

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:

212,258,409
Ordinary shares

6,700,000
Unlisted options

Directors:

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Managing Director

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ASX ANNOUNCEMENT

11 April 2019

DRILL RESULTS: PUNT HILL & PERNATTY LAGOON COPPER-GOLD PROJECTS

Assaying of core from OZ Minerals' maiden drill program at Punt Hill has returned anomalous copper mineralisation from the first hole into the PH1 target located just 42 kilometers south of their large Carrapateena copper and gold development (Figure 1).

PH1 is a near coincident gravity and weak magnetic target that straddles the boundary between the separate Punt Hill and Pernatty Lagoon joint venture areas (refer to Red Metal ASX announcement dated 21 December 2017).

Drill hole DD18PTH001 was directed towards the high-gravity portion of the anomaly and intersected meta-sediments overprinted by dense, prograde-garnet alteration towards the end of hole that appears to explain the gravity response. A wide 244 metre interval of anomalous copper mineralisation averaging 0.26% copper was detected throughout the meta-sedimentary rocks (Figure 2, Table 2) with some of the better zones returning;

**35.0 metres @ 0.6% copper from 841metres, including
10.8 metres @ 1.0% copper from 841 metres.**

The copper mineralisation, located within the Punt Hill joint venture area, occurs as wide spaced chalcopyrite ± bornite veins with associated magnetite ± hematite and more intense retrograde chlorite, K-feldspar and siderite alteration.

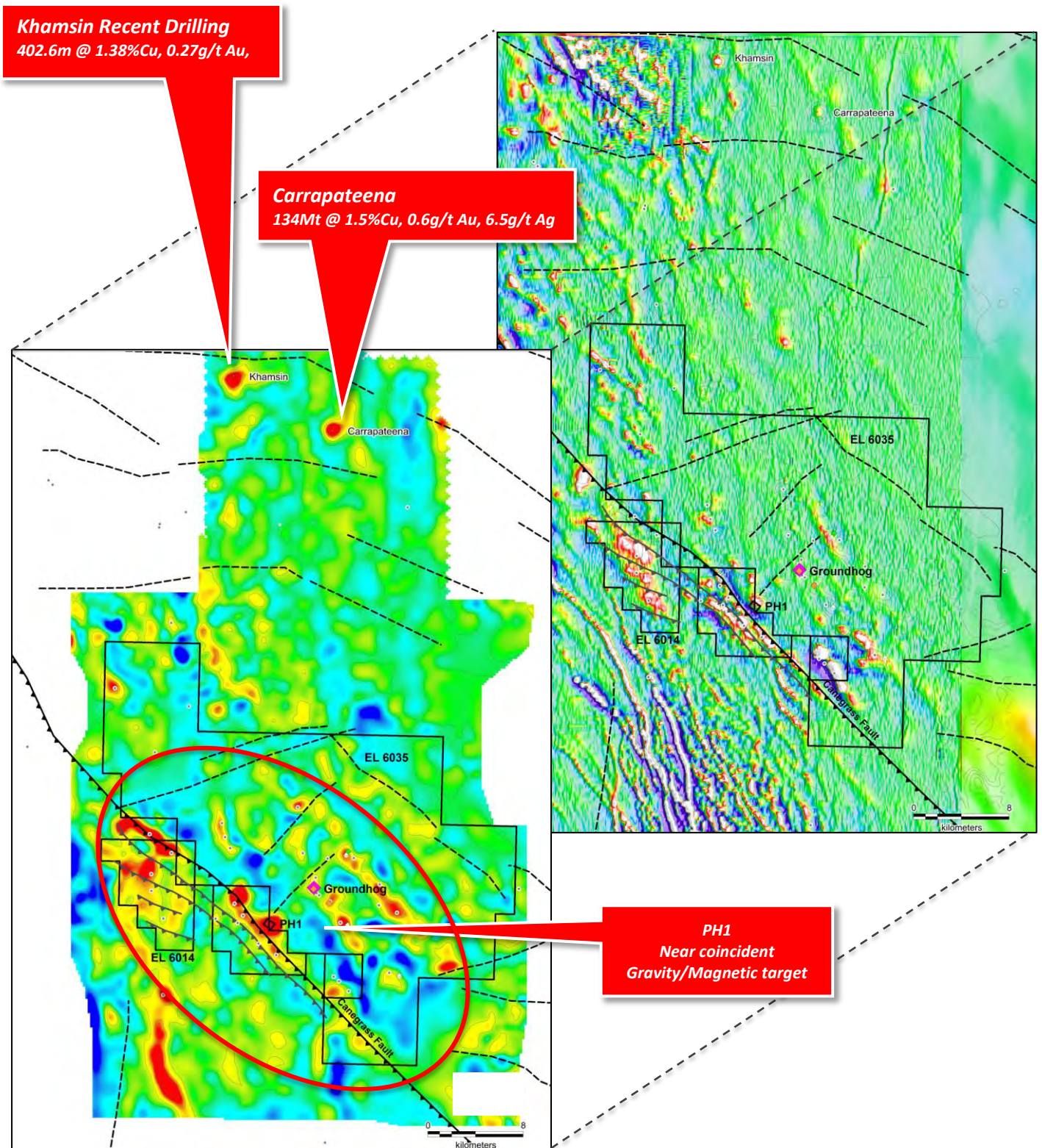
Red Metal speculates that the magnetite and chlorite alteration together with the wide intervals of anomalous copper in DD18PTH001 (Figure 2) may indicate a near-miss hole.

Recent three dimensional modelling of the magnetic data highlights stronger magnetic material, possibly associated with better copper mineralisation, located a little further north of the DD18PTH001 drill trace that remains to be drill tested (Figure 3).

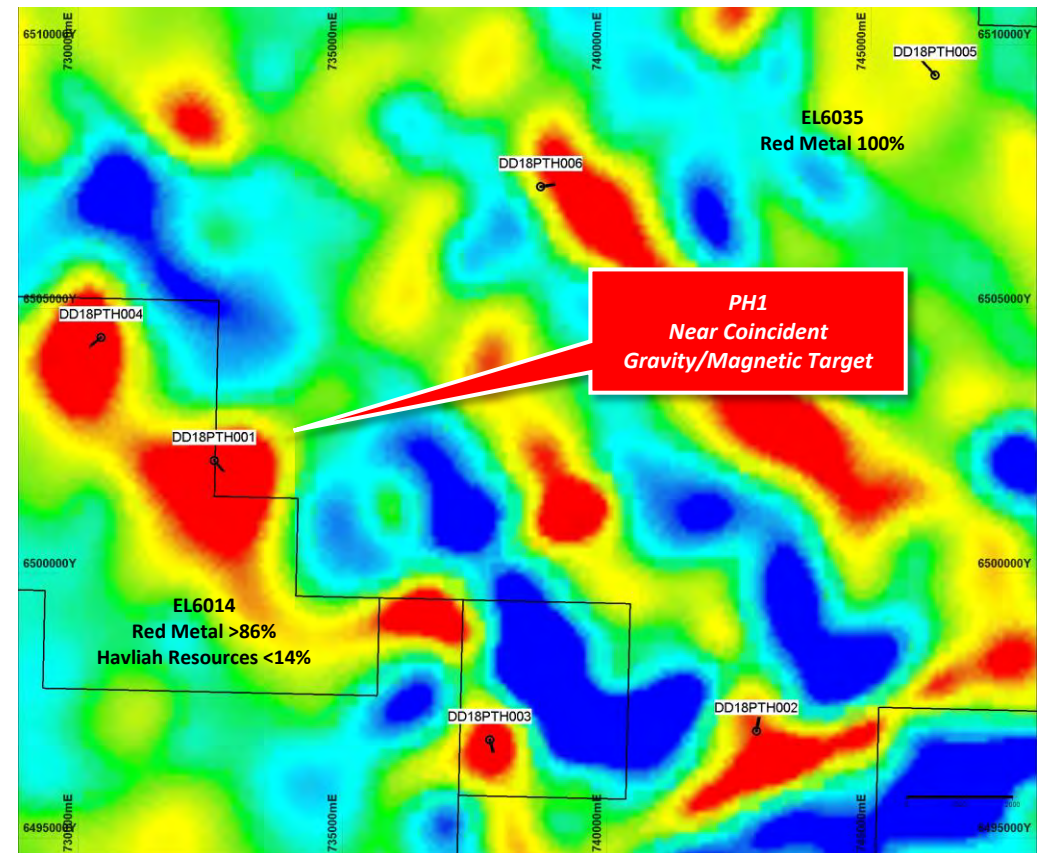
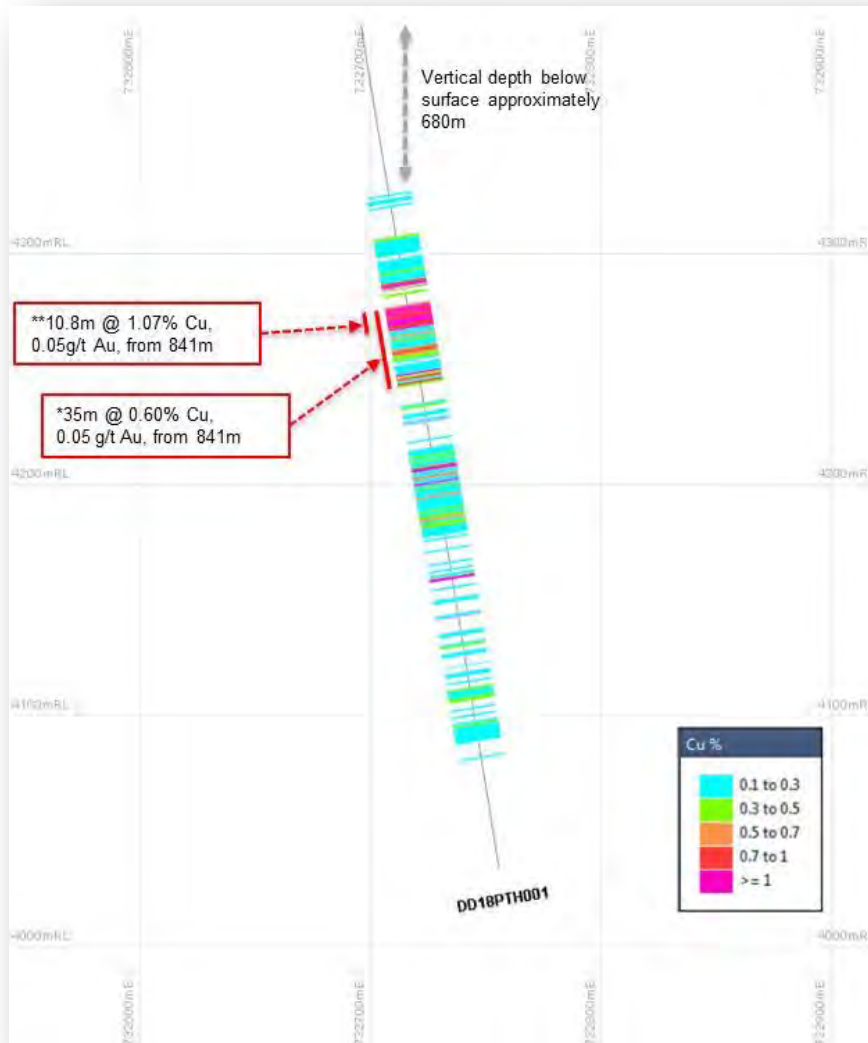
No significant intervals of copper mineralisation were intersected in any of the other five holes from OZ Minerals' drill program (Figure 2 and Table 2).

The common association of magnetic minerals such as magnetite and weakly magnetic hematite with the copper mineralisation at PH1 has important implications for future targeting in the joint venture area.

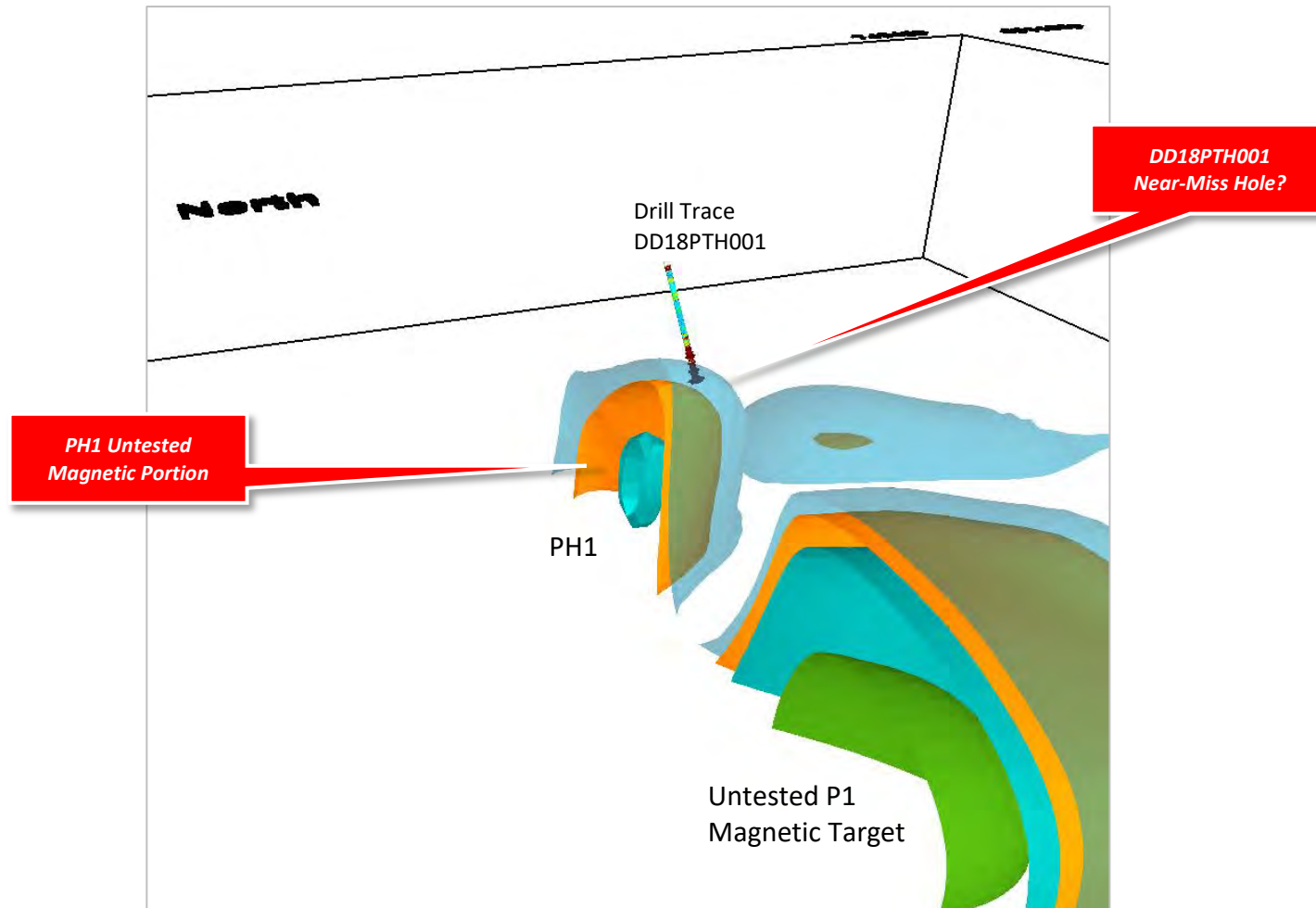
The use of deep penetrating electrical geophysical methods to prioritize the untested magnetic targets within the Punt Hill and Pernatty Lagoon joint venture areas are being evaluated.



[Figure 1] Punt Hill EL 6035 and Pernatty Lagoon EL6014: Regional residual gravity image (front) and vertical gradient magnetic image (back) with historic drilling (white dots) highlighting the PH1 target, Carrapateena and Khamsin copper-gold deposits and the low-grade Ground Hog prospects on the Punt Hill project. The priority PH1 target is a strong residual gravity anomaly slightly offset from a small residual magnetic response and has similar geophysical signature to that measured over the Carrapateena and Khamsin deposits. Drilling on PH1 was directed towards the high gravity-portion of the PH1 anomaly but has shown a magnetic association with the copper mineralisation. The slightly offset magnetic portion of PH1 remains to be drill tested.



[Figure 2] Punt Hill EL 6035 and Pernatty Lagoon EL6014: Residual gravity image showing 2018 drill hole locations (right). DD18PTH001 drill section with thematic copper values (left). Note the wide interval (>200 metres) of patchy, greater than 0.1% copper. Red Metal speculates that the magnetite and chlorite alteration together with the wide intervals of anomalous copper in DD18PTH001 may indicate a near-miss hole. Refer Table 2.



[Figure 3] Punt Hill: Three dimensional view facing southeast of magnetic model showing magnetic susceptibility shells. Model highlights stronger magnetic material, possibly associated with better copper mineralisation, located a little further north of the DD18PTH001 drill trace. The untested magnetic target P1 is also highlighted.

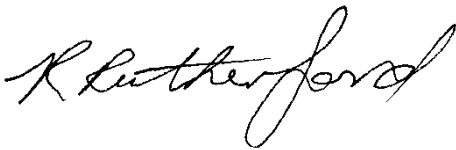


For further information concerning Red Metal's operations and plans for the future please refer to the recently updated web site or contact Rob Rutherford, Managing Director at:

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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.

JORC 2012 Table 1 – Section 1: Sampling techniques and data

Criteria	Comments
Sampling techniques	<p>All basement samples consist of diamond drill core (NQ2 and HQ) cut with an automatic core saw and sampled as half core in PTH001 and the remaining holes a combination of half core and third core. All field duplicates were sampled as quarter core. The method of sampling is considered to be of an acceptable quality for the reporting of Exploration Results.</p> <p>Predominantly 1m samples were obtained of mineralised core and 2m composite samples were collected in visually non-mineralised samples. Lengths range from 0.5m to 2.5m where adjusted to geological or major alteration boundaries. All available basement drill core was sampled.</p> <p>Entire samples were crushed then pulverised to a nominal 90% passing 75 microns. The resulting pulps were analysed using a variety of methods which included multi acid digest with ICP-OES determination for Cu, and fire assay (40g charge) with AAS finish for Au. Sub-sampling, sample preparation, assay methods and assay quality are discussed in the criterion Sub-sampling techniques and sample preparation below.</p>
Drilling techniques	Drill holes were diamond cored from surface using a combination of PQ, HQ and NQ2 core sizes. Holes were inclined and core was oriented using an Boreline (Coretell) core orientation tool.
Drill sample recovery	<p>Length-based core recovery was measured from reassembled core for every drill run. The data were recorded in a SQL Server database via a Geobank front end. Average core recovery was high with more than 99 percent recovered through the reported intersections.</p> <p>The style of mineralisation and drilling methods employed lead to very high sample recovery, so no further effort was considered necessary to increase core recovery.</p> <p>Scatterplots of grade and core recovery do not suggest any relationship. The very high core recovery means that any effect of such losses would be negligible if such a relationship were to exist.</p>
Logging	<p>All core samples were geologically logged by geologists and are considered to have been logged in appropriate detail to support Mineral Resource estimation, mining studies and metallurgical studies. Detailed geotechnical logging was not carried out for the reported drill holes, however RQD and geological structural data were collected for all core drilled.</p> <p>Core logs were qualitative and quantitative in nature. Lithology and alteration were logged qualitatively; mineralisation and were logged quantitatively. Core was photographed both dry and wet after metre marking and orientation.</p> <p>All recovered core (1694.7 metres, 99.3 percent) from the relevant intersections was geologically logged.</p>
Sub-sampling techniques and sample preparation	<p>All sampled core was cut with an automatic core saw in a consistent way that preserved the bottom of hole reference line, where present. Half core and third core were used for normal sampling and quarter core for field duplicates. Samples were 1m and 2m in length, but also ranged from 0.5m to 2.5m if adjusted to geological or major alteration boundaries.</p> <p>Only core samples were used in basement.</p> <p>Sample preparation included drying, crushing, and pulverising in full to a nominal 90% passing 75 microns. This is considered industry standard for this style of mineralisation.</p> <p>Controlled copies of SOPs (Standard Operating Procedures) and sign-offs exist for all sampling steps, and all staff were adequately trained in these. Checks were made by geologists on sampling prior to loading data into the database.</p> <p>Sample representativity was monitored by taking field duplicates, lab coarse crush, and pulp duplicates every 50 samples. Sizing data was collected for one in every 20 pulverised samples by the laboratory analysing the samples. Analysis of these results indicates that the sampling is representative.</p>

Criteria	Comments
	Analysis of duplicate data from a variety of scales, from quarter core to crushed core to pulp duplicates, indicates the sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	<p>All samples were assayed at Bureau Veritas Adelaide Laboratory (Amdel). Copper grades were determined using a multi-acid digest with ICP-OES finish. Gold grades were determined by 40g fire assay with AAS finish.</p> <p>Review of QAQC results confirms that the quality of the data is acceptable.</p> <p>Geophysical measurements of magnetic susceptibility and radioactivity were taken on drill core but these data have not been used to determine any element concentrations.</p> <p>Assay data quality was monitored through submission of certified standards and blanks every 25 samples, quarter core field duplicates and lab coarse crush and pulp duplicates every 50 samples. Analysis of results from these samples showed that levels of bias, precision and contamination are within limits that are considered acceptable.</p>
Verification of sampling and assaying	<p>Documented verification of significant intervals by independent personnel has not been done, however the intersections have been verified by alternative personnel within OZ Minerals and the tenor of Cu is visually predictable.</p> <p>No twin holes have been drilled.</p> <p>Primary data is stored both in its source electronic form, and, where applicable, on paper. Assay data is retained in both the original certificate (.pdf) form, where available, and the text files received from the laboratory. Core logging data was collected directly into the database using toughbooks. Core length measurements for recovery were made on paper prior to entry into the database. Different user profiles and security settings exist to minimise the possibility of inadvertent modification of data. Assay data were reviewed visually for reasonableness.</p> <p>Where assay results are below detection limit, a value of half the detection limit has been used. No other adjustments were made to assay data.</p>
Location of data points	<p>All collar locations were determined by GPS for easting, northing and elevation.</p> <p>All drill holes had magnetic down hole surveys taken at nominal 30m intervals using digital Reflex downhole survey equipment. Completed holes were gyro surveyed using a conventional AXIS Champ Gyro tool. The collar reference azimuth for most holes was calculated using a "best-fit" with Reflex (magnetic) surveys in non-magnetic ground in the cover sequence. To minimise the effect of drift of azimuth measurements with the conventional gyro, an average of multiple runs was normally used, typically two runs.</p> <p>The grid is MGA94 zone 53 south. Local elevations have been used, where 5000mRL is equal to Australian Height Datum.</p>
Data spacing and distribution	<p>The drilling completed at Punt Hill was targeting geophysical anomalies with a variety of exploration maturity. Two drill holes are new geophysical targets and the remaining four drill holes were within approximately 1km of historic drillholes. None of the targets had more than three existing drill holes into the prospects. Drill hole locations are shown in Figure 2 in the accompanying presentation.</p> <p>No new or updated Mineral Resource or Ore Reserve estimate has been reported in this release.</p> <p>No physical compositing of samples has occurred.</p>

Criteria	Comments
Orientation of data in relation to geological structure	At Punt Hill, a variety of drill hole orientations have been used to best target the geophysical anomalies. Structural measurements were recorded by geologists during core logging and this is under interpretation at present.
Sample security	Samples were sent via road transport from Carrapateena Exploration Site to the laboratory in Adelaide. Dispatches listing samples were sent electronically to the laboratory. Any discrepancy between listed and received samples was communicated back to site staff for resolution.
Audits or reviews	<p>An audit by Oz Minerals as completed in October 2018 which was during this drilling campaign. No issues were recognised.</p> <p>Drilling and core processing at Punt Hill core is conducted using the same facilities and protocols as for the Carrapateena deposit. AMC Consultants Pty Ltd undertook a review of the data collection and sampling procedures during an audit of the Carrapateena Mineral Resource estimate between 30 September and 3 October 2013. AMC formed the view that the data collection procedures were industry standard practice, with the exception of the monitoring of the quality control samples, which did not appear to be being undertaken on a batch by batch and continuous basis. Since AMC's audit, quality control data has been reviewed more frequently, and systematic monitoring of quality data occurs prior to the release of Exploration Results in any case.</p>

JORC 2012 Table 1 – Section 2: Reporting of exploration results

Criteria	Comments
Mineral tenement and land tenure status	<p>The Punt Hill project area is located in South Australia in Exploration License's 6014 and 6035. EL 6014 is held by Red Metal Limited (85.87 percent) and Havilah Resources Ltd (14.13 percent). EL 6035 is held by Red Metal Limited (100 percent).</p> <p>The tenement is located on the traditional lands of the Kokatha people.</p> <p>EL6014 and EL6035 are currently in good standing. No known impediments exist to obtaining a license to operate in the area.</p>
Exploration done by other parties	<p>EL6035 was previously held by Monax Mining Ltd who undertook a series of drill programs from 2006 onwards. The best results were from the Groundhog prospect which is north east of PTH001. This included thick intervals of low to moderate copper mineralisation, within the 7 hole drilled into Groundhog. Numerous other gravity highs were also tested during the drill programs from 2006 onwards. Vast majority of drilling intersected garnet altered meta-sediments hosting the mineralisation with fewer holes intersecting the Donington granite which was mostly barren.</p> <p>EL6014 has been previously explored by Red Metal Limited, under joint venture with Havilah Resources Limited, who drill tested a number of gravity and magnetic targets, most of which intersected garnet altered metasediments with variable IOCG and epidote alteration and minimal mineralisation.</p>
Geology	The Punt Hill prospect is located within the Olympic copper gold (Cu-Au) Province on the eastern edge of the Gawler Craton. Mineralisation is hosted within Wallaroo Group meta-sediments and Donington Suite granite. Some areas are partially overlain by Gawler Ranges Volcanic rocks and all are unconformably overlain by younger unmineralised sediments. Exploration is targeting mineralisation and alteration similar to that seen at other large South Australian iron oxide copper gold (IOCG) deposits including Prominent Hill, Carrapateena and Olympic Dam.

Drill hole information	Refer to Table 2 in this announcement. All information material to the understanding of the Exploration Results has been included. Drill hole information for holes shown on the plan and section slides which are not included in Table 2 have been previously reported.
Data aggregation methods	All drill hole intervals referred to in this announcement are length-weighted and are calculated using the following cut-off grades: <ul style="list-style-type: none"> • 0.1% Cu delimiting cut-off grade with unlimited internal dilution and no adjustments to high-grade samples. • 0.7% Cu delimiting cut-off grade with up to/including 4 metres internal dilution and no adjustments to high-grade samples. • no interval cut-off grade and unlimited internal dilution High grade copper intervals within broader low grade intervals are reported as included using 0.7% Cu cut-off grade with unlimited or up to/including 4 metres internal dilution respectively. Metal equivalents are not used for reporting of Exploration Results.
Relationship between mineralisation widths and intercept lengths	Mineralisation has been reported as down hole lengths, as the true width is not known. As PTH001 is the first into this geophysical anomaly, the true orientation and width of the mineralisation is unknown at present.
Diagrams	Refer to Figures 1 to 3 in this announcement
Balanced reporting	All significant Exploration Results are reported.
Other substantive exploration data	There is no other material exploration data at this time.
Further work	Drilling results are currently under review and scope for further work is under discussion with the JV partner.

Table 2 Punt Hill and Pernatty Lagoon Earn-In Projects: OZ Minerals drill hole summary

Hole Name	Total Depth (m)	East MGA94_53	North MGA94_53	RL	Dip	AzimWGS84	From (m)	To (m)	Width (m)	Cu %	Au g/t
DD18PTH001	1093.1	732571	6502133	90	-71.07	137.78	792	1036.3	244.3	0.26	0.00 ***
							841	876.0	35.0	0.60	0.05 *
							841	851.8	10.8	1.07	0.05 **
							905	946	41	0.33	0.00 *
DD18PTH002	1003.1	742828	6497020	223	-70	9.7	No significant interval				
DD18PTH003	910.1	737785	6496853	119	-70.72	163.28	No significant interval				
DD18PTH004	1000	730433	6504465	83	-70.52	230.04	No significant interval				
DD18PTH005	1142.8	746209	6509417	192	-69.17	317.97	No significant interval				
DD18PTH006	1000	738750	6507309	140	-70.37	80.12	No significant interval				

* 0.1% copper cut-off with unlimited internal dilution

** 0.7% copper cut-off with up to/ including 4 metres internal dilution

*** No cut-off applied with unlimited internal dilution