

2 January 2013

Ms Kimberley Brown
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Ms Brown

RE: PRICE QUERY

We refer to your letter dated 31 December 2012 noting a change in the price of Red Metal Limited's (the "Company") shares. In response to your query we advise as follows:

1. The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. The Company is not aware of any other explanation for the price change in the securities of the Company. The Company notes however that on 20 December 2012 the Company advised that progress on the drill hole designated MRN12004 at the Maronan silver-lead project was paused for the Christmas to New Year break on the 19th December. The hole was halted while still on direction at 460.2 metres down-hole some 350 to 400 metres above the upper banded iron formation target zone. Drilling will recommence on the 8th January 2013 and is expected to pass through the separate upper and lower iron formation targets within about two to three weeks. Visual results will be announced upon completion of the hole with assay results to follow three to four weeks thereafter.
4. The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours faithfully



Patrick Flint
Company Secretary



ASX Compliance Pty
Limited
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

31 December 2012

Patrick Flint
Company Secretary
Red Metal Limited
Level 15
323 Castlereagh Street
Sydney NSW 2000

Telephone 61 2 9227 0000
Facsimile 61 2 9241 7620
www.asx.com.au

By email

Dear Patrick

Red Metal Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a closing price of \$0.34 on 24 December 2012 to an intraday high of \$0.515 at the time of writing today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail or by facsimile on facsimile number **(02) 9241 7620**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 9.30 a.m. (Sydney time) on Wednesday, 2 January 2013**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

[Sent electronically without signature]

Kimberley Brown
Senior Adviser, Listings Compliance (Sydney)