

**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

10,425,000  
Unlisted options

**Directors:**

Rob Rutherford  
Managing Director

Russell Barwick  
Chairman

Joshua Pitt  
Non-executive Director

**RED METAL LIMITED**

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## DECEMBER 2019 QUARTERLY REPORT

31 January 2020

### HIGHLIGHTS

#### Mount Skipper, QLD, Zinc-Lead-Silver & Copper

- First proof of concept drill test intersected unusual, coarse-spotted rock types interpreted as possible halo rocks to a metamorphosed massive sulphide.
- Recent assays reveal anomalous low-level values of zinc, lead, copper and silver and other trace elements that increase down the hole supporting the halo interpretation.
- A second follow-up hole is planned for drilling early in the 2020 field season.

#### Three Ways, QLD, Zinc-Lead-Silver & Copper

- Innovative regional magneto-telluric survey completed.
- Processing highlights significant conductive trends and priority targets.
- Preparations for drilling are underway.

#### Gulf, QLD, Copper-Gold

- Standout magnetic and gravity targets prioritized for drilling in 2020.

#### Lawn Hill, QLD, Zinc-Lead-Silver & Copper

- Innovative regional magneto-telluric survey to begin early in the 2020 field season.

#### Nullarbor, WA, Copper-Gold & Copper-Nickel

- Proof of concept drill tests on the T8 and T13 geophysical targets intersect mafic intrusive gabbroic rock types.
- Implications for magmatic copper and nickel sulphides to be assessed.

## GREENFIELDS DISCOVERY ALLIANCE WITH OZ MINERALS

### Copper-Gold & Zinc-Lead-Silver (OZ Minerals Option to Earn 51%)

The “Greenfields Discovery Alliance” agreement provides OZ Minerals with an option to fund a series of mutually agreed, proof-of-concept work programs on Red Metal’s exciting **Yarrie, Nullarbor, Gulf, Three Ways, Lawn Hill** and **Mount Skipper** projects (Red Metal ASX announcement lodged 30 January 2019).

This quarter, assays were received from the first hole at Mount Skipper, proof of concept drill tests were completed on the Nullarbor T8 and T13 targets and the large magneto-telluric (MT) survey over the Three Ways project was finalised. Alliance expenditure during the quarter totaled \$1.2 million.

OZ Minerals have allocated a budget in 2020 to complete proof of concept drill tests on Three Ways and Gulf, a follow-up drill test on Mount Skipper and innovative geophysical programs on Lawn Hill and Yarrie.

Summaries of activities and plans for the six projects within the Greenfields Discovery Alliance can be found in the following operations review.

## MOUNT ISA INLIER - QLD

### Maronan Project: Silver-Lead & Copper-Gold (Red Metal 100%)

Red Metal continues to seek a suitable funding partner to drill-out the existing inferred resources to higher confidence levels and test the deeper higher-grade concept plays.

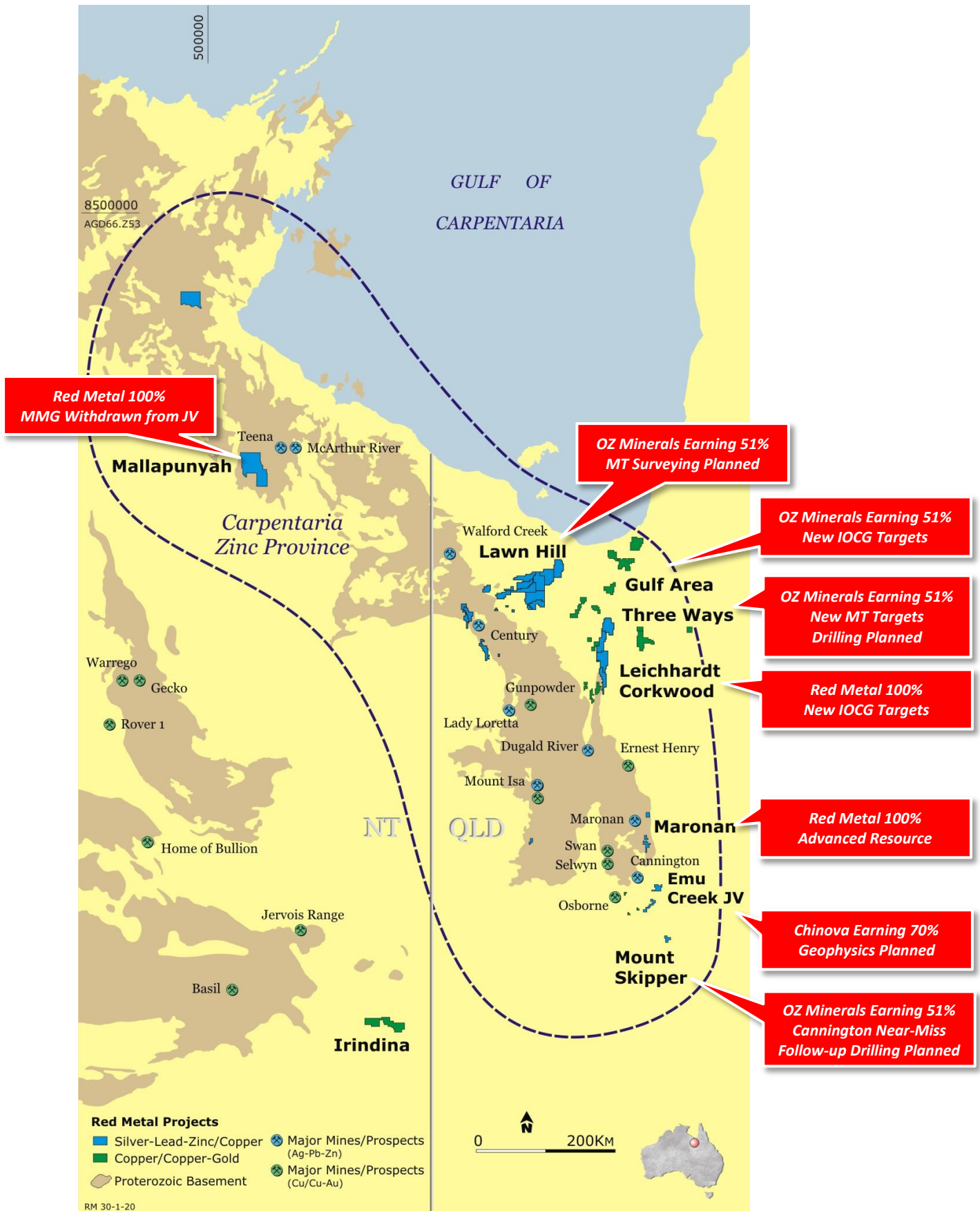
The Maronan lead-silver and copper-gold project is an emerging large base and precious metal deposit in the world class Carpentaria Province which hosts several Tier 1 lead-zinc-silver mines and a number of significant copper-cobalt and copper-gold mines (Figure 1).

Maronan has JORC 2012 compliant Inferred Resources of 30.8Mt @ 6.5% lead with 106g/t silver (using a 3% lead cut-off grade) plus 11Mt @ 1.6% copper with 0.8g/t gold (using a 1.0% copper cut-off grade). Refer to Red Metal ASX announcement lodged 27 October 2015 for details on the resource.

The lead and silver mineralisation is soft, coarse grained and returned recoveries of between 92-96% for the lead and 91-94% for the silver from preliminary metallurgical testing (refer Red Metal ASX announcements lodged 29 July 2015 and 8 March 2016). Current commodity prices and exchange rates have been applied to the 2016 preliminary mine scoping study for Maronan to provide metal equivalence calculations. This has shown that the resource grade of 6.5% lead with 106g/t silver is equivalent to a lead grade of 10.6% and is also equivalent to a copper grade of about 3.2%.

The deposit comprises multiple ore horizons with steep dipping planar geometries and excellent hanging wall and footwall ground conditions. Sulphide mineralisation comes to within about 90 metres of surface.

In addition, Red Metal has deduced vectors from analyzing the drilling to date that suggest the possibility of a large, higher grade Cannington style silver-lead-zinc deposit and enriched copper-gold system existing at depth below the presently outlined resources.



[Figure 1] Northwest Queensland and Northern Territory: Major deposits and Red Metal tenement locations.

## Mount Skipper Project: Lead-Zinc-Silver & Copper (OZ Minerals Option to Earn 51%)

Recent assays from the first core into the standout Mount Skipper magnetic target reveal anomalous low-level values of zinc, lead, copper and silver particularly from a banded pyritic interval towards the end of the hole (Figures 2 and 3). The best one meter sample assayed 1140ppm zinc, 700ppm lead, 525ppm copper with 1ppm silver. Metal and trace elements values and weak magnetic susceptibility levels show a general increase down the hole suggesting the hole stopped short of the target zone.

The stratigraphic section revealed in the first drill hole comprised unusual, coarse-spotted sillimanite-quartz rocks, fine garnet-bearing quartzite and a spotted cordierite rock type containing semi-massive pyrite bands with traces of weakly magnetic pyrrhotite and chalcopyrite. These unusual spotted rock types together with the anomalous geochemistry are thought to be typical of metamorphosed alteration (or halo rocks) commonly observed proximal to metamorphosed massive sulphide deposits.

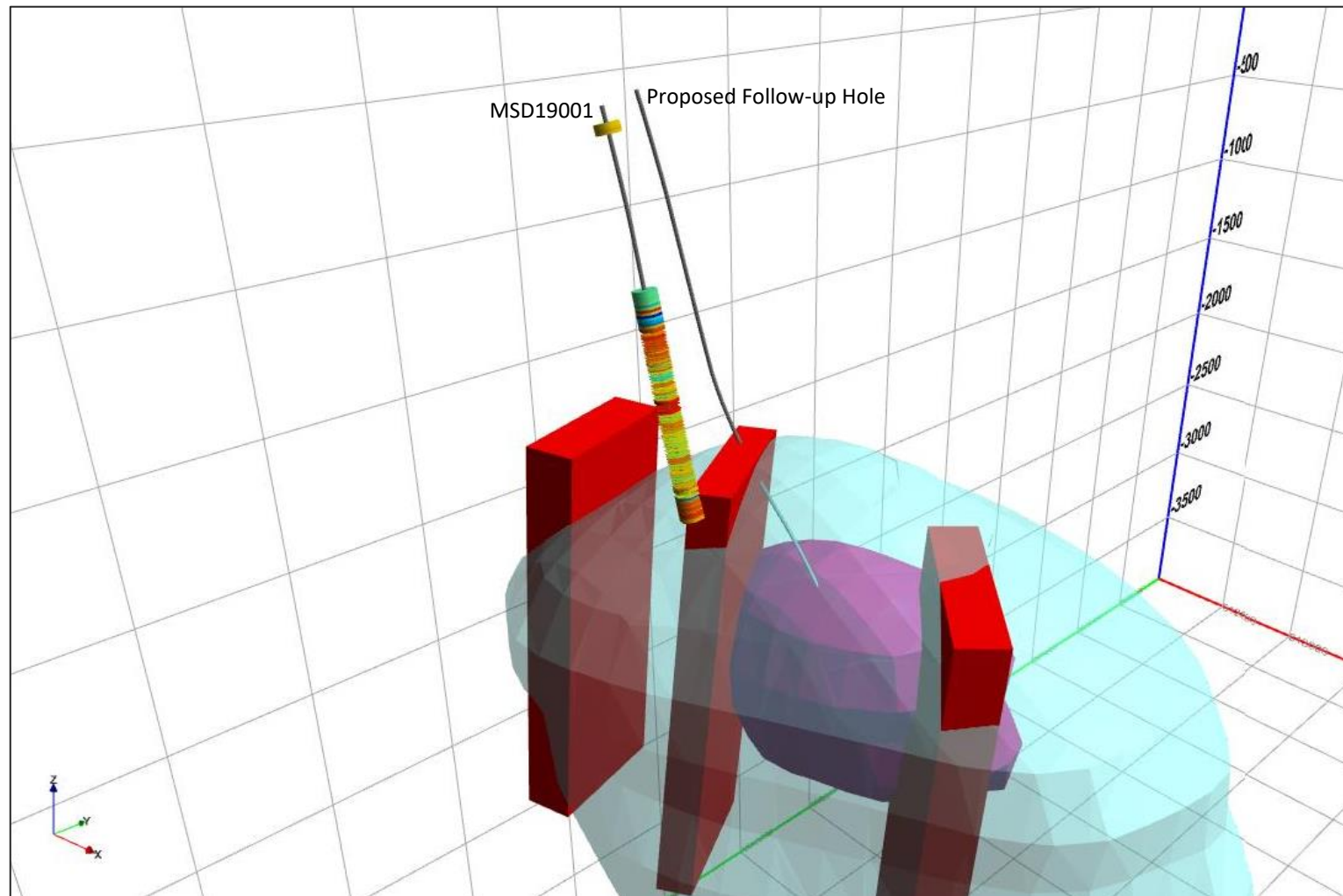
Geochemical alteration indices determined for the Mount Skipper rocks also compare favorably with those reported in the proximal halo surrounding the giant Broken Hill deposit. Spotted sillimanite rock types with proximal geochemical alteration indices are also mapped within a 200 metre halo surrounding the Cannington silver-lead-zinc deposit (located 90 kilometres to the north).

Although some very encouraging rock types and geochemical signatures were intersected, no significantly magnetic source rocks were encountered and the magnetic bullseye anomaly remains untested.

Re-modelling of the magnetic data using a technique that reduces the impact of remnant magnetism places the centre of the magnetic body about 200 metres further north of the first hole (Figure 3). Planning for a second follow-up drill hole early in the 2020 field season is in progress.



[Figure 2] Mount Skipper Project: MSD19001 core showing folded, semi-massive bands of pyrite with minor weakly magnetic pyrrhotite and rare chalcopyrite host in coarse spotted cordierite and sillimanite-quartz rock types.



[Figure 3] Mount Skipper Project: Three dimensional view of MSD19001 thematically highlighting increasing zinc values (orange-red) down-hole and the revised 2D magnetic model (red polygons) and 3D magnetic models (pale blue and purple polygons shells) emphasising the untested magnetic target north northwest and below MSD19001. This view is looking towards the northwest. Note the proposed second follow-up hole located 200 metres north northwest of MSD19001.

**Three Ways Project: Zinc-Lead-Silver & Copper-Cobalt (OZ Minerals Option to Earn 51%)**

An innovative magneto-telluric (MT) program was completed this quarter. One and two dimensional modelling of the new data has prioritized several targets for proof of concept drill tests (Figure 4). OZ Minerals have allocated a budget to test three separate target types in 2020. Preparations for drilling early in field season are underway.

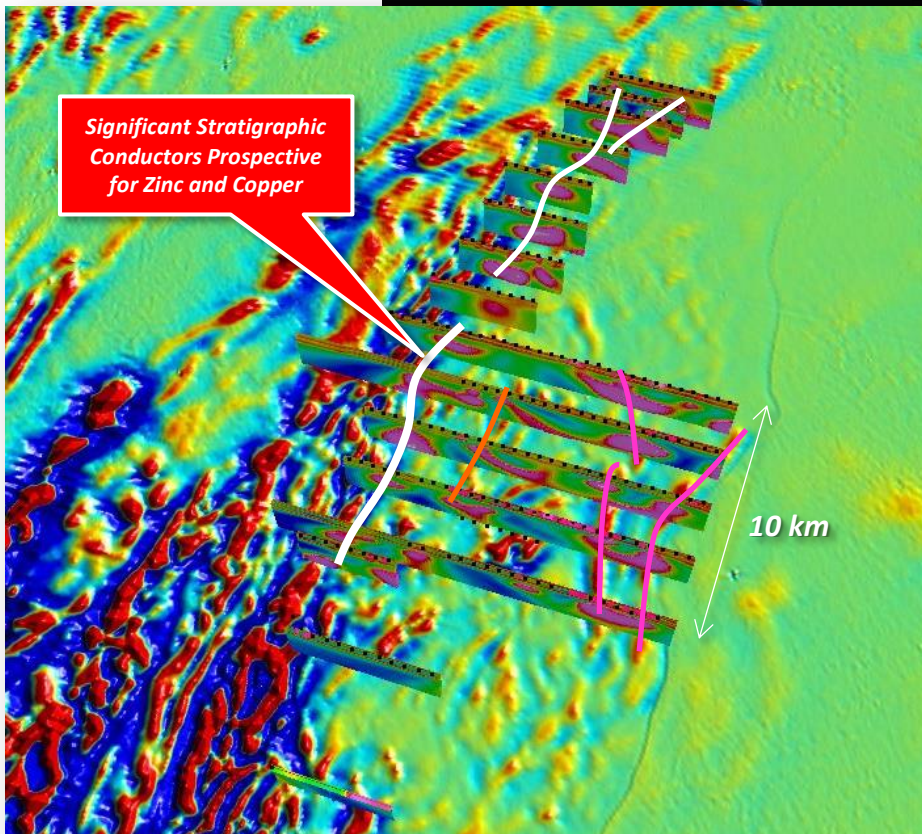
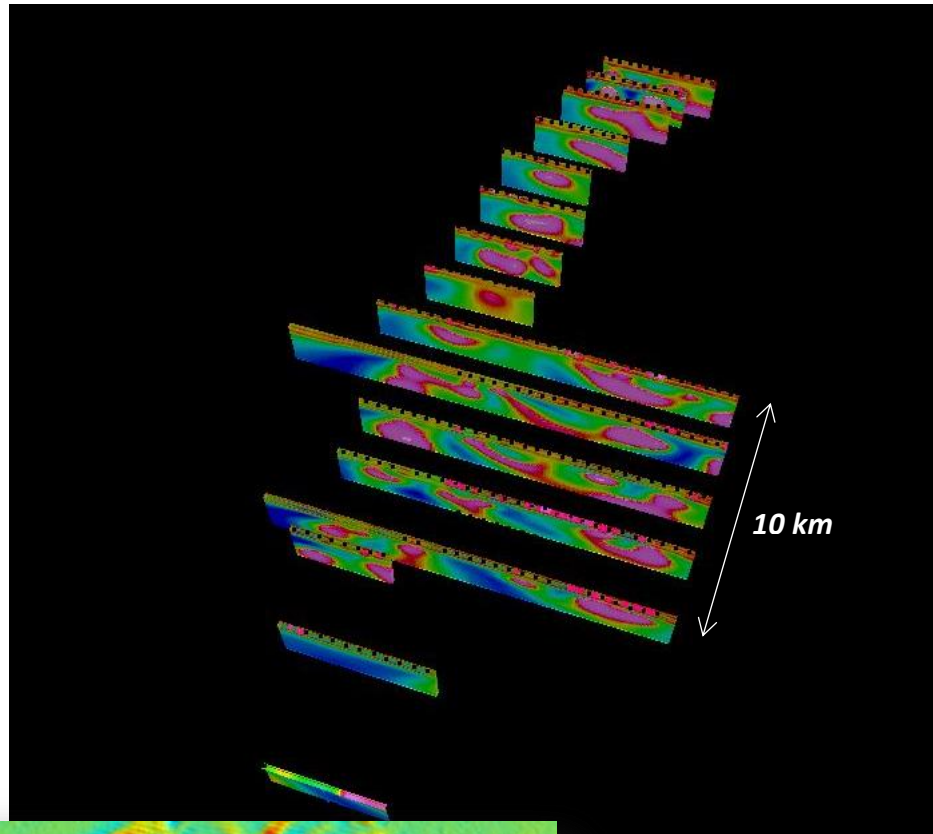
The MT survey was designed to map and prioritize highly conductive, zinc and copper prospective basement rocks in regions where the younger sedimentary cover sequences are thick, strongly conductive and inhibit conventional electrical geophysical techniques. Final processing indicates this groundbreaking approach is successfully penetrating through the cover sequences and mapping strong conductive trends in the deeper basement rocks - a key first step towards locating giant zinc and copper deposits in the Mount Isa region (Figure 4).

The Three Ways tenements enclose an entire sub-basin with no previous drill history located some 130 kilometres along trend from the recently commissioned Dugald River zinc-lead-silver mine (Figures 1 and 5). Zinc prospective host sequences in sub-basins such as these are highly conductive and often associated with a low magnetic response - making them detectable with combined electromagnetic and magnetic geophysical techniques. These conductive pyritic formations are also the preferred host rocks for structure controlled Sediment-Hosted deposits such as the Mount Isa copper mine.

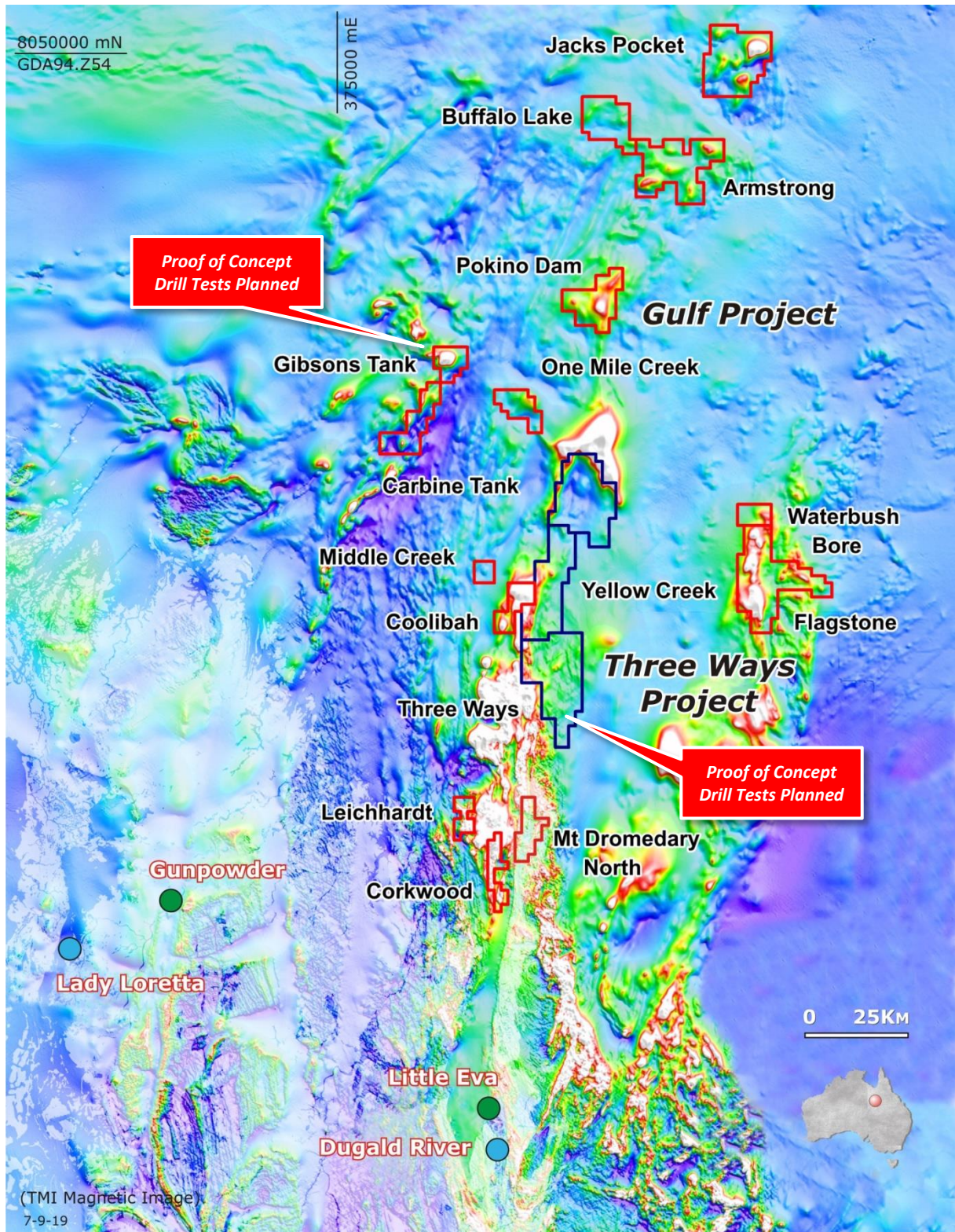
**Gulf Project: Copper-Gold (OZ Minerals Option to Earn 51%)**

The Gulf project incorporates multiple exploration tenements over several standout geophysical anomalies in an under explored extension to the Cloncurry terrain which offers scope for large Iron Oxide Copper-Gold (IOCG) breccia systems (Figures 1 and 5).

Infill gravity surveys have been completed over ten of the Gulf tenements. Modelling of this new data has identified several combined magnetic and gravity targets as priority for proof of concept drill tests. OZ Minerals have allocated a budget to drill test two key geophysical targets on Gibson's Tank in 2020 (Figure 6). This program is planned to commence after the drilling at Three Ways.

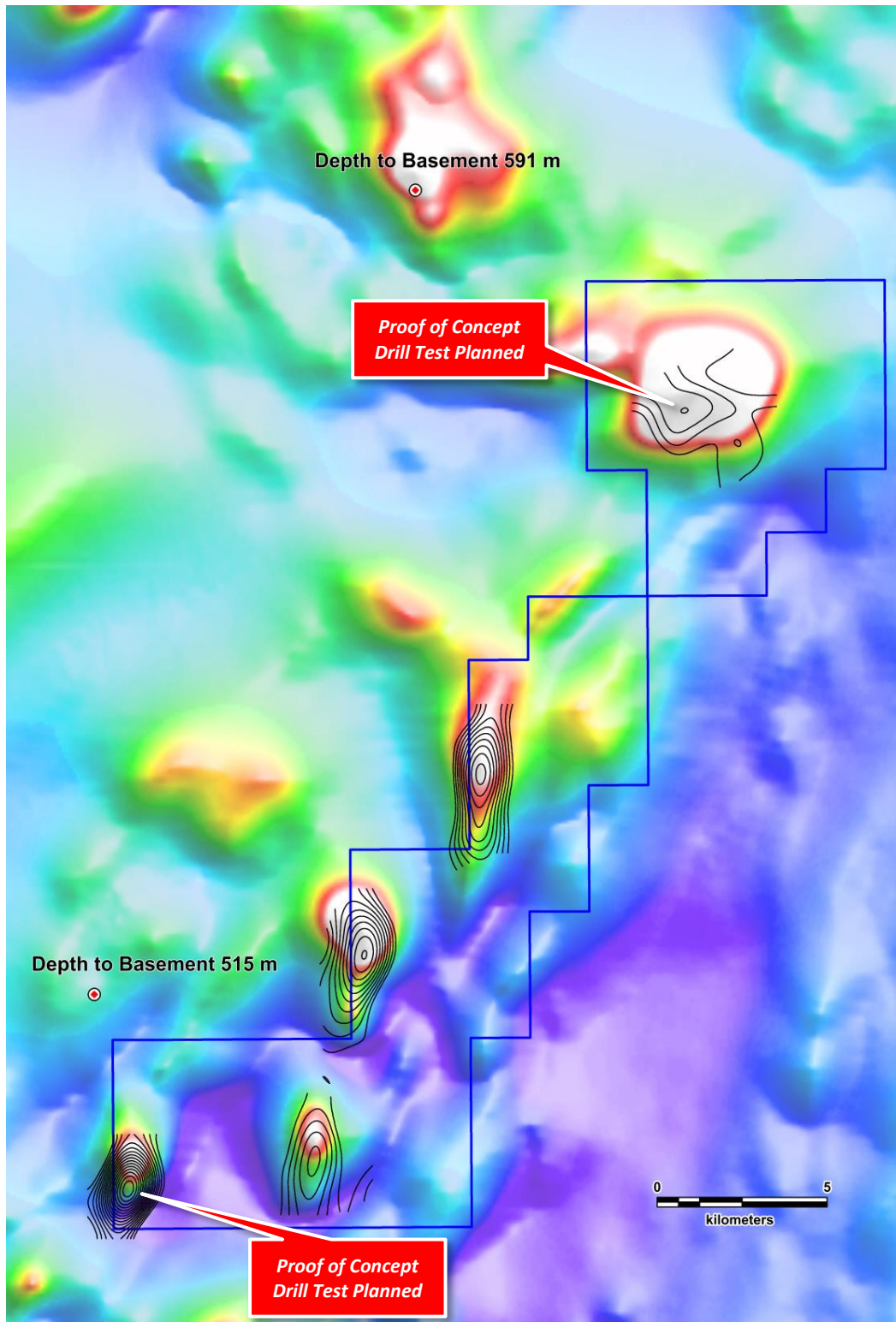


[Figure 4] Three Ways Zinc Project: Oblique view looking towards the north northwest showing stacked two dimensional conductivity depth inversions of the magneto-telluric data (above) and underlain by vertical gradient magnetic imagery (below). The imagery maps previously unrecognised, highly conductive trends in the basement rocks which are prospective for Mount Isa style zinc and copper deposits.



[Figure 5] Three Ways Project (blue), Gulf Project, Leichardt Project, Corkwood Project and Mount Dromedary North Project: Total magnetic intensity image highlighting regional project locations. Regions of exposed or outcropping geology highlighted as white translucent areas.



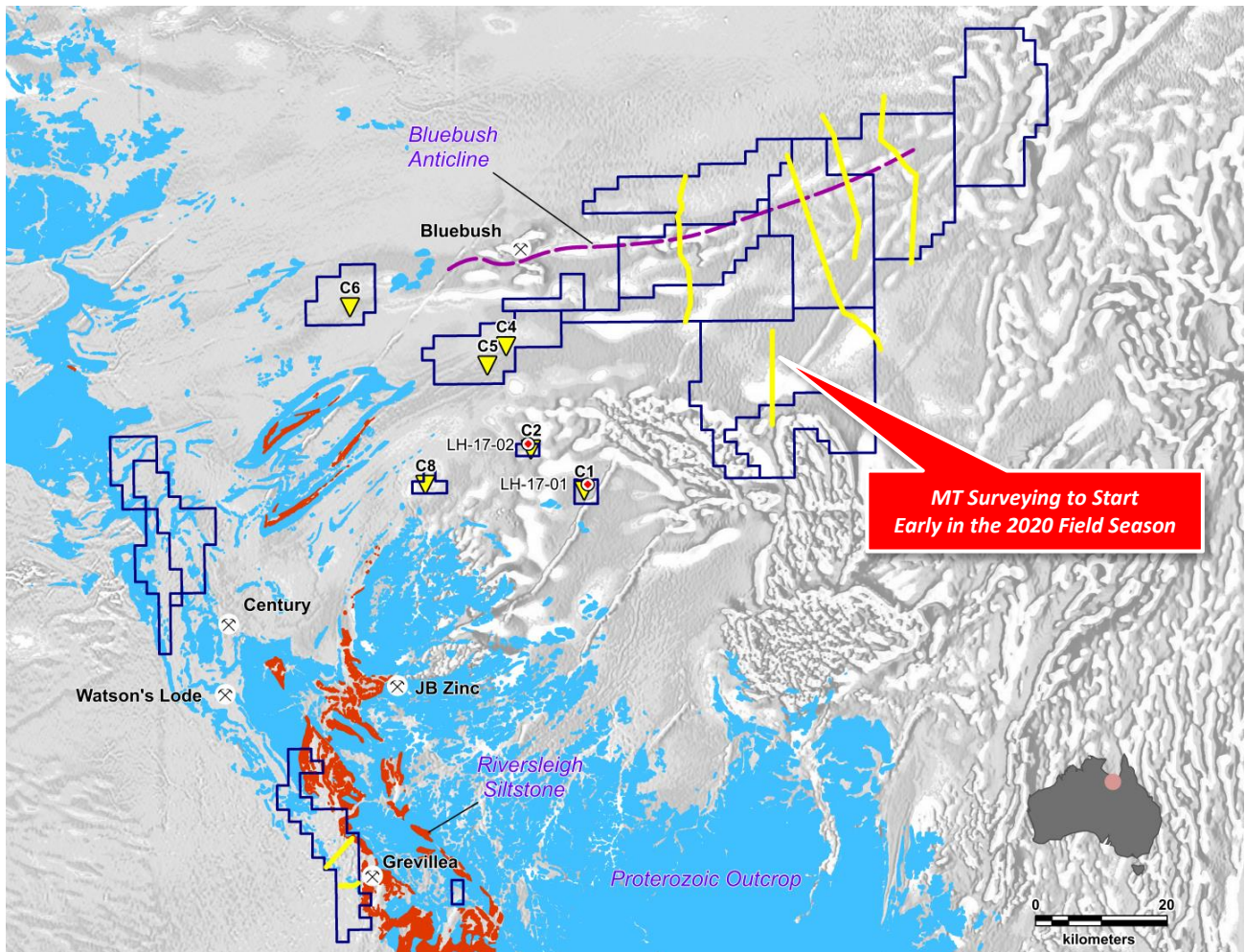


[Figure 6] Gibson's Tank Tenement Gulf Project: Total magnetic intensity image overlain by residual gravity contours with known depth to basement in nearby historic drill holes. Two holes testing two key geophysical targets for magnetite-associated Iron Oxide Copper-Gold style breccia deposits are planned for drilling in 2020.

## Lawn Hill Project: Zinc-Lead-Silver & Copper-Cobalt (OZ Minerals Option to Earn 51%)

This exciting project targets a range of new zinc and copper deposit styles in the vicinity of the giant Century zinc-lead-silver deposit (Figures 1 and 7).

With funding from OZ Minerals, the Company proposes to utilize deep penetrating, magneto-telluric (MT) surveying to map prospective stratigraphy and traps sites for proof of concept drill testing. Surveying is planned to start early in the 2020 field season.



[Figure 7] Lawn Hill Project: Tenement locations on greyscale vertical gradient magnetic imagery overlain by outcropping Proterozoic geology (blue), highlighting the exposed, stratiform zinc prospective, Riversleigh Siltstone (red) with major zinc mines and prospects. Conductivity targets from the 2017 airborne electro-magnetic survey (yellow triangles). The Bluebush stratiform zinc prospect occurs on the western closure to the regional Bluebush Anticline. Red Metal has expanded its search towards the under explored eastern closure of the Bluebush Anticline. Magneto-telluric lines planned for surveying early in the 2020 field season are shown as yellow lines.

## COOMPANA AND MADURA PROVINCES - WA

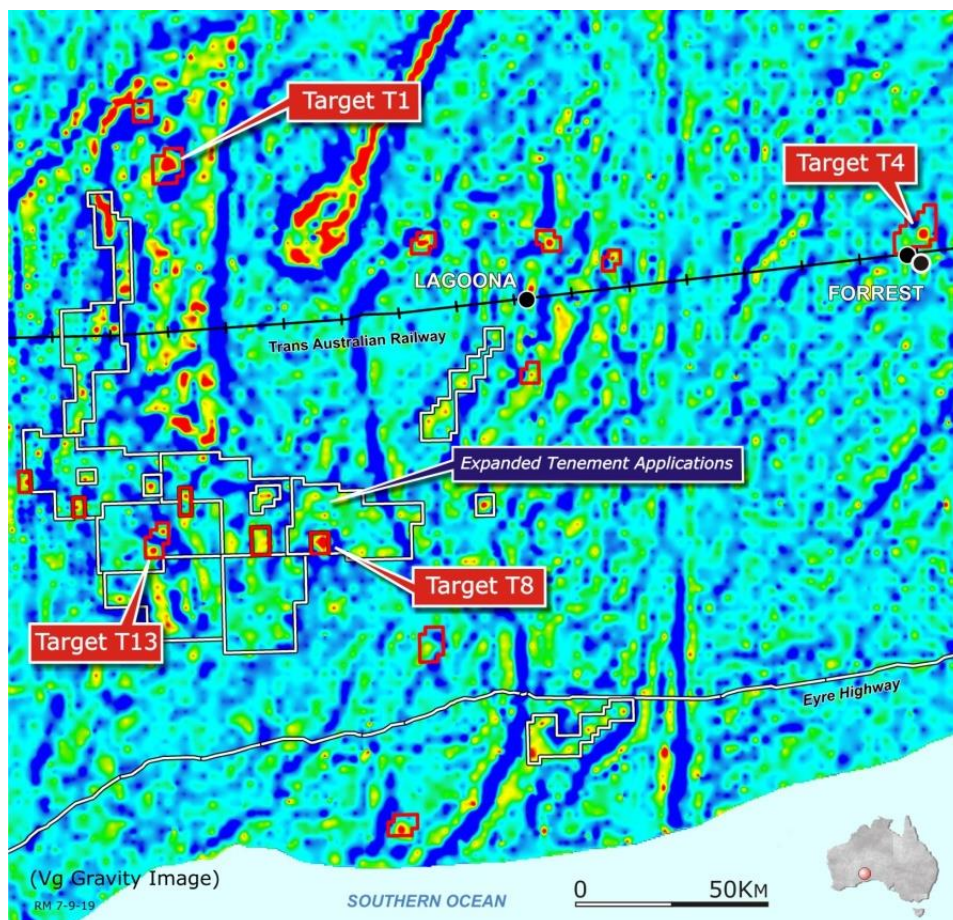
### Nullarbor Project: Copper-Gold, Copper-Nickel (OZ Minerals Option to Earn 51%)

With funding from OZ Minerals, Red Metal completed proof of concept drill tests on the standout T8 and T13 geophysical targets this quarter (Figure 8).

The first drill test on the high magnetic target T8 was terminated after intersecting a magnetite-rich, mafic intrusive rock type (gabbro) from 477 metres to the end of hole at 533.2 metres. The gabbroic rock contained an unusually high magnetite content that clearly explains the source of the magnetic anomaly. No significant copper or nickel sulphide mineralisation was intersected however assaying showed the gabbro to be elevated in iron, titanium and vanadium.

Drilling on target T13, completed in January 2020, also intersected mafic intrusive gabbroic rock types from 488.6 to 666.3 metres. The gabbroic rocks vary from leuco-gabbro to more dense mafic gabbro that appears to explain the source to the high gravity anomaly. Rare traces of copper and iron sulphides are noted.

Selected intervals of the mafic intrusions will be sampled for multi-element analyses. Trace element signatures of the mafic intrusions will be assessed to determine their regional potential to concentrate magmatic copper and nickel sulphide ore deposits like Nova-Bollinger (located 270 kilometres to the west).



[Figure 8] Red Metal Nullarbor Project: Vertical gradient gravity colour image showing Red Metal's granted tenements (white/red) and new applications (white/black) and initial targets for proof of concept drill tests.

## PATERSON PROVINCE - WA

The new Winu and Haverion copper and gold discoveries (Figure 9) have shifted the targeting strategies of many explorers active in the region leading to a boom in the use of modern electrical geophysical surveying over this proven, yet under explored, copper and gold terrain.

Red Metal had very early on secured a significant land position in this highly sought after province and identified a number of targets for modern electrical geophysical surveying and drill tests. Terms to a regional heritage agreement were finalised with the Native Title holders this quarter which, pending final execution, should result in the Yarrie exploration license applications being granted soon.

### Yarrie Projects: Copper-Cobalt & Copper-Gold (OZ Minerals Option to Earn 51%)

Yarrie comprises five new exploration license applications covering almost 2,000 square kilometres. The area has seen little past exploration but is well located along trend from Metal X Limited's Nifty copper mine and Rio Tinto's new Winu copper and gold discovery (Figure 9).

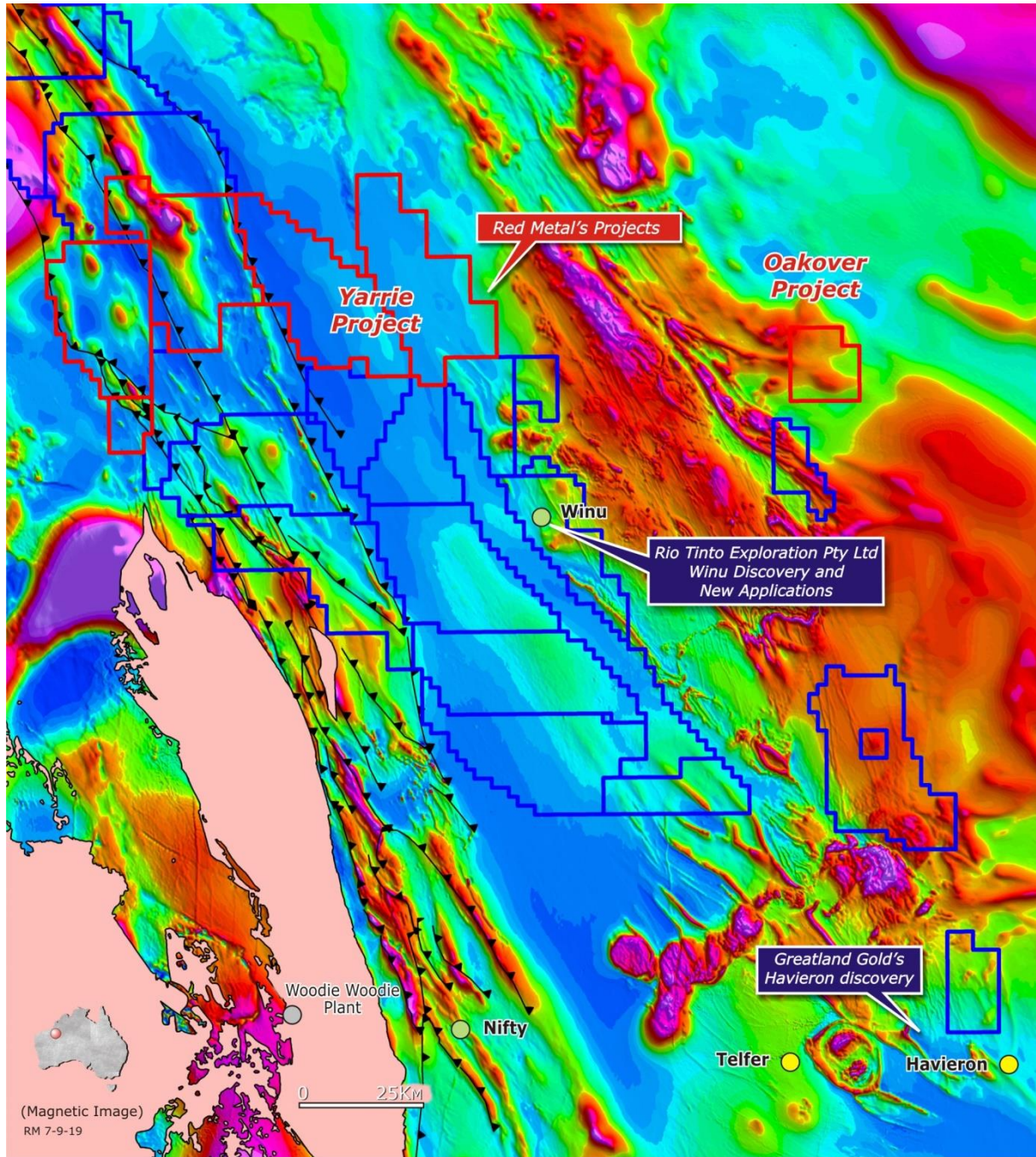
Combining recently released Falcon airborne gravity imagery with vertical gradient magnetic imagery has allowed Red Metal to highlight Rio Tinto's Winu discovery as a low-amplitude, bullseye magnetic target along a high-gravity ridge (Figure 10). Two very similar low-amplitude magnetic bullseye targets located further to the north northwest along the same high-gravity trend are evident in Red Metal's tenement applications (Figure 10).

Furthermore, new magnetic imagery mapping the northwest extension of the Nifty trend has enabled Red Metal to interpret a series of dome-shaped antiform structures located below 200 to 500 metres of younger sedimentary cover (Figure 11). These potential dome-shaped features are considered to be highly prospective for giant sedimentary-hosted copper-cobalt deposits as occur elsewhere in the province at Nifty with over 176 million tonnes grading 1.3% copper and Maroochydore with 48.6 million tonnes grading 1.0% copper. Global examples of sedimentary-hosted copper-cobalt deposits include the structure controlled Mount Isa deposit with over 225 million tonnes grading 3.3% copper and the more stratabound Kamoakabula deposit with over 1 billion tonnes grading 3.17% copper recently discovered by Ivanhoe Mines in the Democratic Republic of Congo.

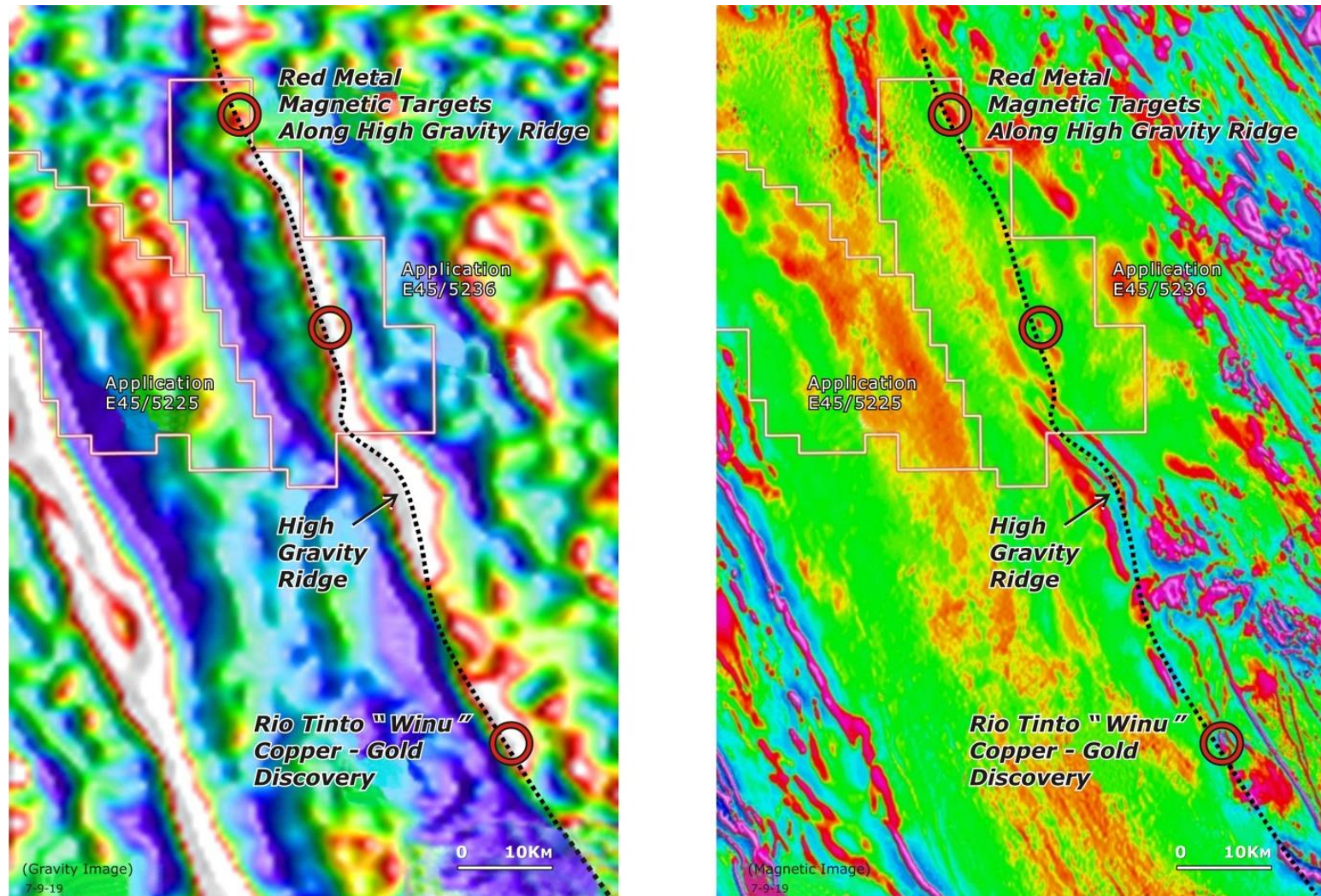
Future exploration funded by OZ Minerals under the Greenfields Discovery Alliance will utilize modern, deep penetrating, ground electromagnetic surveying methods to map prospective stratigraphy and rank the dome-shaped structures and magnetic bullseye targets for drill testing.

### Oakover Project: Copper-Gold (Red Metal 100%)

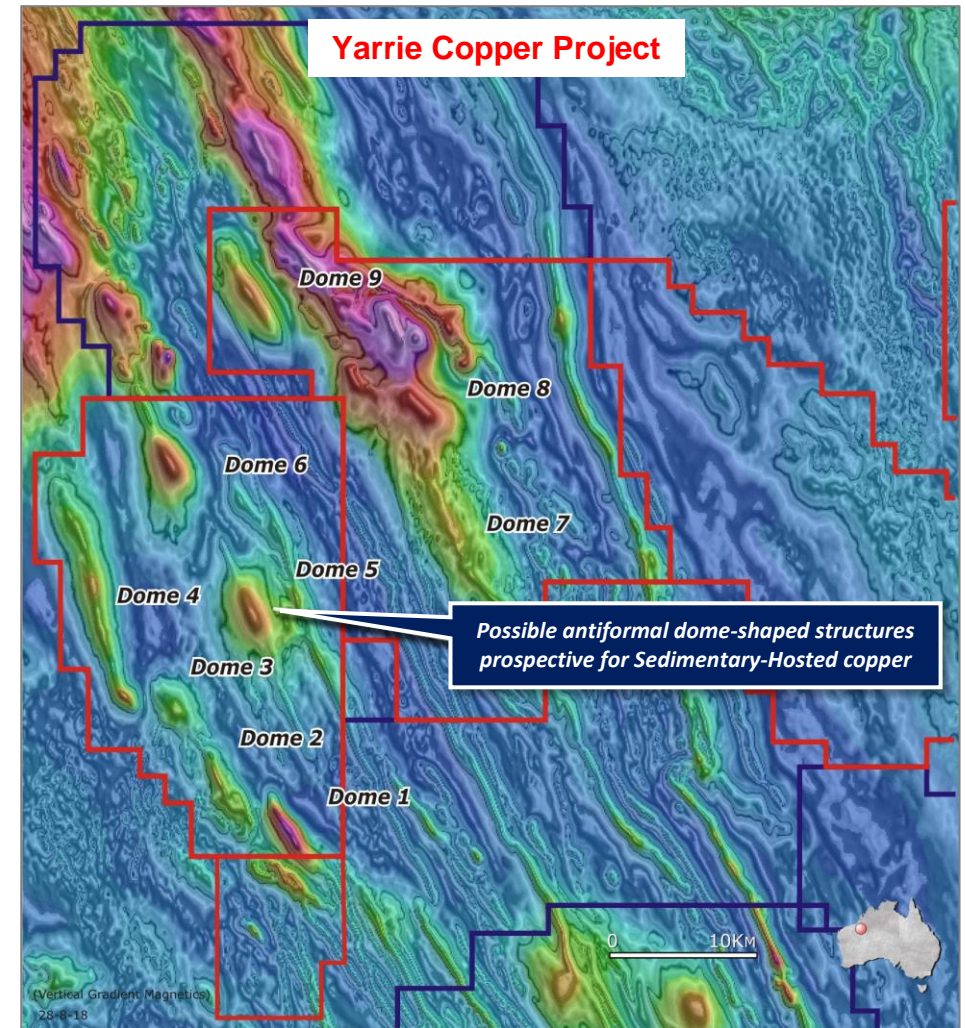
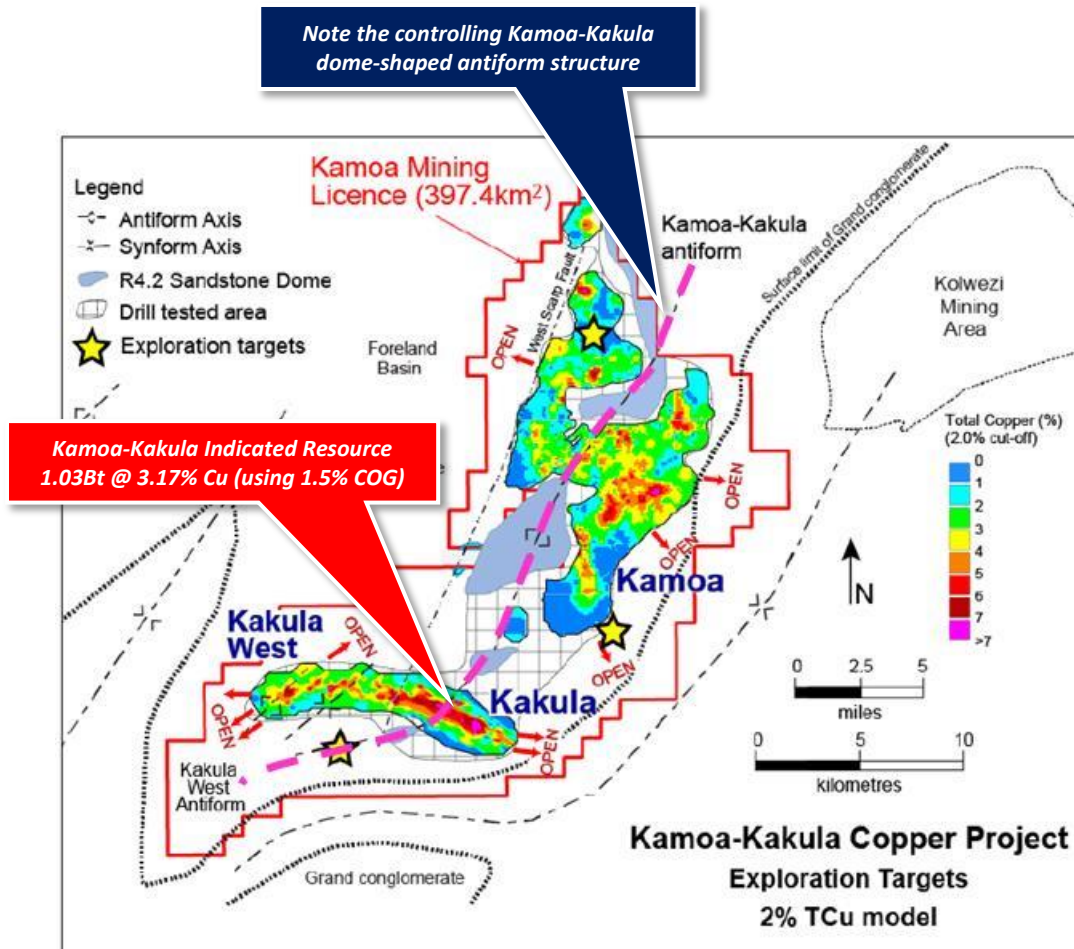
This new project targets a regional gravity feature located only 60 kilometres northeast of the Winu discovery (Figure 9) and seeks new copper and gold mineralisation styles similar to Winu and Haverion. Red Metal is proposing to use infill gravity and electromagnetic surveying to define potential drill targets.



[Figure 9] Paterson Province Yarrrie and Oakover Projects: Magnetic imagery with Nifty Mine, Telfer Mine, Haverion prospect, Winu prospects and Red Metal's Yarrrie and new Oakover tenement applications (red line) and Rio Tinto Exploration Pty Limited's new applications (blue line). Note the exposed basement terrain of older Archaean rocks (buff coloured polygon).



[Figure 10] Yarrrie Project: New Flacon airborne gravity imagery (left) highlighting high gravity ridge. Vertical gradient magnetic imagery (right) highlights a magnetic feature associated with the location of the Rio Tinto copper discovery called "Winu" sited along the high gravity ridge. Note two intriguing bullseye magnetic features on Red Metal's new tenement application E45/5236 along trend to the north northwest. Falcon data was flown by the Geological Survey of Western Australia and Geoscience Australia.



[Figure 11] Yarrie Project: Vertical gradient magnetic imagery showing interpreted dome-shaped antiform structures on the Yarrie project, Paterson Province, Western Australia (right). Published map of the Kamo-Kakula deposit, Democratic Republic of Congo (left) highlighting the controlling Kamo-Kakula antiform. Red Metal interpret antiform-like structures on Yarrie that may offer exploration potential for Sedimentary-Hosted copper-cobalt mineralisation including Kamo-Kakula deposit types – these new target concepts remain to be evaluated.

## GAWLER CRATON - SA

Interest in the Gawler Craton's Olympic Domain has intensified following BHP's announcement in November 2018 of a world class intercept of 438 metres grading 3.0% copper with 0.6g/t gold at their historic Oak Dam West prospect (Figure 12). This spectacular result and positive follow-up results released on 17 October 2019 re-enforce the fertility of the Olympic Domain and the opportunity for other large high-grade discoveries.

### **Punt Hill and Pernatty Lagoon Joint Venture: Copper-Gold-Zinc (OZ Minerals Earning 70%)**

During the quarter OZ Minerals notified Red Metal of its withdrawal from the joint venture opening the project to potential investment from other parties.

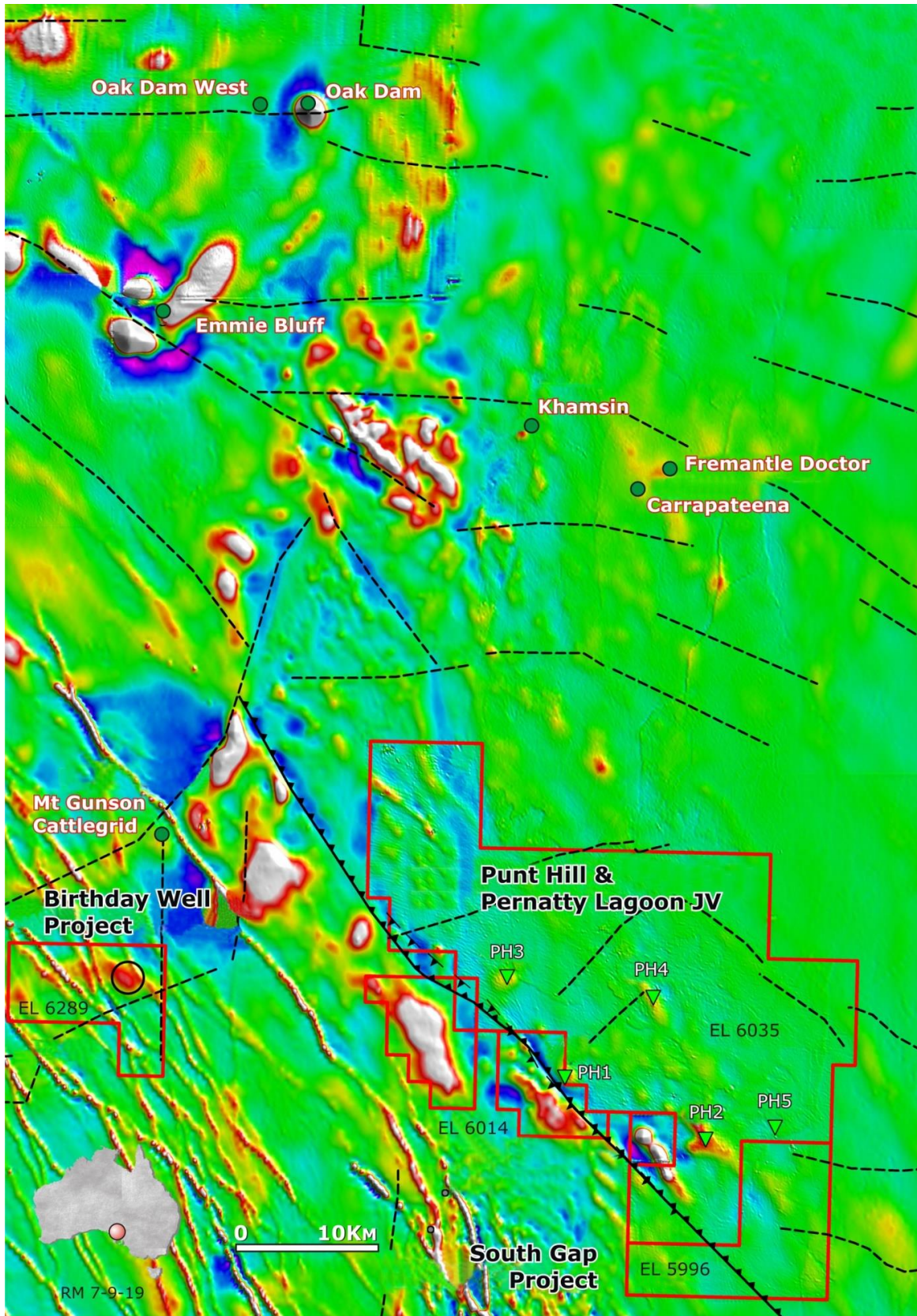
Last year OZ Minerals completed its maiden drill program testing a series of gravity targets. The first hole at the priority PH1 target, a near coincident gravity and weak magnetic anomaly, intersected a 244 metre interval averaging 0.26% copper. This mineralisation occurs as wide spaced chalcopyrite ± bornite veins with associated magnetite ± hematite. The veins show more intense retrograde chlorite, K-feldspar and siderite alteration. One of the better zones returned 35 metres @ 0.6% copper from 841 metres which included a 1% copper interval over the first 10.8 metres.

Red Metal believe the wide intervals of anomalous copper mineralisation, proximal magnetite-chlorite and feldspar alteration minerals and subsequent geophysical modelling suggest the hole is potentially proximal to a much more intensive base metal accumulation and step-out drilling directed towards the more magnetic portion of the anomaly is the priority.

### **Birthday Well Project: Copper-Gold-Zinc (Red Metal 100%)**

This new project covers a standout, deep sourced, conductivity anomaly evident in a wide spaced, airborne electromagnetic survey flown by the Geological Survey of South Australia (Figure 12). The conductivity anomaly appears coincident with a low-amplitude magnetic target and remains untested by past exploration. Red Metal is targeting high-grade Iron Sulphide Copper and Gold (ISCG) deposit types associated with highly conductive but weakly magnetic pyrrhotite. Ground electromagnetic surveying will be used to validate the airborne anomaly this field season.





[Figure 12] Birthday Well Project, Punt Hill and Pernatty Lagoon Joint Venture Project: Total magnetic image showing the location of the Birthday Well airborne electromagnetic conductor (black circle) in relation to the Punt Hill and Pernatty Lagoon tenements and the Carrapateena, Khamsin and Oak Dam copper and gold deposits.

## OTHER PROJECTS


Some of Red Metal's other projects are briefly summarised below in Table 1.

[Table 1] Red Metal Limited: other projects.

Project	Description	Status
<b>QUEENSLAND</b>		
<u>Emu Creek JV</u> <i>Cu-Au &amp; Pb-Zn-Ag</i>	Joint venture partner Chinova Resources Pty Ltd is seeking IOCG copper-gold and Cannington style lead-zinc-silver within trucking distance of the Osborne Mine	Ongoing prospect evaluation
<u>Corkwood &amp; Leichhardt</u> <i>Cu-Au</i>	Magnetite-biotite altered porphyritic intermediate volcanic rock types comparable to the halo alteration that surrounds the Ernest Henry deposit. Known copper-gold mineralised breccia. New IOCG targeting concepts being tested.	Drill ready
<u>Mt Dromedary North</u> <i>Graphite</i>	Covers northward extension of the large Mount Dromedary graphite trend defined from airborne electromagnetic imagery.	Drill ready, seeking third party funding.
<b>SOUTH AUSTRALIA</b>		
<u>Barton</u> <i>Zircon, Titanium &amp; Au</i>	Large tonnage, low-grade heavy mineral sand deposit discovered in Eucla Basin near Iluka's Ambrosia zircon mine. Gold potential in underlying basement shear zones remains untested.	Scope for higher grade of HM identified. Seeking third party funding.
<u>Callabonna JV</u> <i>Cu-Au</i>	Red Metal has recognized the potential for large Iron-Oxide Copper and Gold deposits (IOCG) along the northern margin to the Curnamona Province. Several large magnetic and gravity targets remain to be tested for their copper potential.	Ranking with electro-magnetic surveying.
<b>NORTHERN TERRITORY</b>		
<u>Mallapunyah</u> <i>Pb-Zn-Ag &amp; CuAgCo</i>	Application on Aboriginal Land located within the McArthur Basin targeting zinc-lead-silver deposits similar to the giant McArthur River and Century mines as well as sedimentary-hosted styles of copper mineralisation. Recent success on the Teena project by Teck has highlighted the potential for additional deposits within this fertile terrain	MMG withdrew from the joint venture this quarter. Currently seeking new third party funding

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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 www.redmetal.com.au



Rob Rutherford  
 Managing Director



Russell Barwick  
 Chairman

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*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.*

*The information in this report that relates to Exploration Results and estimates of Mineral Resources for the Maronan Project was previously reported by the Company in compliance with JORC 2012 in various market releases with the last one being dated 27 September 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier market announcements and, in the case of the estimate of Mineral Resources all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.*

*The lead and copper equivalent values were determined by Red Metal using the 2016 Preliminary Mine Scoping Study determined by AMDAD. Mine modelling are based on the following parameters*

- *Current metal prices of \$US1915 per tonne lead, \$US17.57 per ounce silver, \$US5715 per tonne copper, \$US1577 per ounce gold*
- *Processing recoveries provided by the CORE Group were 95% for lead and 93% for silver, based on initial metallurgical test results*
- *Conceptual realisation costs, covering concentrate transport, smelting, refining, deductions, insurance and royalty, provided by Red Metal, equating to A\$8.32/10kg lead, A\$0.054/g silver, A\$15.44/10kg copper, and A\$2.10/g gold, using an exchange rate of US\$0.7/A\$*
- *Net recovered values of A\$19.97/10kg lead, A\$0.62/g silver, A\$60.50/10kg copper, and A\$38.62/g gold*
- *Lead equivalent multipliers of 0.0391 for silver,*
- *The lead equivalent percentage value is calculated as follows: lead equivalent% = lead% + (silver ppm x 0.0391)*  
*The copper equivalent percentage value is calculated as follows copper equivalent % = lead equivalent% x 1915/5715*

*These values will vary depending on metal prices assumed, and when metallurgical test work is completed for copper and gold, and further test work is completed for lead and silver. It is Red Metal's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.*

## ADDENDUM TO DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

Granted exploration tenements held are as follows:

Project	Tenement Reference	Company Interest %	Comment
<b>Maronan</b>	EPM 13368	100	
<b>Corkwood</b>	EPMs 13380, 26032, 26125	100	
<b>Lawn Hill</b>	EPMs 25902, 25905, 25907, 25912, 25985, 26157, 26293, 26406, 26819, 26820, 26821, 26822, 27179, 27224, 27206	100	Refer note 1.
<b>Gulf</b>	EPMs 26434, 26436, 26654, 26655, 26656, 26657, 26672, 26674, 26675,	100	Refer note 1.
<b>Three Ways</b>	EPMs 26941, 26943, 26947		Refer note 1.
<b>Mount Skipper</b>	EPM 19232	100	Refer note 1.
<b>Chinova JV</b>	EPMs 15385	100	Refer note 2.
<b>Barton</b>	EL 5888	100	
<b>Callabonna JV</b>	EL 6204,6308	51	Refer note 3.
<b>Pernatty Lagoon JV</b>	EL 6014	87.4	Refer note 4.
<b>Punt Hill JV</b>	EL 6035	100	Refer note 5.
<b>South Gap</b>	EL 5996	100	
<b>Birthday Well</b>	EL 6289	100	
<b>Irindina</b>	EL 27266	100	
<b>Nullarbor</b>	ELs 3428, 3430, 3432, 3433, 3436, 3437, 3438, 3439, 3441, 3595, 3596, 3599, 3600, 3602, 3603	100	Refer note 1.

Notes:

1. Greenfields Discovery Alliance Agreement between Red Metal (diluting to 49%) and OZ Minerals Limited (earning 51%). No change in interest during the quarter.
2. Joint venture between Red Metal (diluting to 30%) and Chinova Resources (Osborne) Pty Ltd (earning 70%). No change in interest during the quarter.
3. Joint venture between Red Metal (51% earning 70%) and PlatSearch NL now Variscan Mines Limited (49% diluting to 30%). No change in interest during the quarter.
4. Joint venture between Red Metal (90%) and Havilah Resources NL (10%). OZ Exploration Pty Ltd withdrew from the recent joint venture without interest.
5. OZ Exploration Pty Ltd withdrew from the recent joint venture without interest.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

RED METAL LIMITED

**ABN**

34 103 367 684

**Quarter ended ("current quarter")**

31 DECEMBER 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(54)	(132)
(b) development		
(c) production		
(d) staff costs	(124)	(408)
(e) administration and corporate costs	(96)	(173)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
Project management and consulting fees received	170	292
Other	15	15
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(89)</b>	<b>(406)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(5)
(b) tenements (see item 10)		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(c) investments		
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
Government grants	140	140
Advances to Alliance	(28)	(57)
Repayment of advances to Alliance	90	187
<b>2.6 Net cash from / (used in) investing activities</b>	<b>202</b>	<b>265</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	662	916
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(89)	(406)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	202	265

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>775</b>	<b>775</b>

Note: The period end cash balance includes \$140,000 received in respect of a government co-funding grant for drilling on the Nullarbor project (in the Greenfields Discovery Alliance arrangement). These funds are held by Red Metal and are to be used on research or project generation as agreed with OZ Minerals. In addition, under the terms of the Alliance agreement, OZ Minerals will make cash payments to Red Metal totalling \$600,000 for two further nominated projects during the March 2020 quarter.

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	775	662
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>775</b>	<b>662</b>

**6. Payments to directors of the entity and their associates**

- |  | <b>Current quarter<br/>\$A'000</b> |
|--|------------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2             | 81                                 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | -                                  |

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors remuneration

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	50
9.2 Development	
9.3 Production	
9.4 Staff costs	125
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>275</b>



## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EPM 16251 Chinova JV, and EPMs 25904, 26116, 26402 Lawn Hill	Granted tenement	100	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EPMs 27179, 27224, 27206 Lawn Hill	Granted tenement	-	100

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....

(Company secretary)

Date: January 2020

Print name: Patrick Flint

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.