

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
23 AUGUST 2016

IRINDINA COPPER-COBALT PROJECT: DRILLING UPDATE

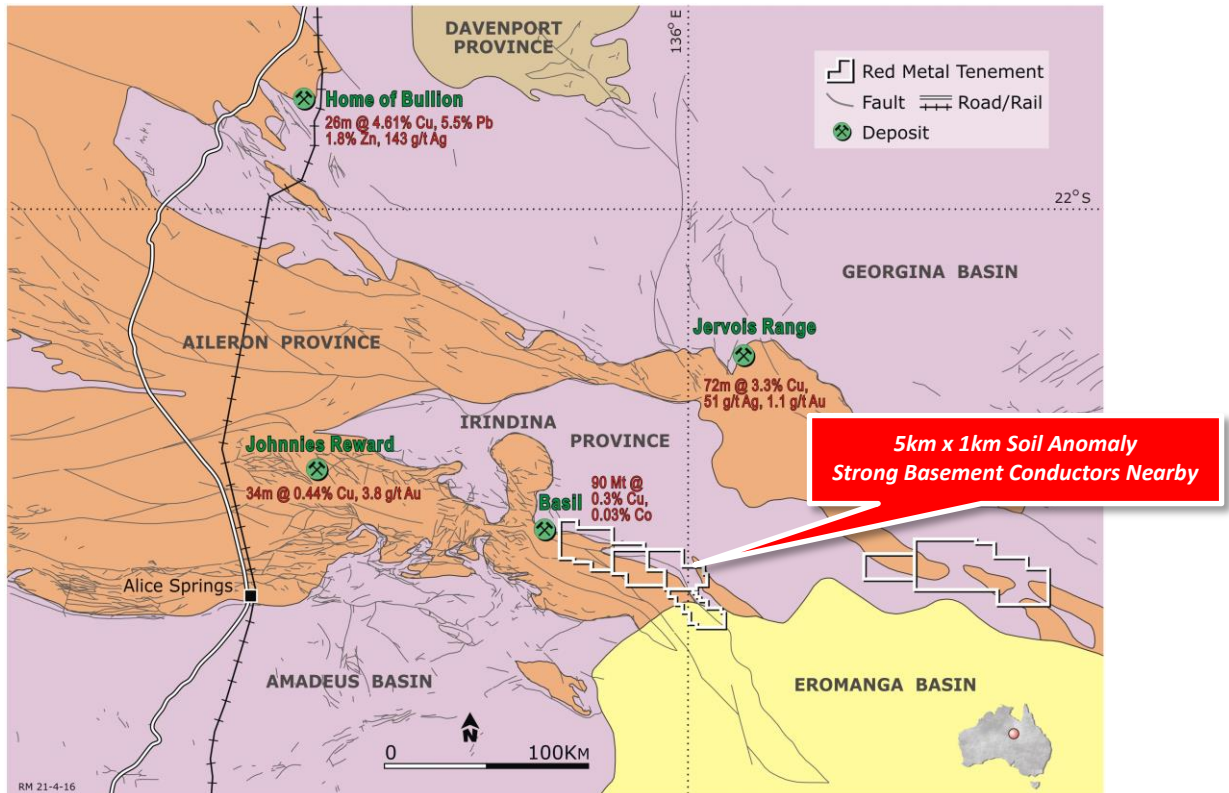
First pass drilling on the Irindina copper-cobalt project testing a very strong electromagnetic conductor and a nearby five kilometre long by one kilometre wide multi-element soil geochemical anomaly has been completed.

A 240 metre deep percussion hole directed towards the electromagnetic conductor intersected graphitic shales with minor iron sulphides from 106 to 170 metres. Abundant fine graphite in the thick shale sequence is interpreted as the most likely source to the strong conductivity anomaly measured at surface. No visible copper mineralisation was identified.

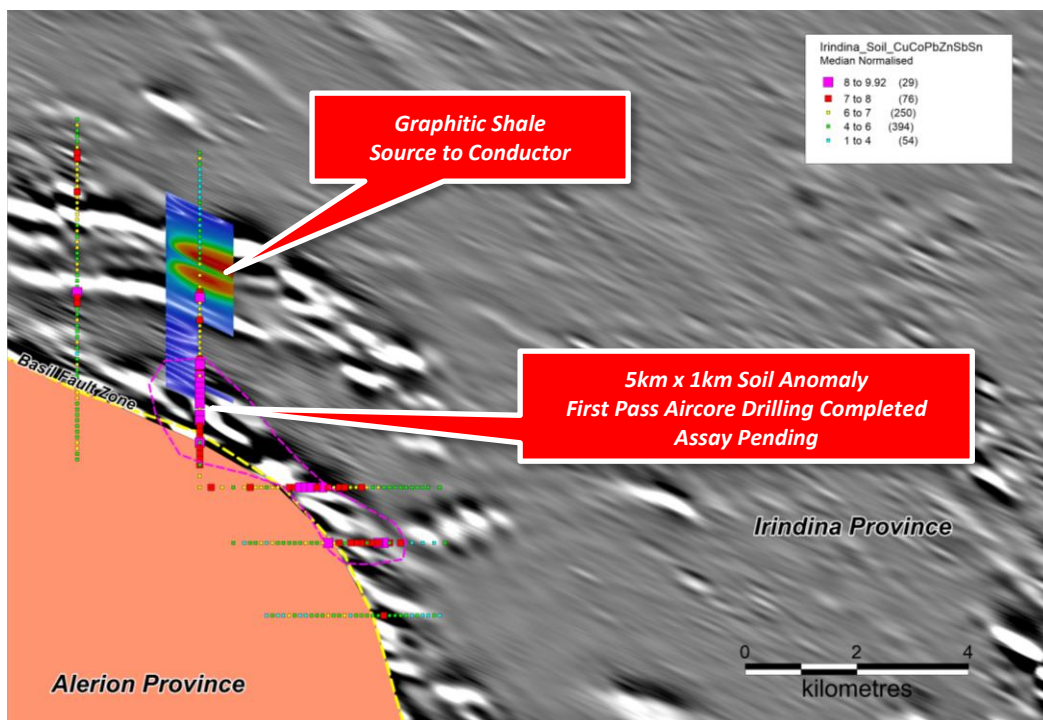
Several shallow air core holes were drilled across the extensive multi-element geochemical anomaly but no visible copper mineralisation was logged.

Although assay results for base metals, gold and other trace elements are pending, the lack of visible copper mineralisation in the holes has down-graded this project.

Red Metal's exploration team will now focus their efforts towards advancing the company's exciting new zinc targets on the Lawn Hill project.



[Figure 1] 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, base metal rich deposits may exist within the Irindina project.



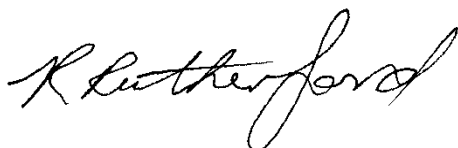
[Figure 2] Irindina Project: Residual magnetic image of the Irindina Province and regional soil traverses with thematic presentation showing the sum of median normalised values for copper, cobalt, lead, zinc, antimony and tin. Moving loop electromagnetic surveying trialled along several anomalous geochemical lines has identified two conductors below and adjacent to the large soil anomalous region.

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:

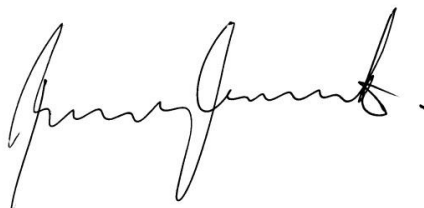
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Rob Rutherford
Managing Director



Russell Barwick
Chairman

The information in this report that relates to Exploration Results is based on 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 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 1] Irindina Project: JORC 2012 sampling techniques and data

Criteria	JORC 2012 Explanation	Commentary
Sampling Techniques	Nature and quality of sampling	Wide spaced soil sampling orientation survey lines were collected across interpreted structural, geophysical and stratigraphic targets. The soil type is predominantly windblown sand. Widely spaced, ground-based moving loop and some fixed loop electromagnetic survey lines were trialled across several geochemical targets. This surveying was designed to detect possible massive sulphide mineralisation below or near the lines of anomalous soil geochemistry.
	Include reference to measures taken to ensure representativity samples and the appropriate calibration of any measurement tools or systems used.	The soil samples were sieved to the same size fraction to help ensure sample representativity. Two sieved size fractions were trialled.
	Aspects of the determination of mineralisation that are Material to the Public Report.	It is uncertain at this stage if the low-level anomalism detected in the windblown sands is being sourced from buried sulphide mineralisation or simply reflects natural variations at the surface.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	The soil samples were analysed using a high quality ICP/MS technique appropriate for low level determinations of gold and base metals in soils. The method utilised aqua-regia digest on 10 grams of sample.
	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.	No geophysical tools were used to determine element concentrations at Irindina
	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.	Laboratory standards and blanks were used. On site replicates and duplicates samples were collected at 17 sites. Results highlight that the sample assay values are accurate and that contamination has been contained. Duplicate analyses by the laboratory reveal the precision of the analysis is within acceptable limit. Repeating the sampling at a nearby site 1-2metres from the original site produced repeatable results in all elements except antimony which was highly variable between batches.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Red Metal's senior geologist and Managing Director reviewed the data interpretation
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was entered in the field into a portable logging device using standard drop-down codes. Text data files are exported and stored in an Excel and Access databases. MapInfo software is used to thematically present the data.
	Discuss any adjustment to assay data.	No data has been adjusted
Location of data points	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.	Hand portable GPS accurate to within about 5 metres
	Specification of the grid system used.	MGA94 Zone 53
	Quality and adequacy of topographic control.	Not relevant
Data spacing and distribution	Data spacing for reporting of Exploration Results.	The sample lines are very widely spaced varying from single lines to 4-2km spaced lines (Figures 2 and 3). Along the lines samples are collected every 100metres.
	Whether sample compositing has been applied.	No sample compositing has occurred
Sample security	The measures taken to ensure sample security.	Samples transported directly from the field to the laboratory by Red Metal personnel
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No review or audits have been undertaken at this early stage of the project

[Table 2] Irindina Project: JORC 2012 reporting of exploration results

Criteria	JORC 2012 Explanation	Commentary
Mineral tenement and land tenure status	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.	The Irindina soil sampling was conducted on EL27267 and EL27265 situated in the Eastern Arunta region of the Northern Territory. The project is about 240 kilometres east of Alice Springs along the northern edge of the Simpson Desert, Northern Territory. The tenements are owned 100% by Red Metal Limited. A land access and compensation agreement has been established with the Aboriginal Landowners and the CLC.
	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.	The tenements are in good standing and no known impediments exist
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Limited historic exploration is reported over the exploration licences. No previous sampling exists where the zones of anomalous geochemistry are defined.
Geology	Deposit type, geological setting and style of mineralisation.	<p>Red Metal's Irindina project is located in the remote Eastern Arunta province in the Northern Territory and is centred on the Irindina and Aileron Provinces (Figure 1). These under explored provinces are emerging as a highly prospective province for high-grade massive copper sulphide deposits with Kidman Resources Limited's Home of Bullion project, Kentor Gold Limited's Jervois deposit and Mithril Resources Ltd's Basil deposit being good examples.</p> <p>Red Metal's Irindina project covers a large area of shallow covered Irindina Province and Aileron Province rocks. The project is about 60 kilometres east of the large, low-grade Basil copper-cobalt deposit (90Mt @ 0.3% copper, 0.03% cobalt). This deposit comprises massive iron sulphide with associated copper sulphides and cobalt hosted in amphibolite from the Irindina Province. It lies close to the mantle tapping Basil Fault Zone which is interpreted as a long lived basin margin fault.</p> <p>Red Metal speculates that large, copper-rich variants of the Basil deposit type may exist within the Irindina project adjacent to the Basil Fault Zone. Potential for Jervois style massive sulphides may exist in the older Aileron Province rocks.</p>
Data aggregation methods	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.	For the purpose of presenting multi-element results and identifying multi-element trends the individual assay results were normalised to the median value. The summed normalised values in Figure 3 were achieved using the following formula $\text{Value} = \text{Co ppm}/7.9 + \text{Cu ppm}/15 + \text{Pb ppm}/8.5 + \text{Zn ppm}/21 + \text{Sn ppm}/1.2 + \text{Sb ppm}/0.07$.
Diagrams	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.	Refer to Figure 3 in this report for thematic presentation and location of median normalised, multi-element soil values.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Assay results from the first pass drilling will be reviewed