

**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

5,800,000  
Unlisted options

**Directors:**

Rob Rutherford  
Managing Director

Russell Barwick  
Chairman

Joshua Pitt  
Non-executive Director

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Queensland  
Explorer of the Year  
2013

**ASX ANNOUNCEMENT**  
**31 MARCH 2015**

**COLORADO POTASH PROJECT UPDATE**

Solution mining experts Agapito Associates, Inc. have completed a review of the potential for potash solution mining on the Colorado Project providing Red Metal with broad parameters to guide exploration targeting.

Indications of multiple beds of probable potassium chloride (sylvite) over good widths and grades along the axis of the Dolores Anticline (Figure 2) and positive outcomes from the review by Agapito have reinforced the upside potential of this significant, previously untested, potash target concept.

Project economics for potash solution mining can potentially be improved by increases in the potash price, scaling the project upwards or more importantly, by increasing the well-field efficiency. Improved well-field efficiency can be achieved by solution mining thicker or higher grade intervals of sylvite from a single bed or solution mining multiple parallel sylvite beds from the one well head.

For the Colorado Potash Project, the review provides strong support for exploration to be focused towards regions with potential for thicker and higher grade sylvite in Potash 5 and in other parallel sylvite beds below Potash 5, such as Potash 9 or perhaps Potash 19 (Table 1).

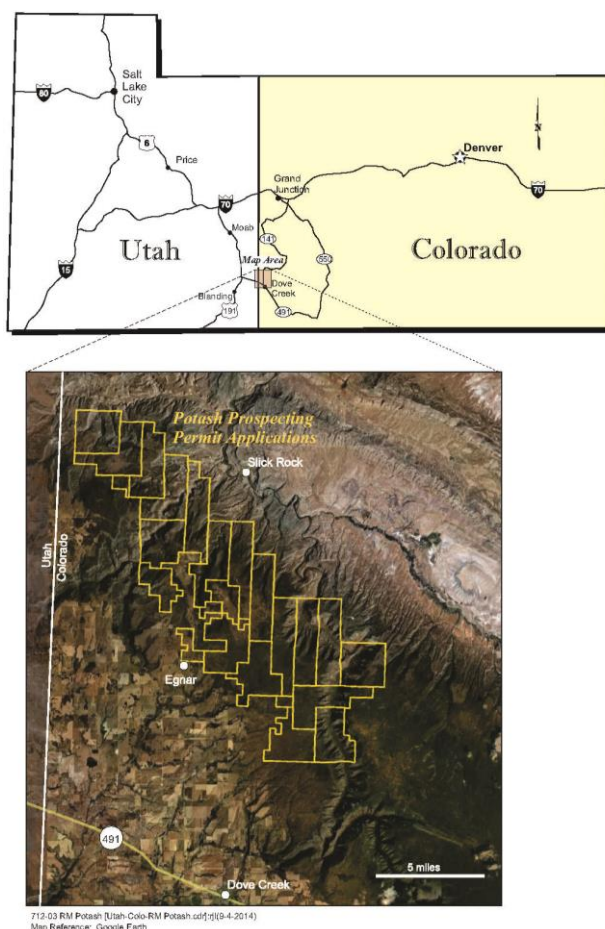
The region surrounding the historic Reynolds Mining Corporation Egnar#1 oil well located along the broad axis of the Dolores Anticline meets the review's exploration criteria and is considered a high priority exploration target concept (Table 2 and Figure 2). Well logs from Egnar#1 show the cumulative bed thickness of probable sylvite is about 30 metres to 2410 metres depth. Equivalent potassium (eK2O%) grade estimates include:

**6.7 metres from 1698 meters at 17% eK2O in Potash 5 (27% eKCl);**

**9.1 metres from 1934 metres at 10% eK2O in Potash 9 (16% eKCl);**

**14.6 metres from 2395 metres at 15% eK2O in Potash 19 (24% eKCl)**

Red Metal will now open the project to joint venture investment from interested parties capable of drilling the proof of concept drill tests and potentially moving the project through to completion of a feasibility study.

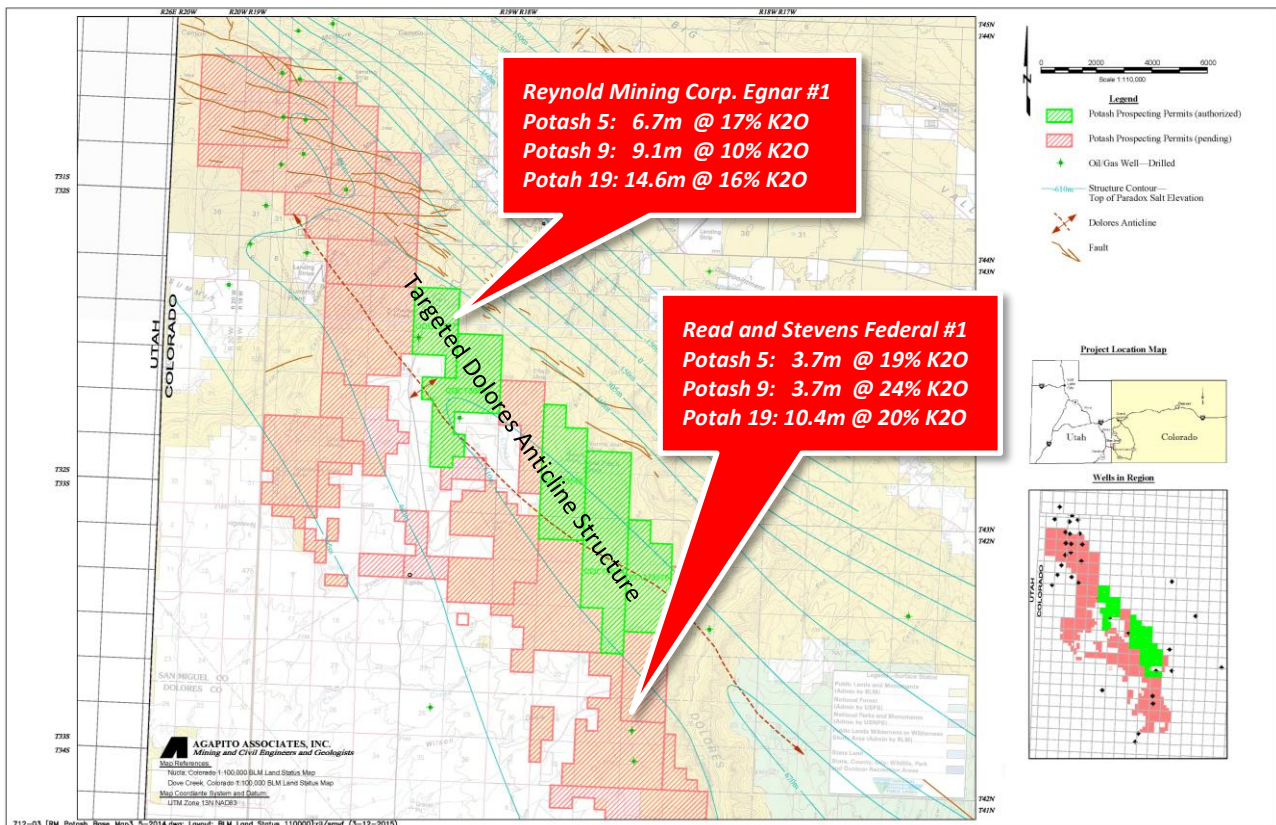


[Figure 1] Colorado Potash Project Location

[Table 1] Colorado Potash Project Exploration Target Estimate (refer to previous Red Metal ASX announcement dated 21 April 2010)

Potash Bed	Parameter and Unit	Range Midpoint	Range		
<b>All</b>	Total area (sq km)	129.8			
<b>Potash 5</b>	Average grade (% eK <sub>2</sub> O)	16	13	–	19
	Average thickness (m)	4.3	3.5	–	5.2
	Average grade-thickness (% eK <sub>2</sub> O·m)	71	57	–	86
	Tonnage (million tonnes)	1,170	940	–	1,410
<b>Potash 6</b>	Average grade (% eK <sub>2</sub> O)	10	8	–	13
	Average thickness (m)	3.3	2.6	–	3.9
	Average grade-thickness (% eK <sub>2</sub> O·m)	42	34	–	50
	Tonnage (million tonnes)	890	710	–	1,070
<b>Potash 9</b>	Average grade (% eK <sub>2</sub> O)	17	14	–	21
	Average thickness (m)	5.2	4.2	–	6.3
	Average grade-thickness (% eK <sub>2</sub> O·m)	90	72	–	108
	Tonnage (million tonnes)	1,410	1,130	–	1,690
<b>Potash 19</b>	Average grade (% eK <sub>2</sub> O)	16	13	–	19
	Average thickness (m)	10.7	8.5	–	12.8
	Average grade-thickness (% eK <sub>2</sub> O·m)	166	133	–	199
	Tonnage (million tonnes)	2,890	2,310	–	3,470

The potash Exploration Targets discussed in this assessment (Table 1, refer to previous Red Metal ASX announcement dated 21 April 2010) are conceptual in nature and there has been insufficient exploration to define them as Mineral Resources, and, while reasonable potential may exist, it is uncertain whether further exploration will result in the determination of a Mineral Resource. The potash Exploration Targets for the Colorado Potash Project are not being reported as part of any Mineral Resource or Ore Reserve.



[Figure 2] Colorado Potash Project: Title map showing grades and widths of multiple parallel sylvite horizons determined from geophysical logs in historic oil wells drilled along the broad crest of the Dolores Anticline structure. There has been no previous potash directed exploration in this area. Red Metal are seeking joint venture funding to complete proof of concept drill tests into the target horizons at the crest of the broad Dolores Anticline – here the target horizons are generally thicker, higher grade and shallower than elsewhere in the region. Refer to Table 2 for well locations of Reynolds Mining Corporation Egnar #1, API 05-113-05004 and Read and Stevens Federal #1, API 05-033-06121.



[Table 2] Potash 5 Intercepts from Geophysical Logs compiled by Agapito Associates Inc.

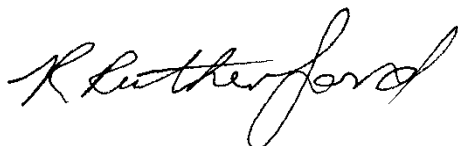
Project ID	API No.	Drill Hole ID	Name	Coordinates (UTM NAD83)		Collar Elevation (m)		Bed Depth (m)		Bed Elevation (MSL m)		Bed Composite Thickness (m)	Bed Average Gamma API	Bed Composite eK <sub>2</sub> O%
				Easting	Northing	Elev.	Datum	Top	Bottom	Top	Bottom			
Inside Prospecting Permit Application Boundary														
1	05-033-06019	READ & STEVENS	INC SHENANDOAH PINTO FEDERAL #1 X	161,900	4,197,342	2,402.1	KB	1,861.7	1,865.4	540.4	536.8	3.7	165	19.0
2	05-033-06121		DAVIS SAND ROCK FEDERAL #1	161,821	4,198,431			Not deep enough						
3	05-113-05000		THE CALIFORNIA COMPANY EGNAR UNIT #3	164,616	4,202,084			Not deep enough						
4	05-113-05004		REYNOLDS MINING CORPORATION EGNAR #1	154,139	4,212,597	2,197.6	KB	1,697.7	1,704.4	499.9	493.2	6.7	165	17.0
5	05-113-05009		BELCO PETROLEUM CORPORATION EGNAR UNIT #3	148,638	4,217,348	2,098.2	KB	1,734.0	1,736.1	364.2	362.1	2.1	112	9.0
6	05-113-05011		BELCO PETROLEUM CORPORATION EGNAR UNIT #2	151,528	4,217,928	2,111.7	KB	1,692.6	1,697.1	419.1	414.5	4.6	140	12.0
7	05-113-05012		ENCANA OIL & GAS (USA) INC EGNAR UNIT #1	149,186	4,218,830	2,101.9	KB	1,732.5	1,739.2	369.4	362.7	6.7	153	14.0
8	05-113-06011		ENCANA OIL & GAS (USA) INC MCINTYRE CANYON UNIT #6-H-18	149,225	4,222,131	1,923.3	KB	1,695.0	1,700.5	228.3	222.8	5.5	90	10.0
9	05-113-06016		TOM BROWN INC TOM HORSE RANGE #1	150,060	4,220,439	2,101.0	KB	1,659.6	1,663.6	441.4	437.4	4.0	142	12.0
10	05-113-06029		WM GRUENBERG & ASSOC INC HORSE RANGE #2	151,669	4,220,362			Not drilled						
11	05-113-06031		HILLIARD OIL & GAS INC SUMMITT FEDERAL #1	149,992	4,219,212	2,144.9	KB	1,747.1	1,749.9	397.8	395.0	2.7	120	11.0
12	05-113-06043		SNYDER OIL CORP DOLORES ANTICLINE #1-4	151,078	4,214,809			Not drilled						
13	05-113-06080		ENCANA OIL & GAS (USA) INC MCINTYRE CANYON #17-21	149,858	4,221,909			No logs available						
14	05-113-06105		ENCANA OIL & GAS (USA) INC HORSE RANGE FEDERAL #19-24	149,265	4,220,547	2,026.3	KB	1,617.6	1,621.5	408.7	404.8	4.0	170	18.0
15	05-113-06246		BILL BARRETT CORPORATION BILL FED CHICO CREEK #1	162,324	4,202,077			Not drilled, permitted expired 2008						
16	05-113-06259		ENCANA OIL & GAS (USA) INC BESSIE FED #31-14-43-18	158,354	4,207,590			Proposed permitted hole						
17	05-113-06266		ENCANA OIL & GAS (USA) INC MCINTYRE CANYON #19-24-44-19	149,279	4,220,539			Proposed permitted hole						
18	None		ASPEN DRILLING EGNAR UNIT #4	164,285	4,205,163			Not deep enough						
Outside Prospecting Permit Application Boundary														
19	05-033-05070		CONOCO PHILLIPS COMPANY BIG CANYON UNIT #1	159,309	4,191,821			Too weak to detect						
20	05-033-06001		UNION OIL COMPANY OF CALIFORNIA DOLORES UNIT #1	159,763	4,193,015			Not deep enough						
21	05-033-06015		SOUTHLAND ROYALTY COMPANY DOLORES FEDERAL 31 #1	167,101	4,186,666			Not deep enough						
22	05-033-06041		TIPPERARY OIL & GAS CORP KNUCKLES #1-26	154,557	4,199,279			Mud logs only, no geophysical logs						
23	05-113-05003		REYNOLDS MINING CORP WILLIAM F WARREN EGNAR UNIT #2	155,618	4,209,708			Not deep enough						
24	05-113-05017		ENCANA OIL & GAS (USA) INC MCINTYRE CANYON UNIT #1	150,196	4,224,505			Bed faulted out						
25	05-113-05019		PURE OIL COMPANY MCINTYRE CANYON #4	148,392	4,225,792			Logs available for purchase						
26	05-113-05077		UNION OIL COMPANY OF CALIFORNIA MCINTYRE CANYON UNIT #3	151,313	4,221,936	2,021.7	KB	2,040.9	2,043.7	-19.2	-21.9	2.7	28	3.0
27	05-113-05078		UNION OIL COMPANY OF CALIFORNIA MCINTYRE CANYON UNIT #2	149,799	4,223,646			Bed faulted out						
28	05-113-06009		J-M OIL CORP EGNAR GOV #1-12	147,297	4,214,497	2,265.6	KB	1,911.1	1,912.3	354.5	353.3	1.2	15	2.0
29	05-113-06014		READ & STEVENS INC ANDERSON FEDERAL #1	168,056	4,209,992			Not deep enough						
30	05-113-06017		JACK J GRYNBERG FEDERAL DAWSON DRAW UNIT #24-10	171,798	4,202,561			Not deep enough						
31	05-113-06018		READ & STEVENS SPUD PATCH UNIT #1	164,623	4,214,987			Bed faulted out						
32	05-113-06022		BELCO PETROLEUM CORPORATION SUMMIT CANYON UNIT #1-5	150,112	4,215,652	2,137.3	KB	1,708.1	1,709.6	429.2	427.6	1.5	90	11.0
33	05-113-06045		TIERRA PETROLEUM CORP FEDERAL D-054530 #41-12	147,685	4,224,017			Not drilled						
34	05-113-06089		HUNTINGTON ENERGY BIC MAC #6-12	148,073	4,215,973	2,264.7	KB	1,901.6	1,904.4	363.0	360.3	2.7	160	14.0
35	05-113-06106		TOM BROWN INC MCINTYRE CANYON #8-34	151,047	4,223,899			Bed faulted out						
36	05-113-06270		ENCANA OIL & GAS (USA) INC MCINTYRE CANYON #8-42-44-19	149,816	4,223,654			Proposed hole						
API = American Petroleum Institute; UTM = Universal Transverse Mercator; NAD83 = 1983 North American Datum; KB = Kelly Bushing (on the drill rig)													Average	11.7

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:

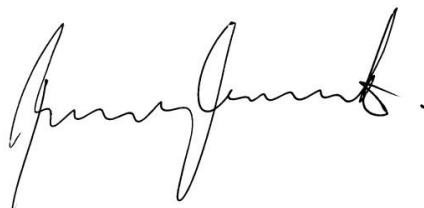
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Rob Rutherford  
Managing Director



Russell Barwick  
Chairman

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*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 mineralisation 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.*

**Table 3 JORC 2012 Sampling Techniques and Data**

<b>Criteria</b>	<b>JORC 2012 Explanation</b>	<b>Commentary</b>
<b>Sampling Techniques</b>	<b>Nature and quality of sampling</b>	<p>The Colorado Potash Project (CPP) has not been drilled or otherwise explored for potash, however, historically the property has been drilled and seismically surveyed for petroleum resources. Potash potential can be estimated indirectly from electric logs from petroleum wells in the vicinity of the Property and inferred by continuity of mineralisation from known deposits to the west and northwest within the Paradox Basin. Potash on the CPP is presently defined as an Exploration Target (previously released by Red Metal to the ASX on an announcement dated 21 April 2010).</p> <p>Potash deposits of variable thickness and grade are present in 18 of the 29 evaporite cycles of the Paradox Formation. Most of these are present in the CPP area; however, only those in Cycles 5, 6, 9, 19, 20, and 21 show enough potassium mineralisation for consideration as potential mining targets (Hite 1978). Potash 5 in Cycle 5 is the principal bed of interest for solution mining within the CPP prospecting permit application boundary. Potash beds in Cycles 6, 9, and 19 also have been evaluated, but there is much less data on these potash beds, so evaluation of them must be considered preliminary. However, significant thickness and grade of potash in these beds could enhance the economics of the CPP.</p> <p>No cores or core assays exist for the wells in the study area. Consequently, potash grade was estimated by equating gamma ray deflection, measured in standard American Petroleum Institute (API) units, to apparent potassium content using the common empirical relationship standardized by Schlumberger. Potassium oxide content estimated by this method is designated "eK<sub>2</sub>O" signifying "gamma-equivalent" K<sub>2</sub>O content by weight. Gamma logs are a standard tool within the industry for estimating potash grade. The Schlumberger chart is tool-specific and corrects for hole diameter and drilling fluid density. Accurate diameter measurements for most holes were available from caliper logs. Fluid density was reported in all cases.</p>
	<b>Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.</b>	Visual inspection of data by potash experts Agapito Associates, Inc. note that the e-logs, dating from the 1950's to 2000's, appear to be of high quality and were produced by reliable sources, including many by Schlumberger.
	<b>Aspects of the determination of mineralisation that are Material to the Public Report.</b>	Refer Table 1 in this document
<b>Drilling Technique</b>	<b>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</b>	Historic oil wells

<b>Criteria</b>	<b>JORC 2012 Explanation</b>	<b>Commentary</b>
<b>Drill Sample Recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<i>No core just geophysical well logs</i>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<i>Geophysical well logging</i>
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<i>Not relevant</i>
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<i>No core collected from historic oil wells</i>
	<i>Whether logging is qualitative or quantitative in nature.</i>	
	<i>Core photography</i>	<i>None</i>
	<i>The total length and percentage of the relevant intersections logged.</i>	<i>Complete geophysical logs penetrating the Paradox Formation through Cycle 19 or deeper were available for a total of eight oil and gas holes within the prospecting permit boundary and five holes located within 4 km of the boundary. Logs for thirteen holes were publicly available through the Colorado Oil and Gas Conservation Commission, a division of the Colorado Department of Natural Resources. Five additional holes were privately available through the Denver Earth Resources Library. However, several of the holes were found to not extend to the Paradox Formation.</i>
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<i>Not relevant</i>
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<i>Not relevant</i>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</i>	<i>Not relevant</i>
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<i>Not relevant</i>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<i>Not relevant</i>
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<i>Not relevant</i>
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<i>No cores or core assays exist for the wells in the study area. Consequently, potash grade was estimated by equating gamma ray deflection, measured in standard American Petroleum Institute (API) units, to apparent potassium content using the common empirical</i>

<b>Criteria</b>	<b>JORC 2012 Explanation</b>	<b>Commentary</b>
		relationship standardized by Schlumberger. Potassium oxide content estimated by this method is designated "eK2O" signifying "gamma-equivalent" K2O content by weight. Gamma logs are a standard tool within the industry for estimating potash grade. The Schlumberger chart is tool-specific and corrects for hole diameter and drilling fluid density. Accurate diameter measurements for most holes were available from caliper logs. Fluid density was reported in all cases.
	<b>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</b>	The grade estimates are based on integrating gamma API over the entire bed, per the methodology described by the Nelson (2007). The composite API in each hole was estimated by visual inspection for this preliminary round of resource characterization. The accuracy of the visual method was confirmed by spot checking against digitized integration in two holes for which the logs had been digitized.
<b>Verification of sampling and assaying</b>	<b>The verification of significant intersections by either independent or alternative company personnel.</b>	Proof of concept potash salt core drilling is needed to verify the potash contents estimated from the geophysical well logs.
	<b>The use of twinned holes.</b>	None to date
	<b>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</b>	The accuracy of the visual method was confirmed by spot checking against digitized integration in two holes for which the logs had been digitized.
	<b>Discuss any adjustment to assay data.</b>	No assay data just geophysical well log determinations
<b>Location of data points</b>	<b>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</b>	Oil wells collar locations are surveyed by a State-accredited surveyor from the nearest section corner and should, therefore, be accurate to the nearest foot. The survey and locations of both wells were reported to the Colorado Oil and Gas Conservation Commission (COGCC), the State regulatory agency.  Neither well on the CPP had a down hole location survey (bore hole survey) reported to COGCC. Drift is assumed to be minor and consistent with a vertical drill depth of 2200 to 2400 meters drilled with conventional Oil and Gas equipment.
	<b>Specification of the grid system used.</b>	UTM NAD83
	<b>Quality and adequacy of topographic control.</b>	Oil wells collar locations are surveyed by a State-accredited surveyor from the nearest section corner and should, therefore, be accurate to the nearest foot.
<b>Data spacing and distribution</b>	<b>Data spacing for reporting of Exploration Results.</b>	Potash potential can be estimated indirectly from electric logs from petroleum wells in the vicinity of the Property and inferred by continuity of mineralisation from known deposits to the west and northwest within the Paradox Basin. Potash on the CPP is presently defined as an Exploration Target (Previously released by Red Metal to the ASX on an announcement dated 21 April 2010).  Over the Dolores Anticline geophysical well logs from two historic oil wells 17 kilometres apart highlight good potash results.
	<b>Whether the data spacing and</b>	The drill pierce point spacing is sufficient to outline the



<b>Criteria</b>	<b>JORC 2012 Explanation</b>	<b>Commentary</b>
	<i>distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	<i>broad extent of mineralisation and grade variations in the mineral system however no Mineral Resources or Reserves have been defined to date.</i>
	<i>Whether sample compositing has been applied.</i>	<i>No sample compositing has been applied</i>
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<i>Not relevant</i>
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<i>Oil wells are sub-vertical, no bedding dip information is available however seismic traverses indicate the beds over the crest of the Dolores anticline dip between 0-2 degrees</i>
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	<i>No relevant</i>
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<i>Data has been reviewed, interpreted and audited by Agapito Associates, Inc. - a US based geology and mining engineering consultancy specialising in potash solution mining.</i>

Table 4 JORC 2012 Reporting of Exploration Results

<b>Criteria</b>	<b>JORC 2012 Explanation</b>	<b>Commentary</b>
<b>Mineral tenement and land tenure status</b>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<i>RM Potash has submitted 21 Potash Prospecting Permit Applications to the BLM over a combined area of approximately 16,600 hectares. An Environmental Assessment (EA) was conducted by the BLM for the issuance of up to six exploration permits. If the results of drilling on the six individual permit holes are promising, RM Potash could submit additional drilling plans with other permit applications. The six permit applications cover a total of 4,028 hectares. Of the six applications, 5 were approved effective September 1, 2013. No exploration holes have been drilled to date.</i>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	<i>The tenements are in good standing and no known impediments exist. Lodgement of a two year approved extension of term is due by Sept 1, 2015.</i>
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p><i>The Colorado Potash Project (CPP) has not been drilled or otherwise explored for potash, however, historically, the Property has been drilled and seismically surveyed for petroleum resources. Potash potential can be estimated indirectly from electric logs from petroleum wells in the vicinity of the Property and inferred by continuity of mineralisation from known deposits to the west and northwest within the Paradox Basin. Potash on the CPP is presently defined as an Exploration Target (Previously released by Red Metal to the ASX on an announcement dated 24 March 2010).</i></p> <p><i>Complete geophysical logs penetrating the Paradox Formation through Cycle 19 or deeper were available for a total of eight oil and gas holes within the prospecting permit boundary and five holes located within 4 km of the boundary. Logs for thirteen holes were publicly available through the Colorado Oil and Gas Conservation</i></p>

<b>Criteria</b>	<b>JORC 2012 Explanation</b>	<b>Commentary</b>
		Commission, a division of the Colorado Department of Natural Resources. Five additional holes were privately available through the Denver Earth Resources Library. However, several of the holes were found to not extend to the Paradox Formation. Refer to Table 2 of this report for oil well locations and Potash 5 data.
<b>Geology</b>	<b>Deposit type, geological setting and style of mineralisation.</b>	<p>There are up to 29 evaporite deposition cycles in the Paradox Basin with as many as 11 of economic interest. In the CPP area, the uppermost evaporite cycle containing halite is "Cycle 4." The younger cycles (Cycles 1, 2, and 3), which contain halite in the deeper northwest part of the Paradox Basin, consist of anhydrite-carbonate facies in the Lisbon Valley and CPP area. Many of the deposits present in the CPP area can be correlated with those found elsewhere in the basin. Most of the deposits show strong lateral continuity, particularly in a northwest-southeast direction. Regional studies of the potash deposits indicate their distribution was determined, in part, by the same factors controlling salt deposition (Hite 1978).</p> <p>Potash deposits of variable thickness and grade are present in 18 of the 29 evaporite cycles of the Paradox Formation. Most of these are present in the CPP area; however, only those in Cycles 5, 6, 9, 19, 20, and 21 show enough potassium mineralisation for consideration as potential mining targets (Hite 1978). Potash 5 in Cycle 5 is the principal bed of interest for solution mining within the CPP prospecting permit application boundary. Potash beds in Cycles 6, 9, and 19 also have been evaluated, but there is much less data on these potash beds, so evaluation of them must be considered preliminary. However, significant thickness and grade of potash in these beds could enhance the economics of the CPP.</p>
<b>Drill hole Information</b>	<b>A summary of all information material to the understanding of the exploration results including a tabulation of survey information for all Material drill holes:</b>	Refer Table 2 of this announcement.
<b>Data aggregation methods</b>	<p><b>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</b></p> <p><b>The assumptions used for any reporting of metal equivalent values should be clearly stated.</b></p>	<p>Table 1 summarizes the Exploration Target estimate for the CPP Property. The estimate is based on computer block modelling using Carlson Mining 2010, a commercially available geology and mine modelling software package well suited and widely used for analysing tabular deposits. A grade-thickness cut-off of 20% eK<sub>2</sub>O-m is assumed, equivalent to 1.0 m thick at 20% K<sub>2</sub>O or 1.33 m thick at 15% eK<sub>2</sub>O, similar to the minimum grades and thicknesses of comparable potash solution mining projects.</p> <p>No cores or core assays exist for the wells in the study area. Consequently, potash grade was estimated by equating gamma ray deflection, measured in standard American Petroleum Institute (API) units, to apparent potassium content using the common empirical relationship standardized by Schlumberger. Potassium oxide content estimated by this method is designated "eK<sub>2</sub>O" signifying "gamma-equivalent" K<sub>2</sub>O content by weight. <math>eKCl = 1.6 \times eK_2O</math></p>
<b>Relationship between mineralisation widths</b>	<b>These relationships are particularly important in the reporting of Exploration</b>	Seismic data indicate a large amount of the bedding over the project area ranges from 0-4 degrees being flattest

<b>Criteria</b>	<b>JORC 2012 Explanation</b>	<b>Commentary</b>
<b>and intercept lengths</b>	<i>Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	<i>over the broad crest of the Dolores anticline. Intercept widths are assumed to be true widths for the purpose of the Exploration Target calculation.</i>
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	<i>Refer to Figures 1 to 2 in this report and previously released figures in Red Metal ASX announcement dated 21 April 2010.</i>
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<i>Refer to Tables 1 and 2 for a summary of well data ranges compiled by Agapito Associates, Inc.</i>
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<i>Seismic data indicate a large amount of the bedding over the project area ranges from 0-4 degrees being flattest over the broad crest of the Dolores anticline. Formation temperatures range 46-56 degree celsius.</i>
<b>Further work</b>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<p><i>Priority should be given to drilling at least one core hole into the Dolores anticline target to determine the continuity of stronger grades and thickness of Potash 5 intersected in historic Reynolds Mining Corporation Egnar#1 (Table 2 this report). Drilling should extend to test deeper beds with prospects for multi-bed mining, particularly Potash 9 and possibly Potash 19. Detailed lithologic and geophysical logging, and chemical assays should be completed as part of the exploration drilling program.</i></p> <p><i>Red Metal is currently seeking joint venture funding support from interested parties.</i></p>