

**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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**MARCH 2020 QUARTERLY REPORT**

**30 APRIL 2020**

**HIGHLIGHTS**

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

- A second follow-up drill hole is set to begin as soon as COVID-19 travel restrictions are lifted.

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

- Proof of concept drill tests on significant conductive trends are planned for 2020.

**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 planned to start once COVID-19 travel restrictions are lifted.

**Yarrie, WA, Copper-Gold-Cobalt**

- Heritage agreements executed by Native Title parties. Granting of exploration license applications is expected soon.

**Pardoo, WA, Nickel-Copper**

- New, previously untested, magmatic nickel-copper plays staked in the Northwest Pilbara region – Red Metal 100%.

## 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).

Unfortunately the start of the 2020 field campaign in Northwest Queensland had to be delayed due to the escalating health concerns and tightening travel restrictions relating to the COVID-19 virus. Follow-up drilling on Mount Skipper, first pass drill tests on the Three Ways and Gulf projects and a regional ground geophysical survey at Lawn Hill have been postponed until isolation practices aimed at containing the spread of the virus have been lifted.

During the quarter Red Metal received a cash payment of \$600,000 in respect of the Lawn Hill and Gulf Projects and cash calls for the pending 2020 field programs were also secured. OZ Minerals withdrew from the Nullarbor project following completion of the second drill hole. Alliance expenditure during the quarter totaled \$695,000.

Summaries of activities and plans for the six projects within the Greenfields Discovery Alliance can be found in the following operations review. We look forward to recommencing field activities as soon as it is considered safe and practical to do so.

## MOUNT ISA INLIER - QLD

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

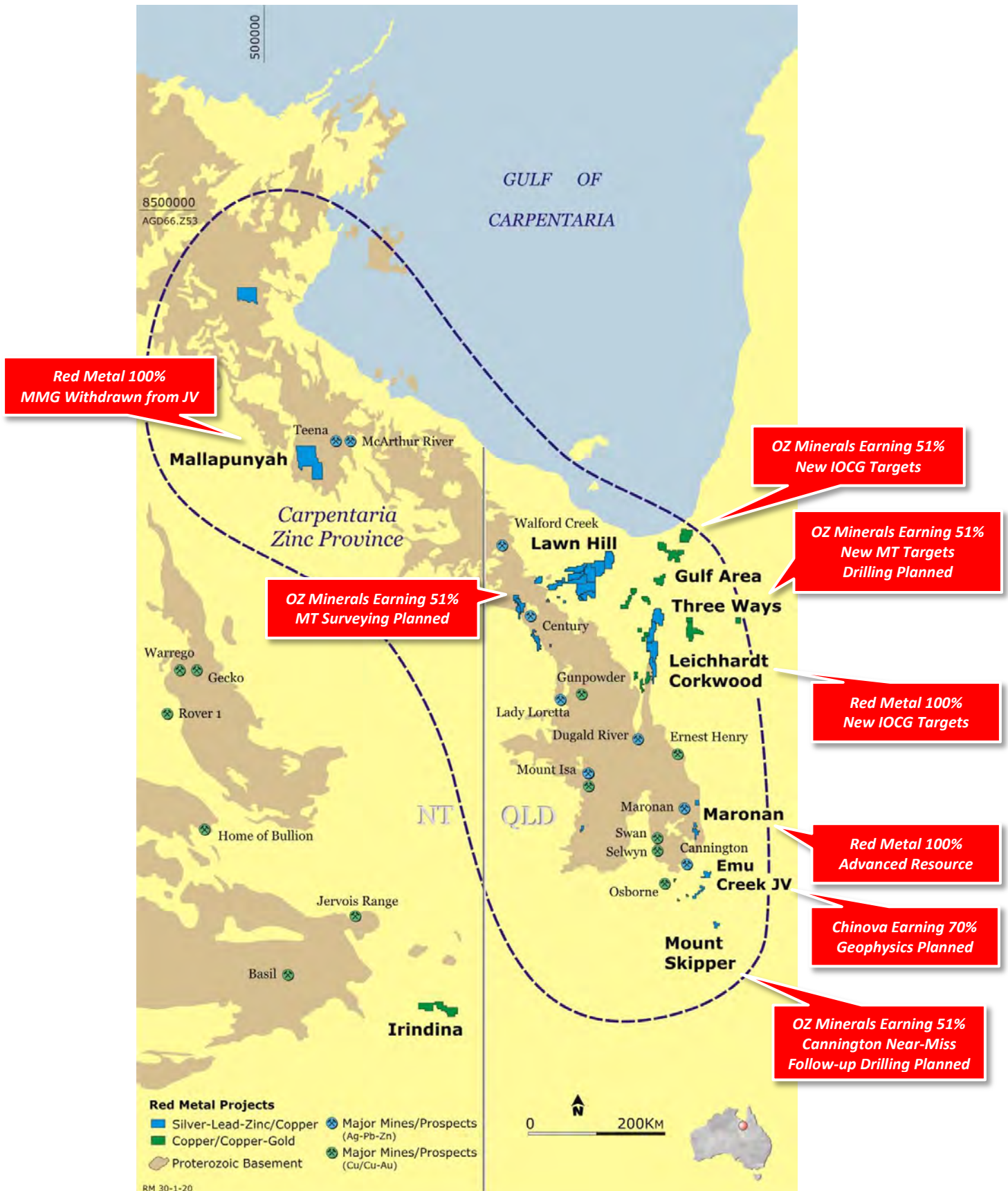
A second follow-up drill hole was set to begin in late-March but has been delayed until strict travel and social distancing restrictions aimed at containing the spread of the COVID-19 virus have been lifted.

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).

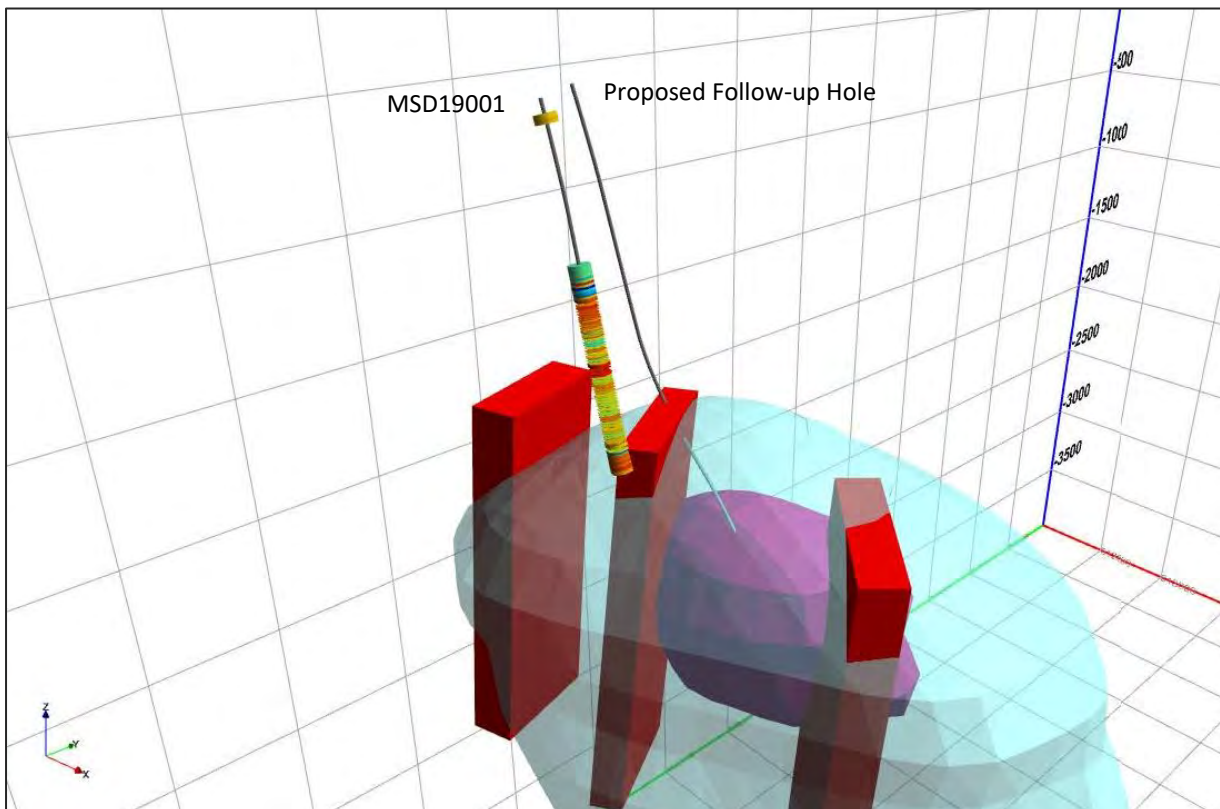
Although some very encouraging rock types and geochemical signatures were intersected in the first hole, no significantly magnetic source rocks were encountered and the magnetic bullseye anomaly remains untested. Re-modelling of the magnetic data places the centre of the magnetic body about 200 metres further north of the first hole (Figure 3).



[Figure 1] Northwest Queensland and Northern Territory: Major deposits and Red Metal tenement locations. The initiation of field activities have been delayed until travel restrictions relating to the COVID-19 virus have been lifted.



[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%)**

One and two dimensional modelling of the new magneto-telluric (MT) 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 are underway for drilling once travel restrictions relating to COVID-19 virus have been lifted.

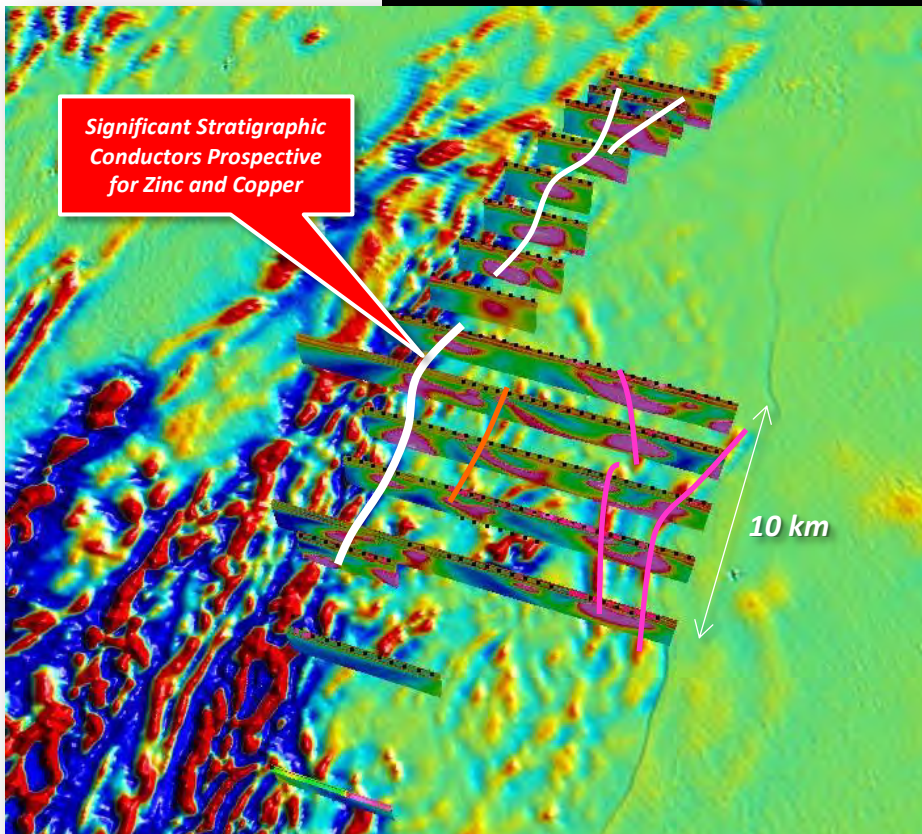
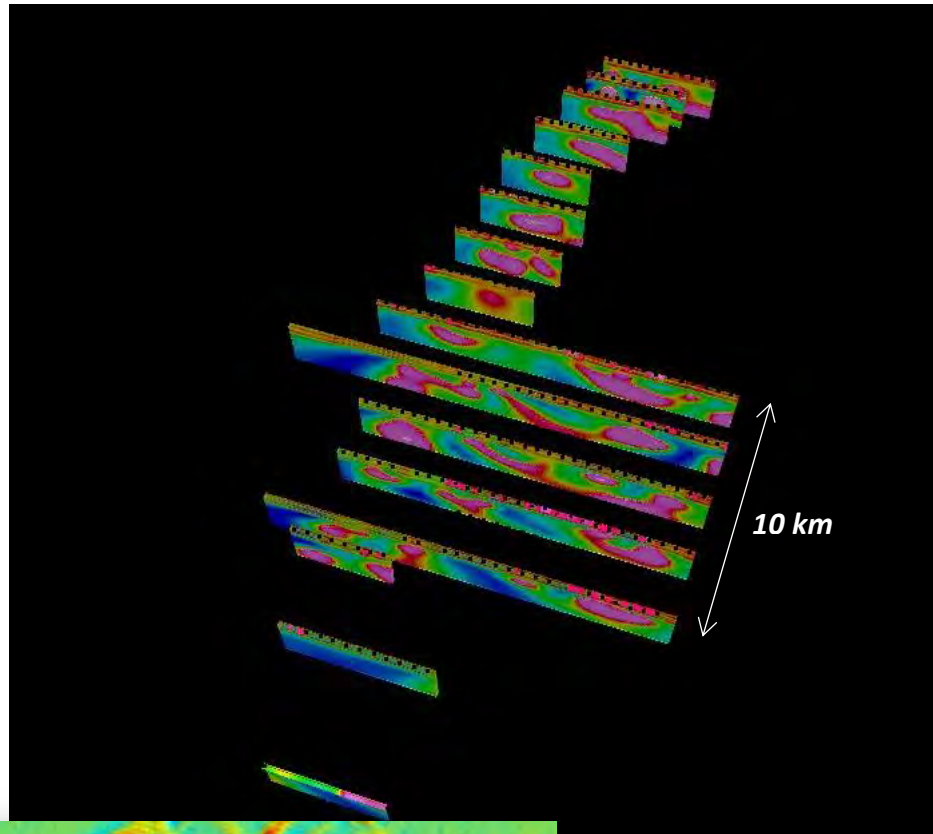
The MT survey was designed to map and prioritize highly conductive, zinc and copper prospective basement rocks in regions where the younger sedimentary cover sequences are thick, strongly conductive and inhibit conventional electrical geophysical techniques. Final processing indicates this groundbreaking 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.

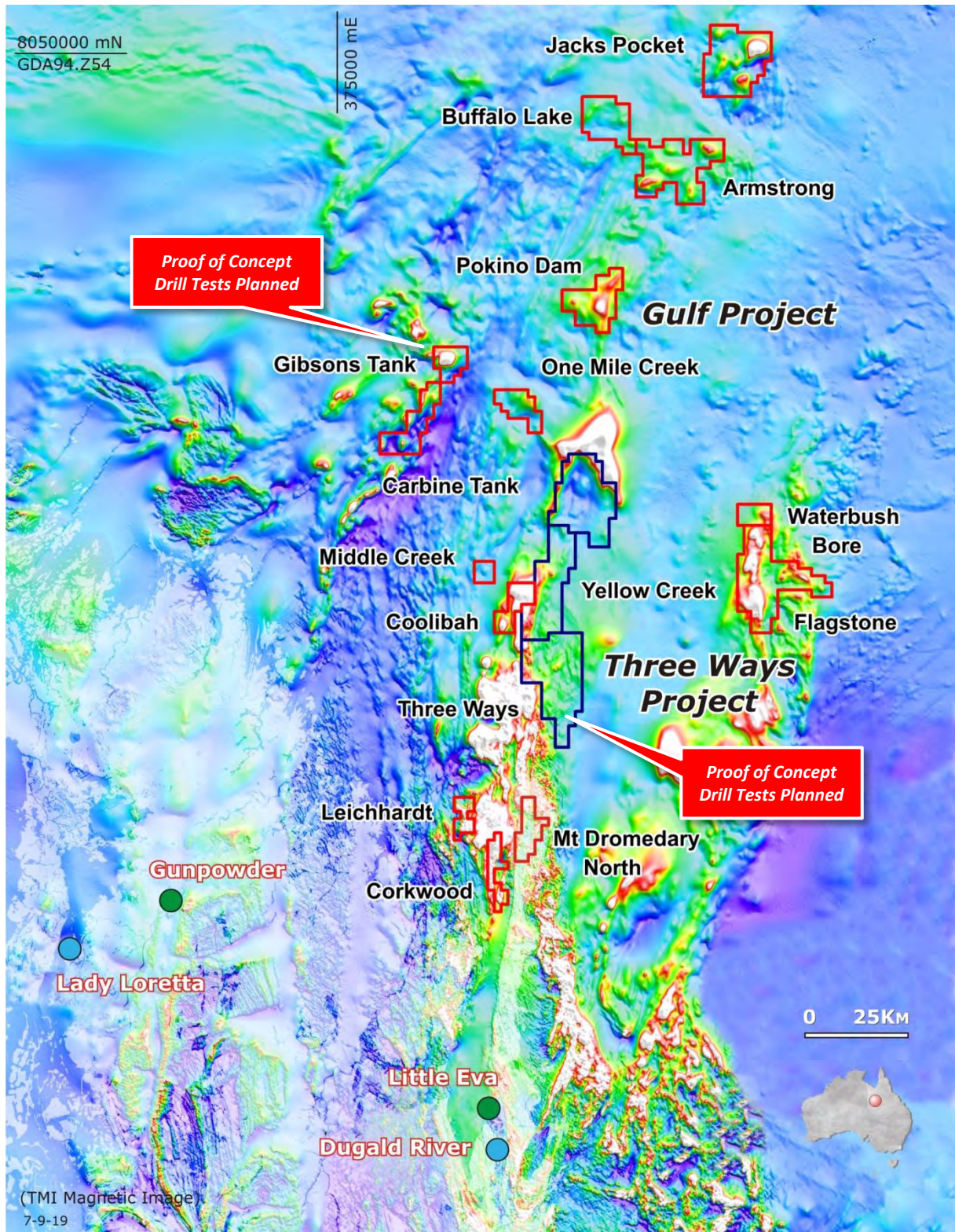
**Gulf Project: Copper-Gold (OZ Minerals Option to Earn 51%)**

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).

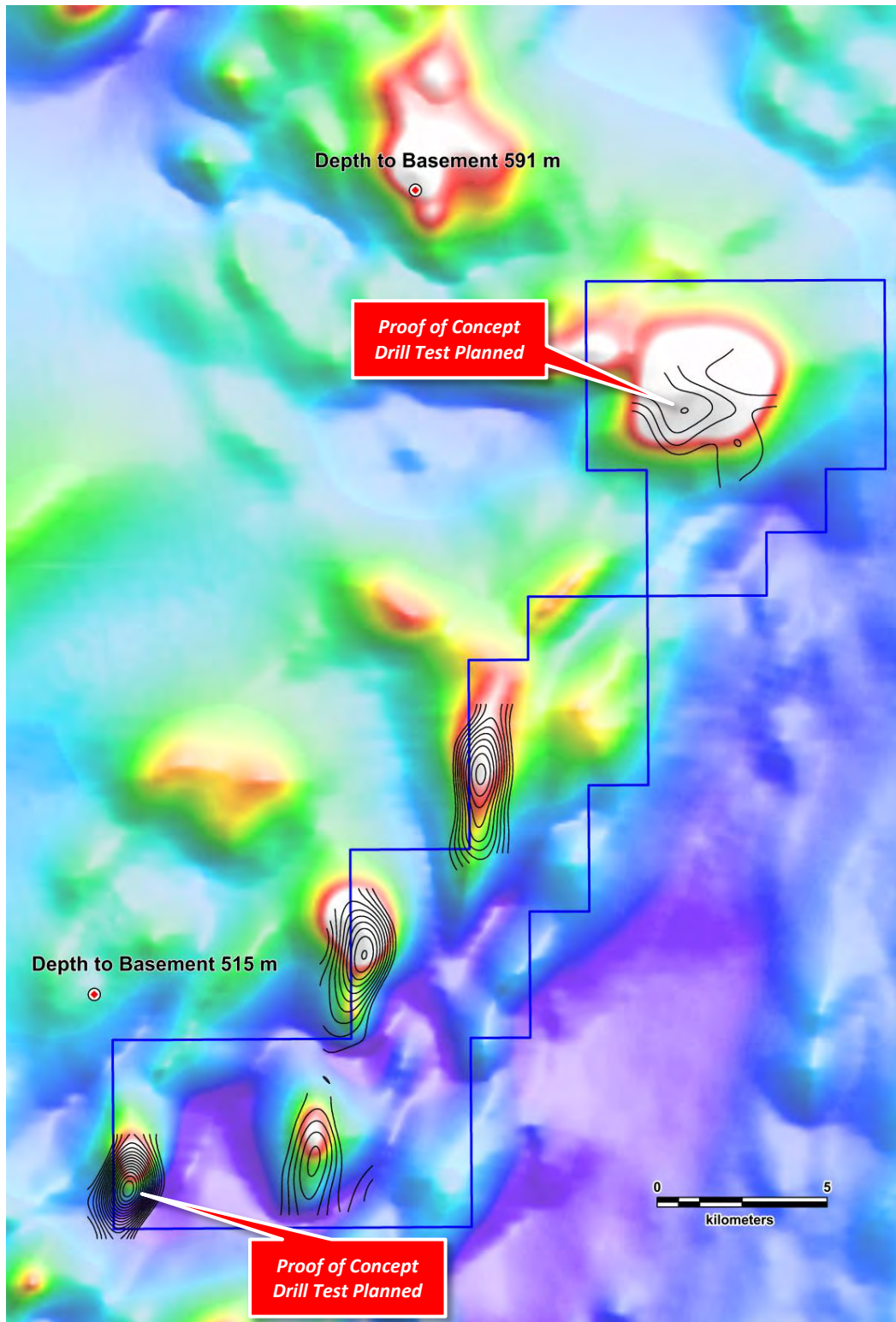
Infill gravity surveys have been completed over ten of the Gulf tenements. Modelling of this new data has identified several combined magnetic and gravity targets as priority for proof of concept drill tests. OZ Minerals have allocated a budget to drill test two key geophysical targets on Gibson's Tank 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.



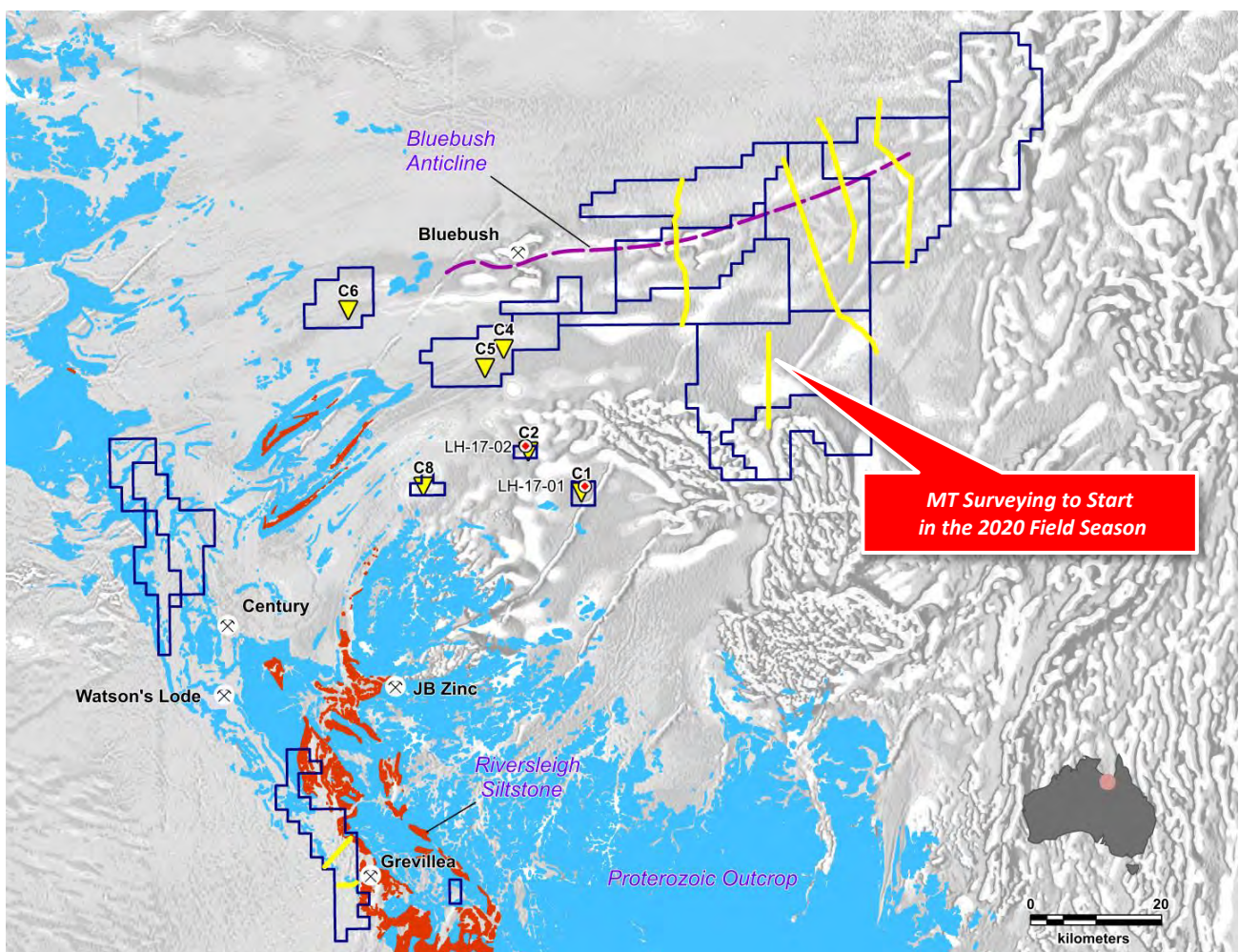
[Figure 6] Gibson's Tank Tenement Gulf Project: Total magnetic intensity image overlain by residual gravity contours with known depth to basement in nearby historic drill holes. Two holes testing two key geophysical targets for magnetite-associated Iron Oxide Copper-Gold style breccia deposits are planned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



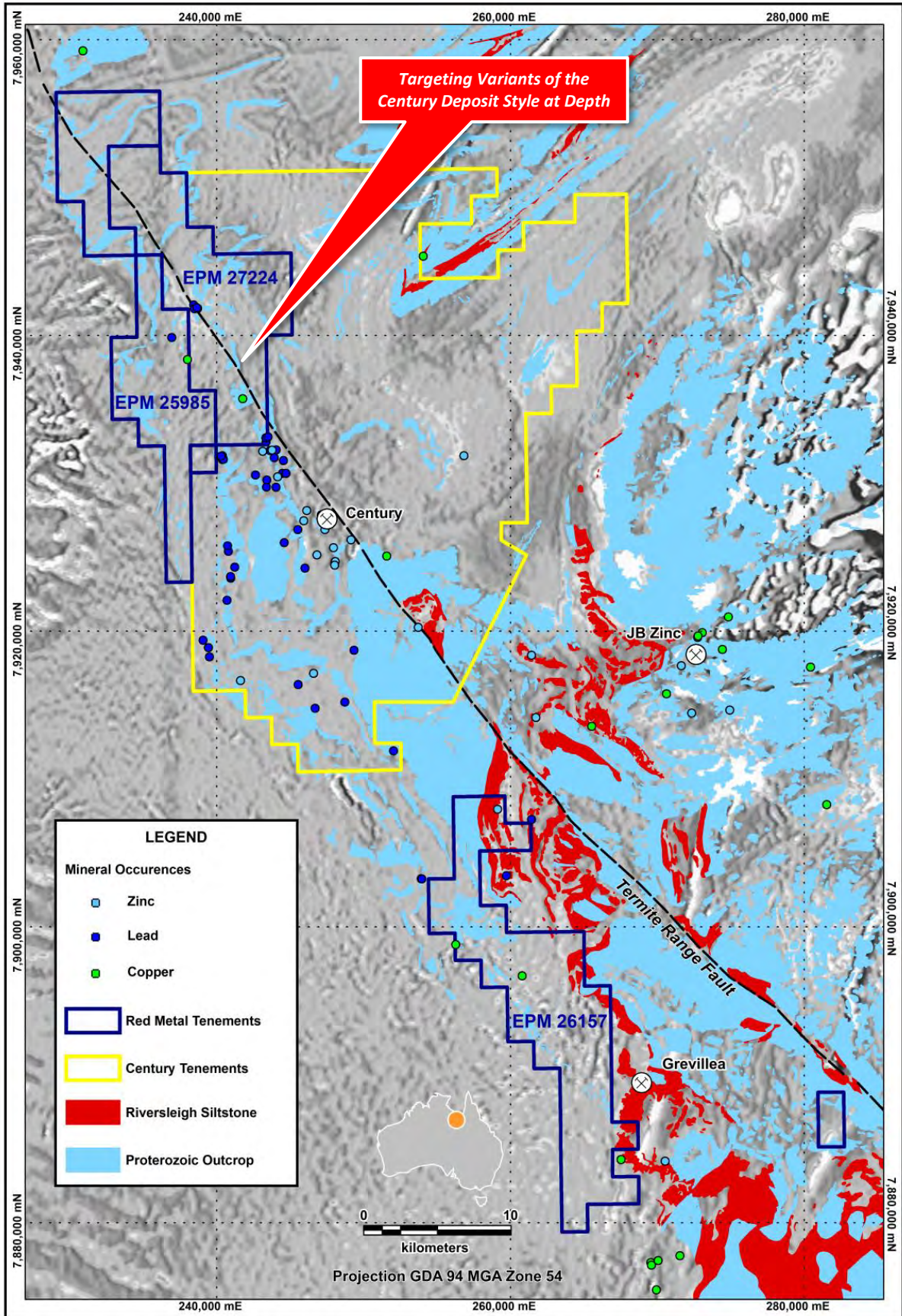
## Lawn Hill Project: Zinc-Lead-Silver & Copper-Cobalt (OZ Minerals Option to Earn 51%)

This quarter, New Century Resources Limited (owners of the Century Mine) established a strategic arrangement with IGO Limited that should see a significant expansion of exploration activity in the mine region (refer to New Century Resources ASX announcement dated 21 April 2020). Red Metal, under the alliance with OZ minerals, holds key titles along trend from the giant Century zinc-lead-silver deposit where it has been targeting a range of new zinc and copper deposit styles (Figures 1 and 7 and 8).

With funding from OZ Minerals, the Company proposes to utilize high resolution gravity and deep penetrating, magneto-telluric (MT) surveying to map prospective stratigraphy and traps sites for proof of concept drill testing (Figure 7). MT surveying was set to begin in late-April but has been delayed until strict travel and social distancing restrictions aimed at containing the spread of the COVID-19 virus are lifted.



[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 in the 2020 field season are shown as yellow lines.



[Figure 8] Lawn Hill Project: Red Metal tenement locations along trend from the Century zinc-lead-silver mine which is the subject of a strategic arrangement between IGO Limited and New Century Resources Limited.

## **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). With over 100 million ounces of contained silver, Maronan is one of the largest undeveloped silver resources in Australia. 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% or an equivalent 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.

There were no substantive exploration activities at Maronan during the quarter.

## **COOMPANA AND MADURA PROVINCES - WA**

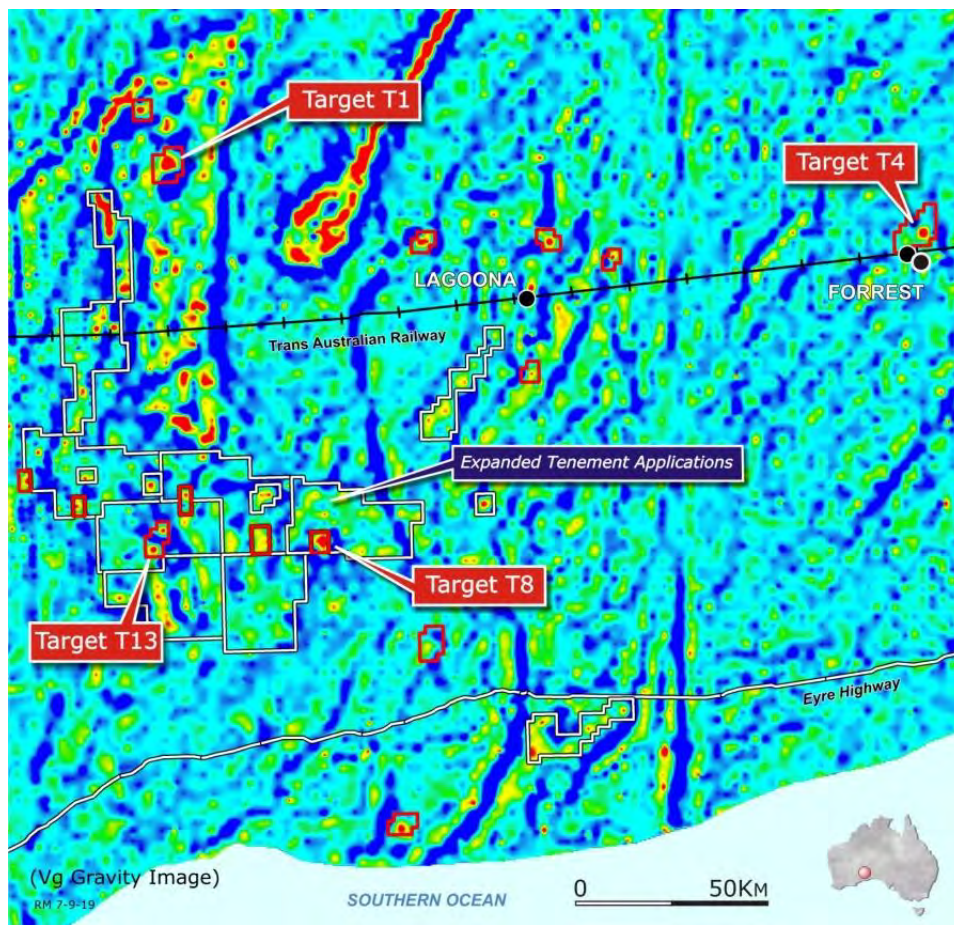
### **Nullarbor Project: Copper-Gold, Copper-Nickel (Red Metal 100%)**

In January 2020, Red Metal finalised the proof of concept drill tests on the standout T8 and T13 geophysical targets (Figure 9).

The first drill test on the high magnetic target T8 intersected a magnetite-rich, gabbroic mafic intrusive rock containing high iron, titanium and vanadium with weakly anomalous levels of nickel, cobalt, sulphur and low copper and PGE contents. Drilling on the high gravity target T13 also intersected mafic intrusive gabbroic rock types that appear to explain the source to the gravity anomaly.

The proof of concept drilling on these geophysical targets failed to identify Olympic Dam style Iron Oxide Copper-Gold breccia systems. As a consequence and after completion of funding requirements, OZ Minerals elected to withdraw the Nullarbor project from the ongoing Alliance Agreement.

Red Metal is currently assessing the trace element signatures of the mafic intrusions to determine their regional potential to concentrate magmatic nickel and copper sulphide ore deposits like Nova-Bollinger (located 270 kilometres to the west) and Nebo-Babel to the north. Nickel major BHP Billiton Nickel West Pty Ltd also has a large tenement position in the region.



[Figure 9] 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 10) 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 mineral province and identified a number of targets for modern electrical geophysical surveying and drill tests. A regional heritage agreement was executed by the Native Title holders this quarter which should result in the Yarrie exploration license applications being granted soon.

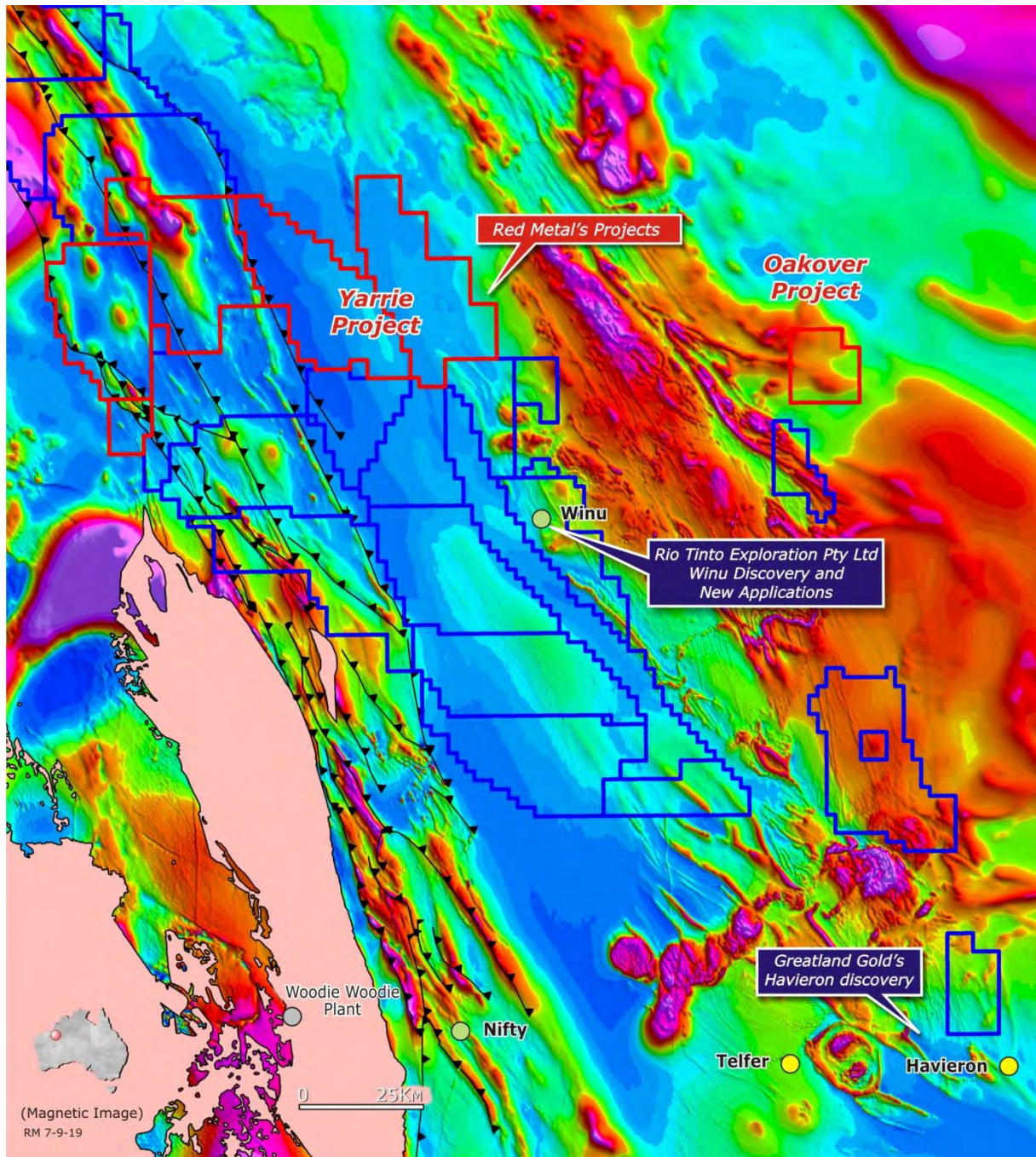
### **Yarrie Projects: Copper-Cobalt & Copper-Gold (OZ Minerals Option to Earn 51%)**

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 10).

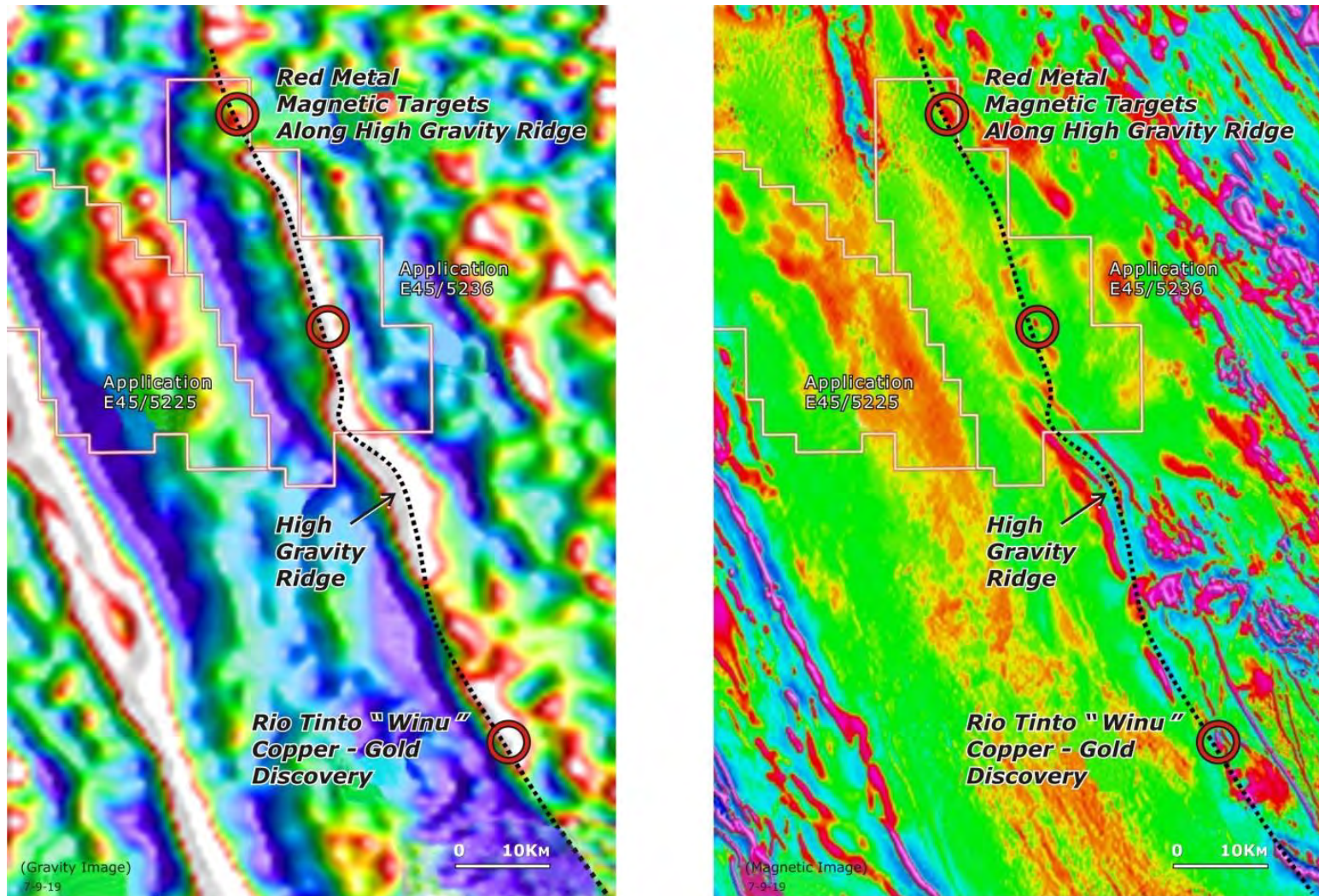
Combining recently released Falcon airborne gravity imagery with vertical gradient magnetic imagery has allowed Red Metal to highlight Rio Tinto's Winu discovery as a low-amplitude, bullseye magnetic target along a high-gravity ridge (Figure 11). Two very similar low-amplitude magnetic bullseye targets located further to the north northwest along the same high-gravity trend are evident in Red Metal's tenement applications (Figure 11).

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 12). 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.

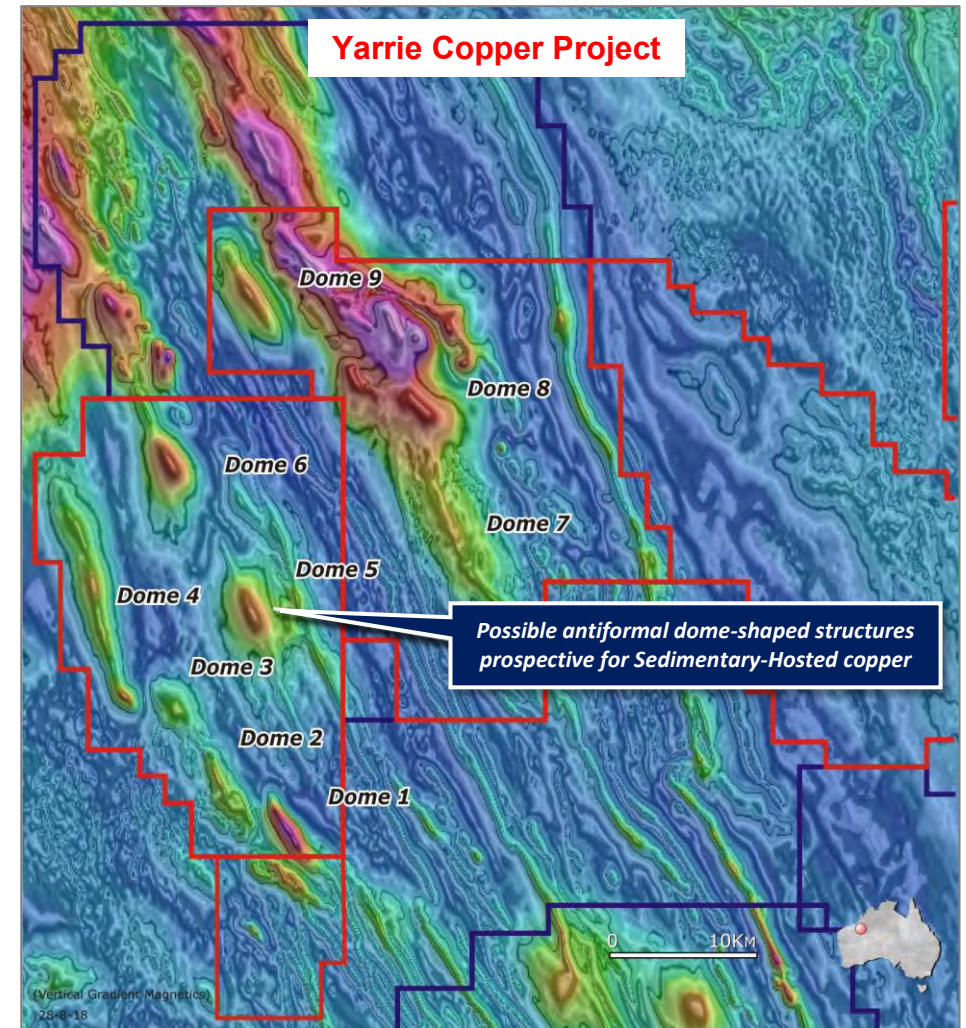
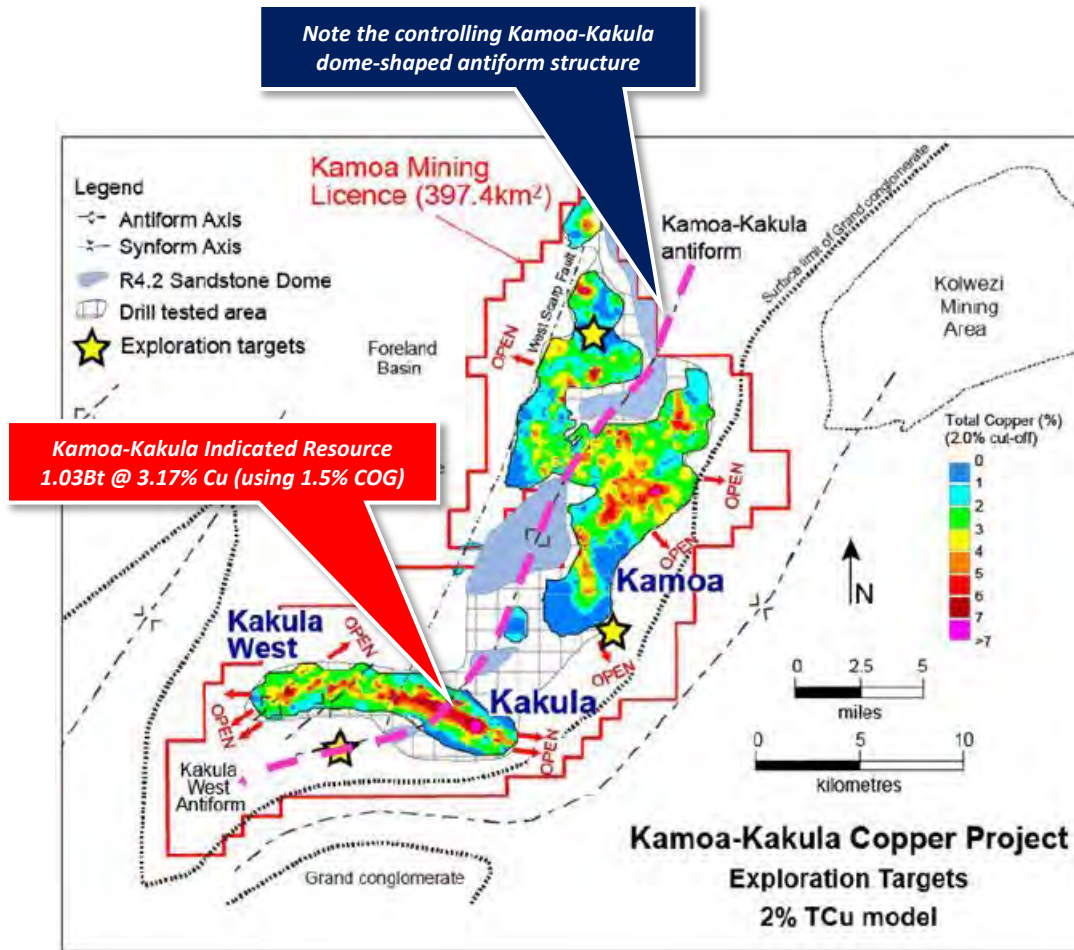
Future exploration funded by OZ Minerals under the Greenfields Discovery Alliance will utilize modern, deep penetrating, ground electromagnetic surveying methods to map prospective stratigraphy and rank the dome-shaped structures and magnetic bullseye targets for drill testing.



[Figure 10] 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 11] 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 12] 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.



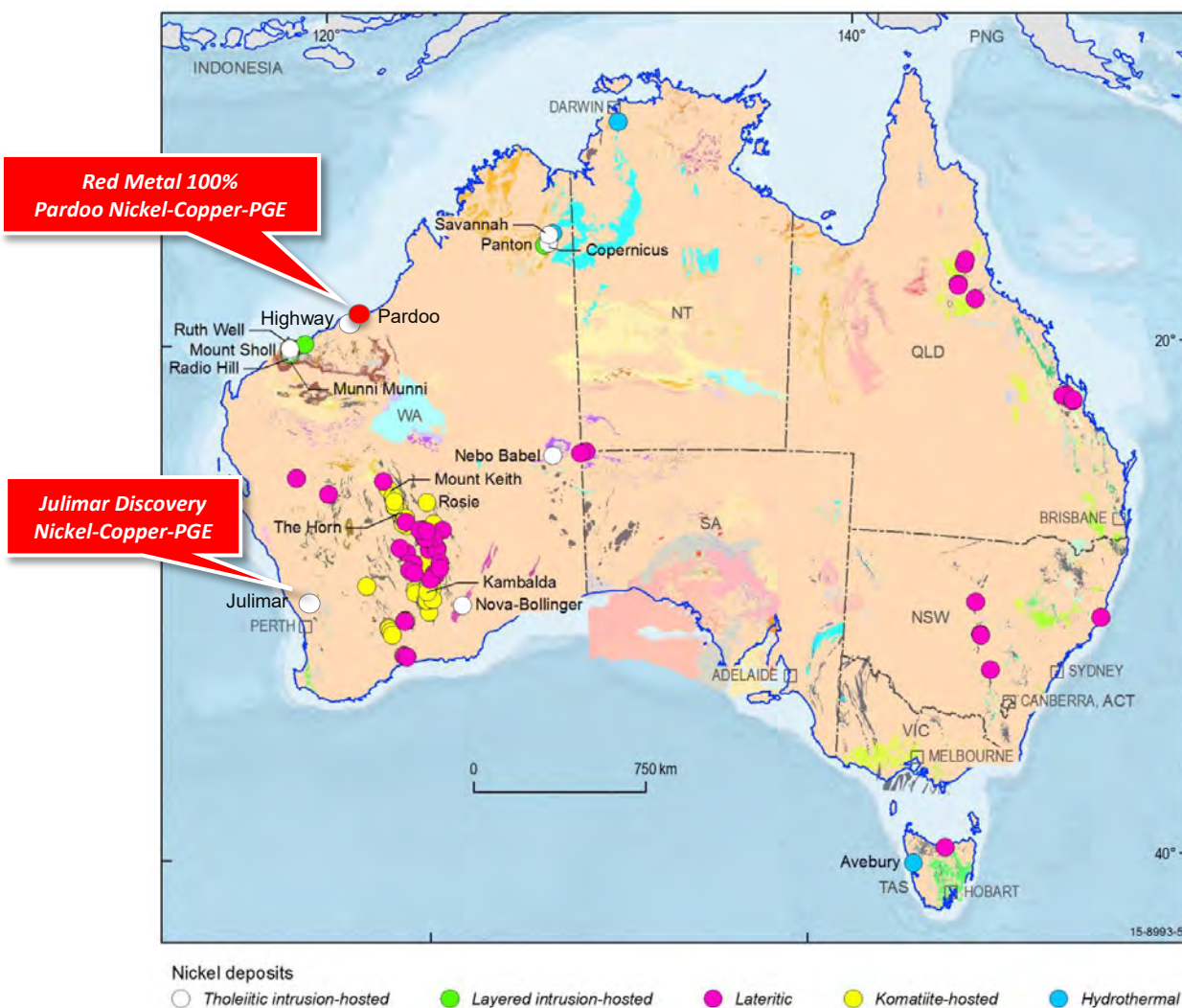
## PILBARA CRATON – WA

### Pardoo Nickel-Copper-PGE (Red Metal 100%)

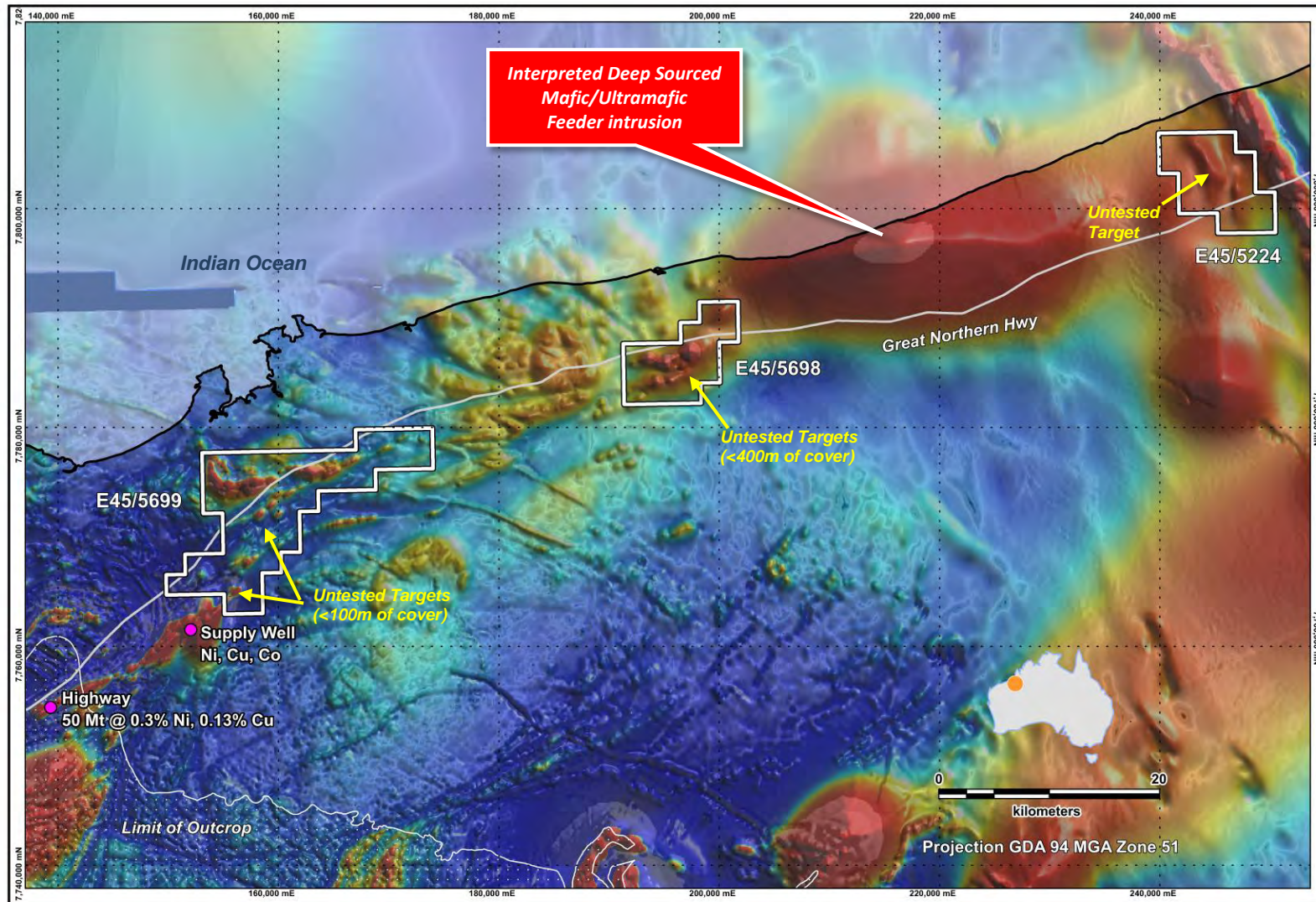
Recent project generative work targeting mafic and ultramafic intrusion-hosted nickel and copper sulphide mineralisation in Australia has led Red Metal to secure three new exploration license applications over untested geophysical anomalies located along the north west margin to the Pilbara Craton in Western Australia (Figure 13 and Figure 14).

The new Pardoo project covers several shallow covered magnetic targets located along strike from the known Highway nickel and copper deposit (50Mt @ 0.3% nickel and 0.13% copper) and two deeper covered plays towards the northeast (Figure 14). These previously untested targets lie along a broad east northeast trending structural corridor which on a crustal-scale also appears to include the Radio Hill, Mount Sholl, Ruth Well and Highway nickel and copper deposits and the Mundi Mundi PGE deposit. The project is well located within close proximity to the Great Northern Highway and about 100 kilometres from Port Hedland.

Once granted, Red Metal will use high resolution gravity and ground electromagnetic surveying to rank the key targets for proof of concept drill tests.



[Figure 13] Location of major nickel deposits of Australia shown by deposit type (modified after Geoscience Australia) showing Red Metal’s new Pardoo nickel project and Chalice Gold Mines Limited’s recent Julimar nickel-copper-palladium discovery north of Perth.



[Figure 14] Pardoo Nickel Project: Regional magnetic image with Red Metal tenement locations and the known Highway and Supply Well nickel prospects (pink circles). Note the previously untested magnetic targets that will be the focus of Red Metal’s ground based electromagnetic surveying. The project is well located within close proximity to the Great Northern Highway and about 100 kilometres from Port Hedland.

## 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 15). 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 Project: Copper-Gold-Zinc (Red Metal 90%-100%)**

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

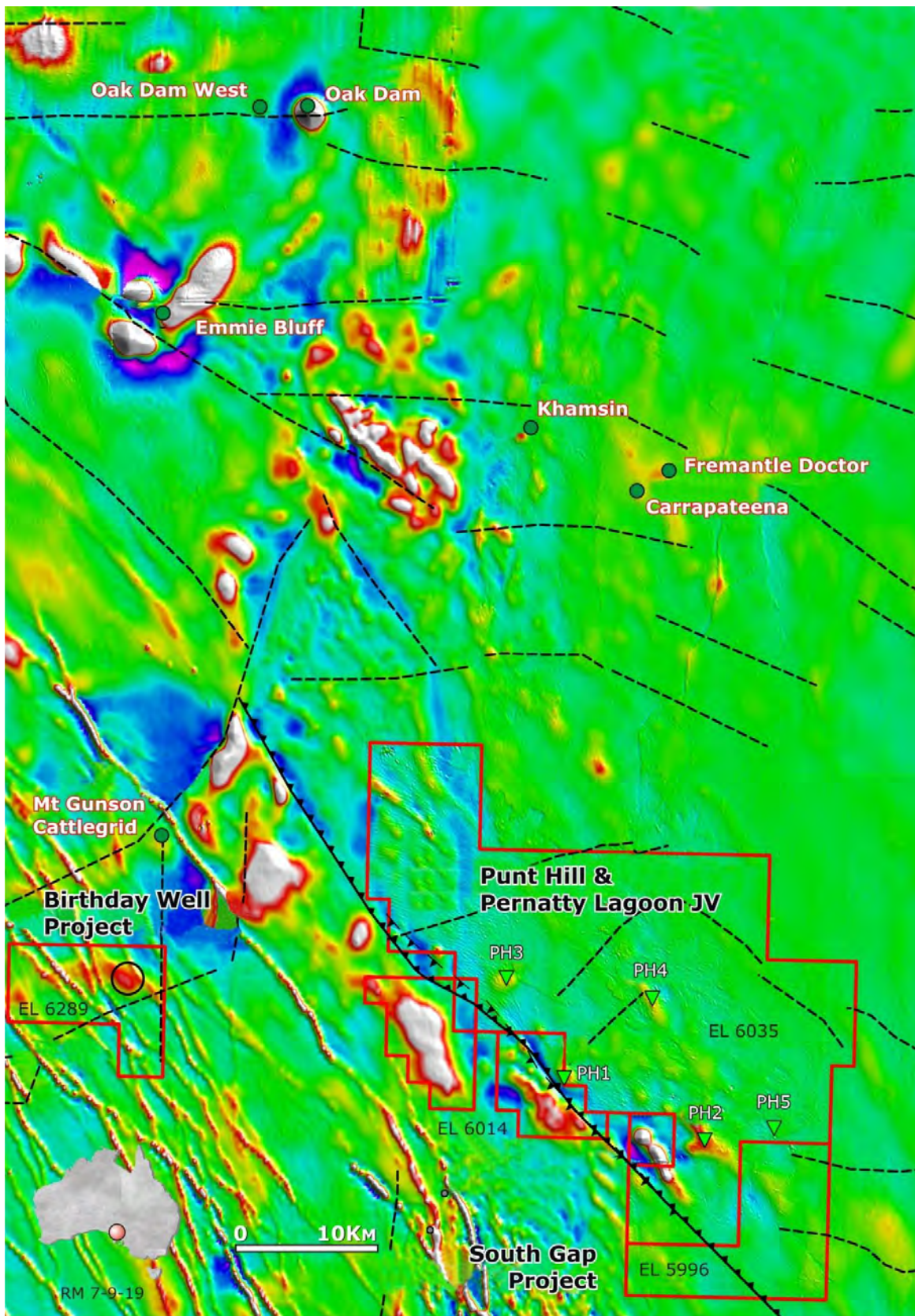
Last year OZ Minerals completed its maiden drill program testing a series of gravity targets. The first hole at the priority PH1 target, a near coincident gravity and weak magnetic anomaly, intersected a 244 metre interval averaging 0.26% copper. This mineralisation occurs as wide spaced chalcopyrite ± 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.

There were no substantive exploration activities on these tenements during the quarter.

### **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 15). 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. There were no substantive exploration activities at Birthday Well during the quarter.



[Figure 15] 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. There were no substantive exploration activities at the projects during the quarter.

[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

This announcement was authorised by the Board of Red Metal.

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 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.*

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## ADDENDUM TO MARCH 2020 QUARTERLY ACTIVITIES REPORT

**Table 1 - Granted exploration tenements held at the end of the Quarter are as follows:**

Project	Tenement Reference	Company Interest %	Comment
Maronan	EPM 13368	100	
Corkwood	EPMs 13380, 26032, 26125	100	
Lawn Hill	EPMs 25902, 25905, 25985, 26157, 26293, 26406, 26819, 26820, 26821, 26822, 27179, 27224, 27206	100	Refer note 1.
Gulf	EPMs 26434, 26436, 26654, 26655, 26656, 26657, 26672, 26674, 26675, 27308, 27309	100	Refer note 1.
Three Ways	EPMs 26941, 26943, 26947		Refer note 1.
Mount Skipper	EPM 19232	100	Refer note 1.
Chinova JV	EPMs 15385	100	Refer note 2.
Barton	EL 5888	100	
Callabonna JV	EL 6204,6318	51	Refer note 3.
Pernatty Lagoon JV	EL 6014	87.4	Refer note 4.
Punt Hill JV	EL 6035	100	Refer note 5.
South Gap	EL 5996	100	
Birthday Well	EL 6289	100	
Irindina	EL 27266	100	
Nullarbor	ELs 3428, 3432, 3433, 3436, 3437, 3438, 3439, 3441, 3595, 3596, 3599, 3600, 3602, 3603	100	Refer note 6.

*Notes:*

- Greenfields Discovery Alliance Agreement between Red Metal (diluting to 49%) and OZ Minerals Limited (earning 51%). No change in interest during the quarter.*
- Joint venture between Red Metal (diluting to 30%) and Chinova Resources (Osborne) Pty Ltd (earning 70%). No change in interest during the quarter.*
- 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.*
- Joint venture between Red Metal (90%) and Havilah Resources NL (10%). OZ Exploration Pty Ltd withdrew from the recent joint venture without interest last quarter.*
- OZ Exploration Pty Ltd withdrew from the joint venture without interest last quarter.*
- OZ Exploration Pty Ltd withdrew the Nullarbor project from the Alliance Agreement without interest during the quarter.*

**Table 2 - Exploration tenements acquired or disposed of during the quarter are as follows:**

Project	Tenement Reference	Status	Comment
Lawn Hill	EPMs 25907, 25912	Disposed	
Gulf	EPMs 27308, 27309	Granted	
Nullarbor	EL3430	Disposed	

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

RED METAL LIMITED

ABN

34 103 367 684

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(91)	(144)
(b) development		
(c) production		
(d) staff costs	(122)	(530)
(e) administration and corporate costs	(68)	(241)
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 Government grants and tax incentives		
1.8 Other (provide details if material)		
Project management and consulting fees received	89	381
Bonds recovered	40	40
GST	(67)	(8)
Other	-	17
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(219)</b>	<b>(485)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(4)	(9)



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
	(d) exploration & evaluation (if capitalised)		
	(e) investments		
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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)		
	Alliance option fees received	600	600
	Government grant	-	140
	Advances to Alliance	(13)	(150)
	Reimbursement of advances to Alliance	248	376
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>831</b>	<b>957</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	612	472
4.1	Cash and cash equivalents at beginning of period	776	916
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(219)	(485)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	831	957
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>1,388</b>	<b>1,388</b>

<b>5.</b>	<b>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	1,388	776
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,388</b>	<b>776</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
81
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(219)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(219)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,388
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,388
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	6.3
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	

**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.

Date: 30 April 2020

Authorised by the Board of Directors

(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.