN13002 and the recent step-out drill holes MRN14002, MRN14003 and MRN14004 (assays pending). Strong silica, iron and copper sulphide veins overprint a narrower interval of bedded carbonate-lead sulphide sequences in MRN14004. Potential for thickened carbonate-lead sulphide sequences without the silica and iron sulphide overprint are speculated to exist further north of MRN14004 (refer Figure 6).



[Figure 6] Maronan Project: Schematic level plan at about -1000m RL highlighting the recent drill hole MRN14004 and the wide zone of silica, iron and copper sulphide mineralisation in MRN13001. Red Metal speculate that the northern fold structure which offers potential for thickened sequences of lead and silver sulphide mineralisation without the silica, iron and copper sulphide overprint may still exist further north of MRN14004. Compare the broad geology and geometry with that at -400m RL in Figure 4.

[Table 1] Drill hole collar survey data for the 2014 holes.

Hole ID	GDA94_E (m)	GDA94_N (m)	Azimuth	Dip	Depth (m)	Status
MRN14001A	491227	7671127	003	-83	839	Completed
MRN14002	491282	7671061	047	-90	805.4	Completed
MRN14003	491380	7671143	076	-82	525.8	Completed
MRN14004	491029	7671218	094	-88	1403.1	Assays Pending
MRN14005	491316	7670931	071	-87	778	Assays Pending
MRN14006	491316	7670931	065	-74	567.9	Assays Pending
MRN14007	491378	7671137	0	-90	705.7	Assays Pending
MRN14008	491226	7671125	050	-89		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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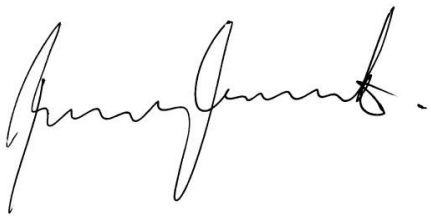

Rob Rutherford
Managing Director

Russell Barwick
Chairman

The information in this report that relates to Exploration Results is based on information 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 mineralization 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.