

**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:**

245,591, 743  
Ordinary shares

11,025,000  
Unlisted options

**Directors:**

Rob Rutherford  
Managing Director

Russell Barwick  
Chairman

Joshua Pitt  
Non-executive Director

**RED METAL LIMITED**

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**JUNE 2020 QUARTERLY REPORT**

**28 JULY 2020**

**HIGHLIGHTS**

**Corporate Activity**

- Successful \$3M capital raising to fund Red Metal 100% projects.

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

- Second follow-up drill hole set to begin in early August.

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

- Proof of concept drill tests on significant conductive trends planned to commence after completion of the Mount Skipper program.

**Gulf, QLD, Copper-Gold**

- Standout magnetic and gravity targets prioritized for drilling after completion of the Three Ways program.

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

- Regional magneto-telluric survey planned to start once COVID-19 travel restrictions around remote aboriginal communities have eased.

**Pardoo, WA, Nickel-Copper**

- New, previously untested, magmatic nickel-copper plays in the Northwest Pilbara region.

## CORPORATE

On 20 July 2020 Red Metal successfully completed a A\$3 million placement to selected Australian institutions and professional investors.

The proceeds of the placement will primarily be used to advance targets towards drilling on several of the Company's 100% owned projects. This will include a 2D seismic trial over the advanced Maronan silver-lead and copper-gold project, electrical geophysical surveying for large copper-gold breccia systems on Corkwood and ground electromagnetic surveys on the new Pardoo nickel-copper project. The new funds will enable the Company to maintain its strong project generation capacity and also be used for general working capital purposes.

## 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, Gulf, Three Ways, Lawn Hill** and **Mount Skipper** projects (Red Metal ASX announcement lodged 30 January 2019).

Field campaigns in Northwest Queensland were initiated in late July following an easing in travel restrictions relating to the COVID-19 virus. Preparations are well underway to start drilling on Mount Skipper in early August then move on to complete first pass drill tests on the Three Ways and Gulf projects.

Summaries of activities and plans for projects within the Greenfields Discovery Alliance and some of Red Metal's other 100% owned projects can be found in the following operations review.

## MOUNT ISA INLIER - QLD

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

With over 100 million ounces of contained silver, Maronan is one of the largest undeveloped silver resources in Australia (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).

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 12.2% or an equivalent copper grade of about 2.8%.

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.

Preparations are underway to trial 2D seismic surveying over the deposit in an attempt to image the continuation of the mineralisation at depth and de-risk any future deep drilling on the deposit. It is hoped the 2D seismic data will highlight strong reflective “bright spots” indicative of more massive, higher grade mineralisation at depth.

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

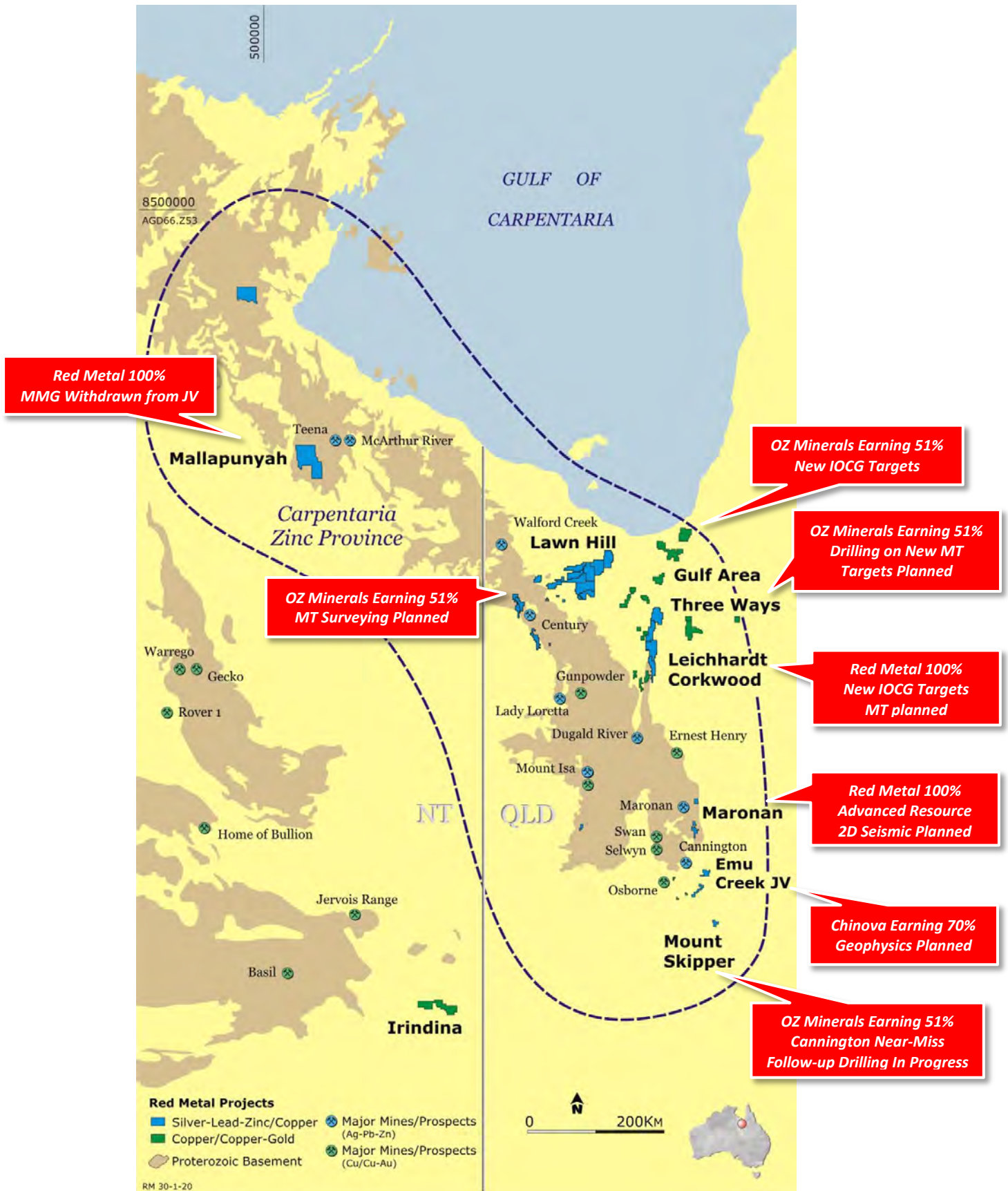
Preparations for a second follow-up drill hole were completed this quarter with drilling set to begin early August.

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).

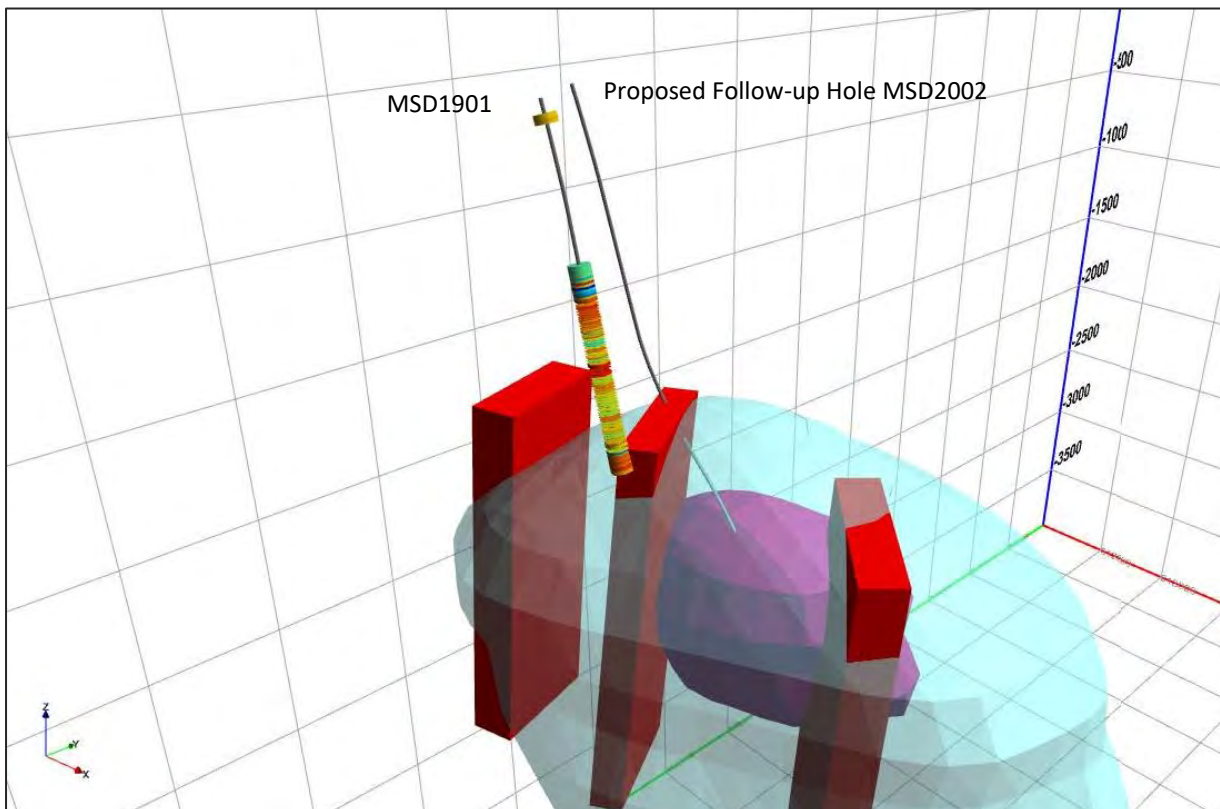


[Figure 1] Northwest Queensland and Northern Territory: Major deposits and Red Metal tenement locations. The initiation of field activities have been delayed until travel restrictions relating to the COVID-19 virus have been lifted.





[Figure 2] Mount Skipper Project: MSD1901 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 MSD1901 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 MSD1901. This view is looking towards the northwest. Note the proposed second follow-up hole MSD2002 located 200 metres north northwest of MSD1901.

**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 to begin this drilling after completion of the Mount Skipper program.

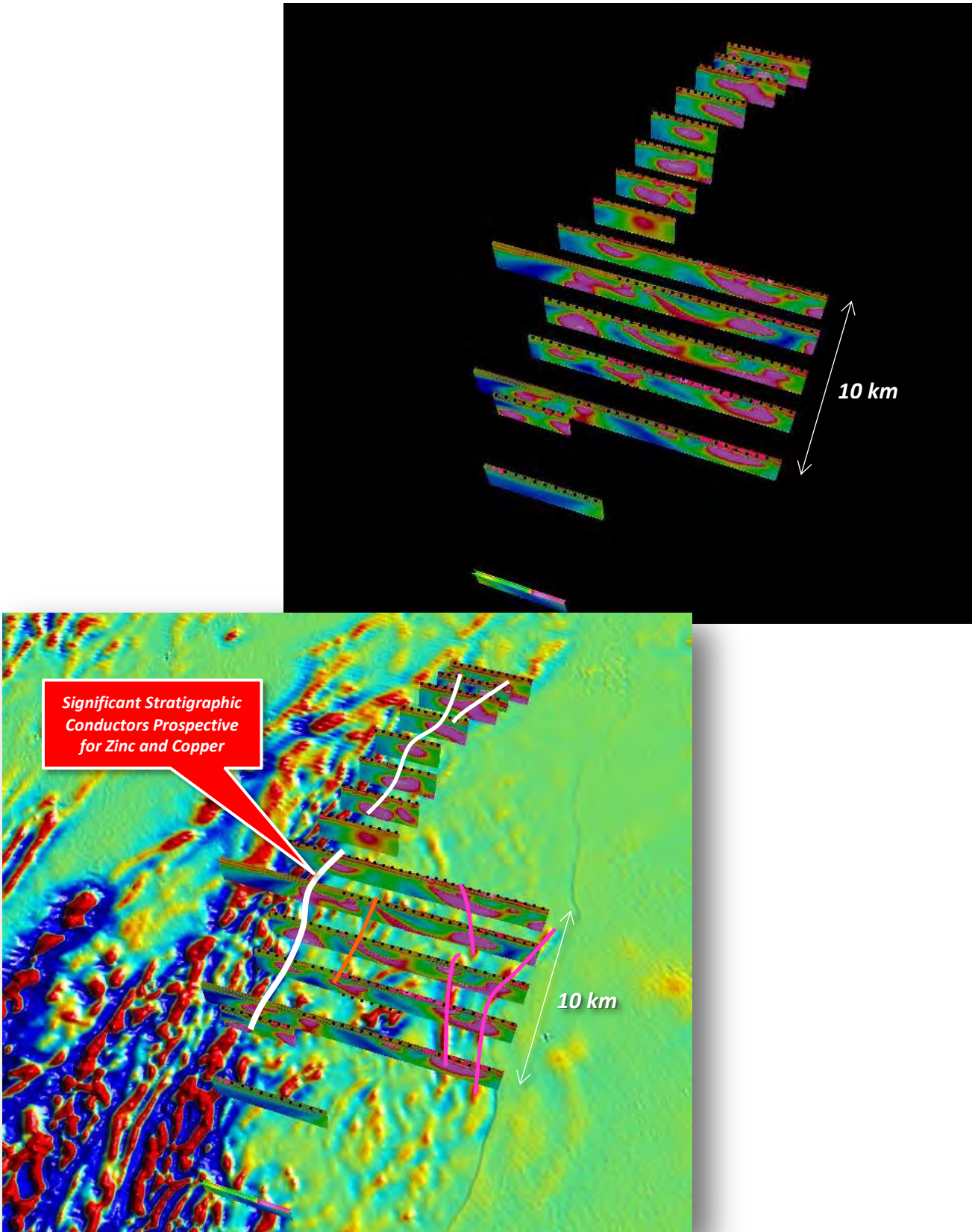
The MT survey was designed to map and prioritize highly conductive, zinc and copper prospective basement rocks in regions where the younger sedimentary cover sequences are thick, strongly conductive and inhibit conventional electrical geophysical techniques. Final processing indicates this groundbreaking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

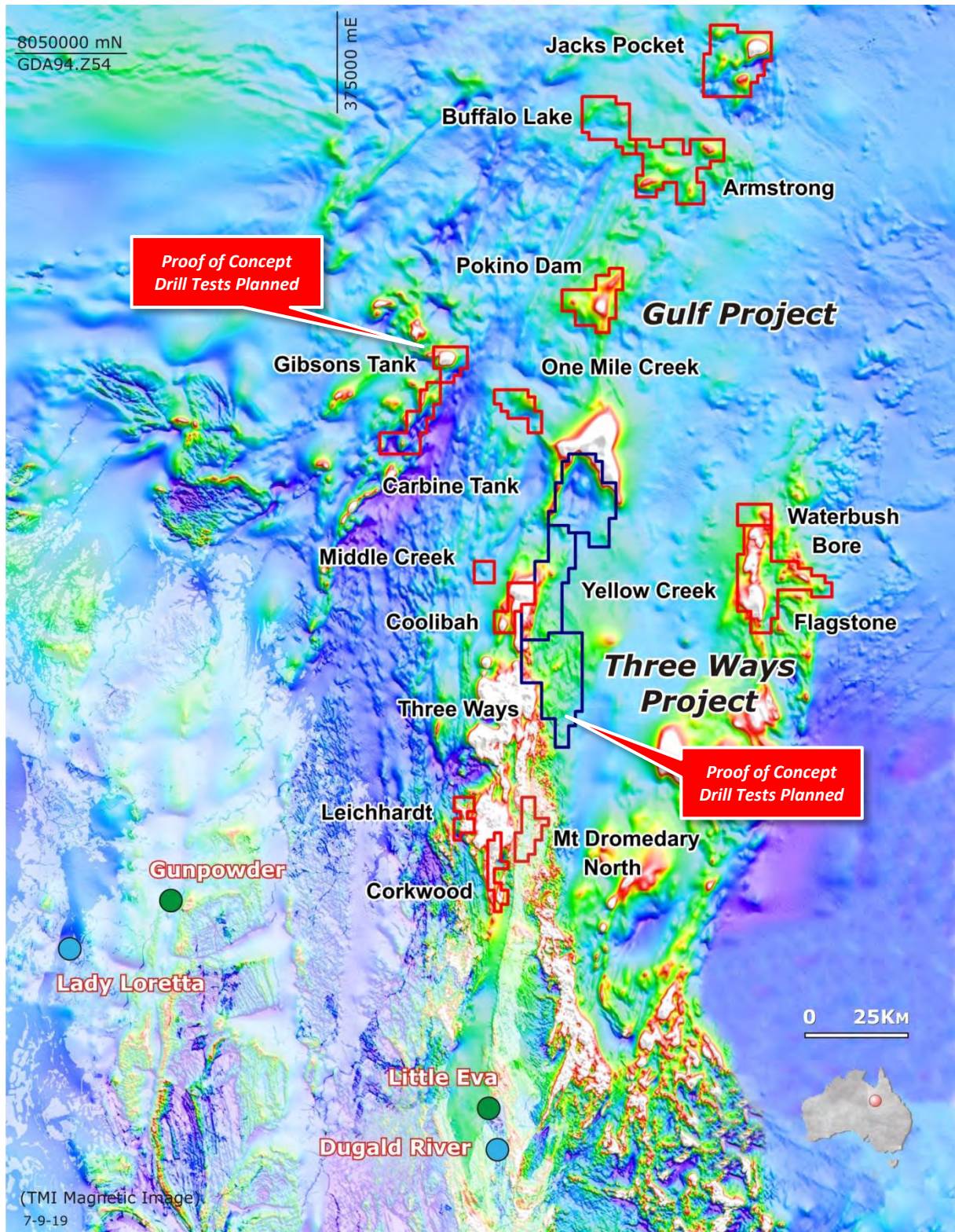
The Gulf project incorporates multiple exploration tenements over several standout geophysical anomalies in an under explored extension to the Cloncurry terrain which offers scope for large Iron Oxide Copper-Gold (IOCG) breccia systems (Figures 1 and 5).

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 being planned to commence after the drilling at Three Ways.



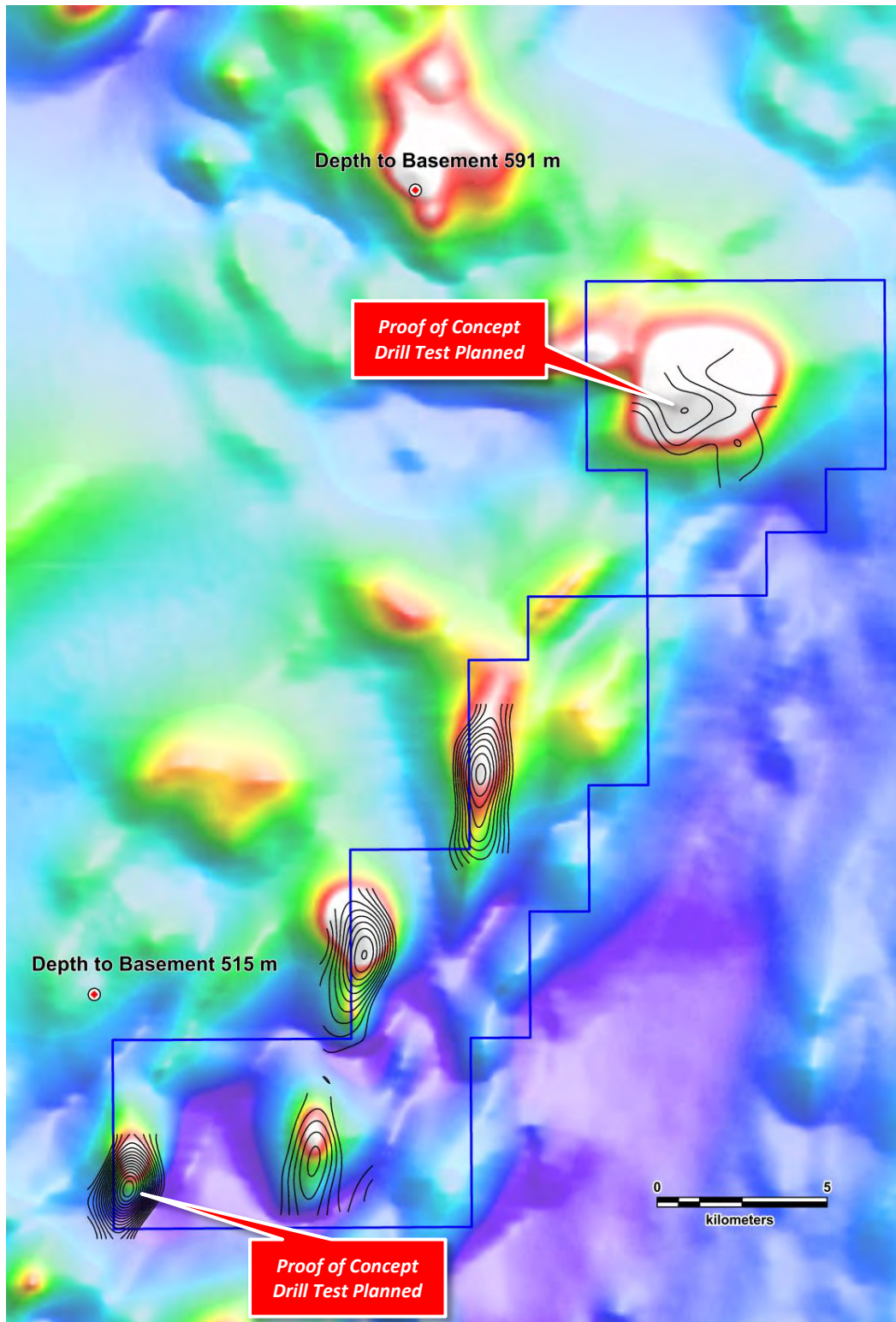
[Figure 4] Three Ways Zinc Project: Oblique view looking towards the north northwest showing stacked two dimensional conductivity depth inversions of the magneto-telluric data (above) and underlain by vertical gradient magnetic imagery (below). The imagery maps previously unrecognised, highly conductive 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.

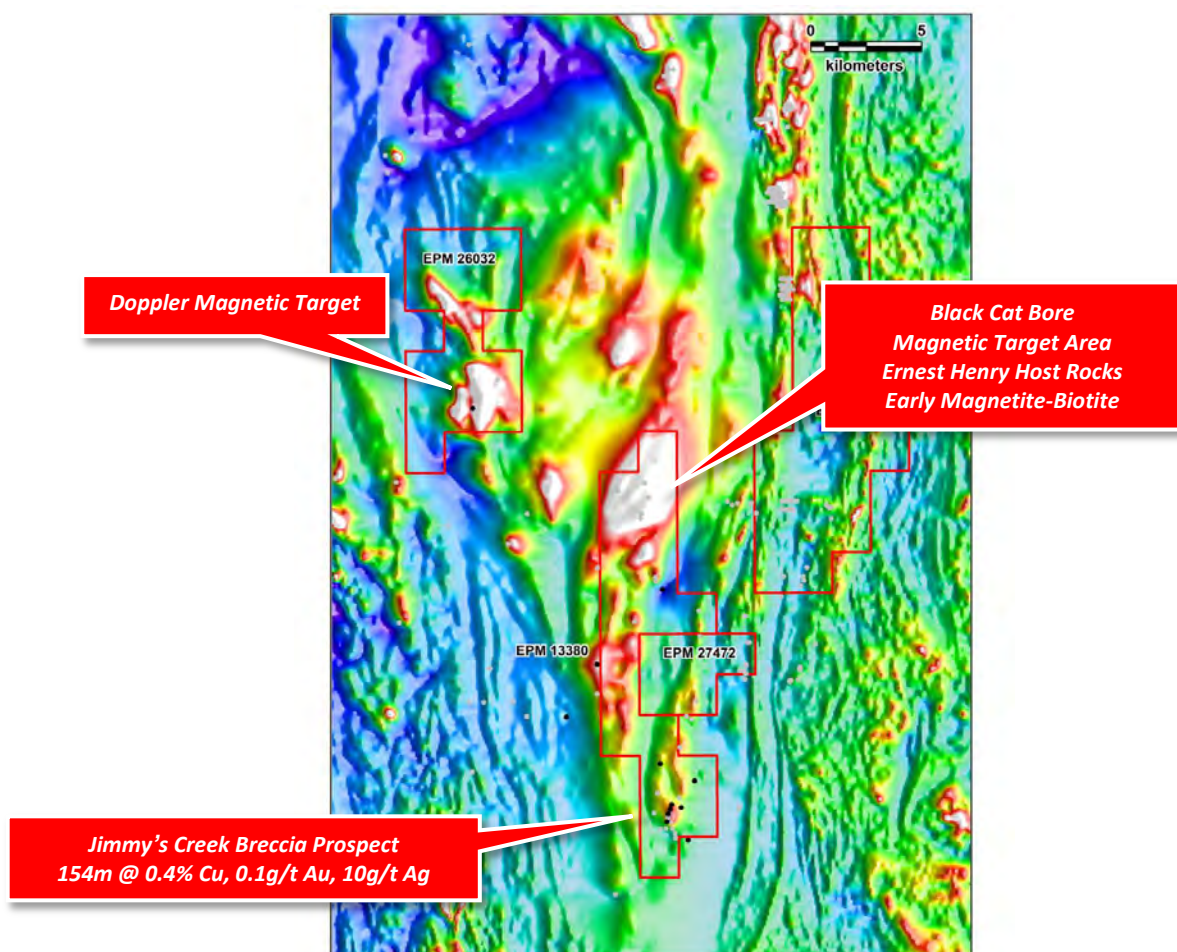
## Corkwood Project: Copper-Gold (Red Metal 100%)

The Corkwood project is situated about 100 kilometres northwest of Glencore’s large Ernest Henry copper-gold mine (Figure 1) and about 60 kilometres north of Altona Mining Limited’s advanced Little Eva copper-gold deposit (Figure 5).

Historic exploration drilling over the Corkwood area has identified favourable porphyritic volcanic host rocks, alteration, trace-element geochemistry and low-grade copper and gold mineralisation typical of that observed in the halo surrounding the large Ernest Henry breccia deposit.

On the “Jimmy’s Creek” prospect, the porphyritic volcanic units are brecciated and host wide zones of low-grade copper, gold and silver mineralisation: a good indicator of the potential for these styles of deposits elsewhere in the district (Figure 7). Better intercepts include 211metres at 0.33% copper and 0.16 g/t gold; 153 m at 0.41% copper and 0.1 g/t gold 10g/t silver, including 32m @1.16 % copper and 0.3 g/t gold.

Trials of magnetotelluric surveying across the Jimmy’s Creek mineralisation successfully identified a zone of elevated conductance associated with the chalcopyrite-pyrite mineralisation. Red Metal proposes to utilise regular, high resolution, grid based magneto-telluric surveying to identify high conductance targets for drill testing over the anomalous Black Cat Bore magnetic target area (Figure 7). A grant application under the Queensland Governments Collaborative Exploration Initiative was lodged this quarter.



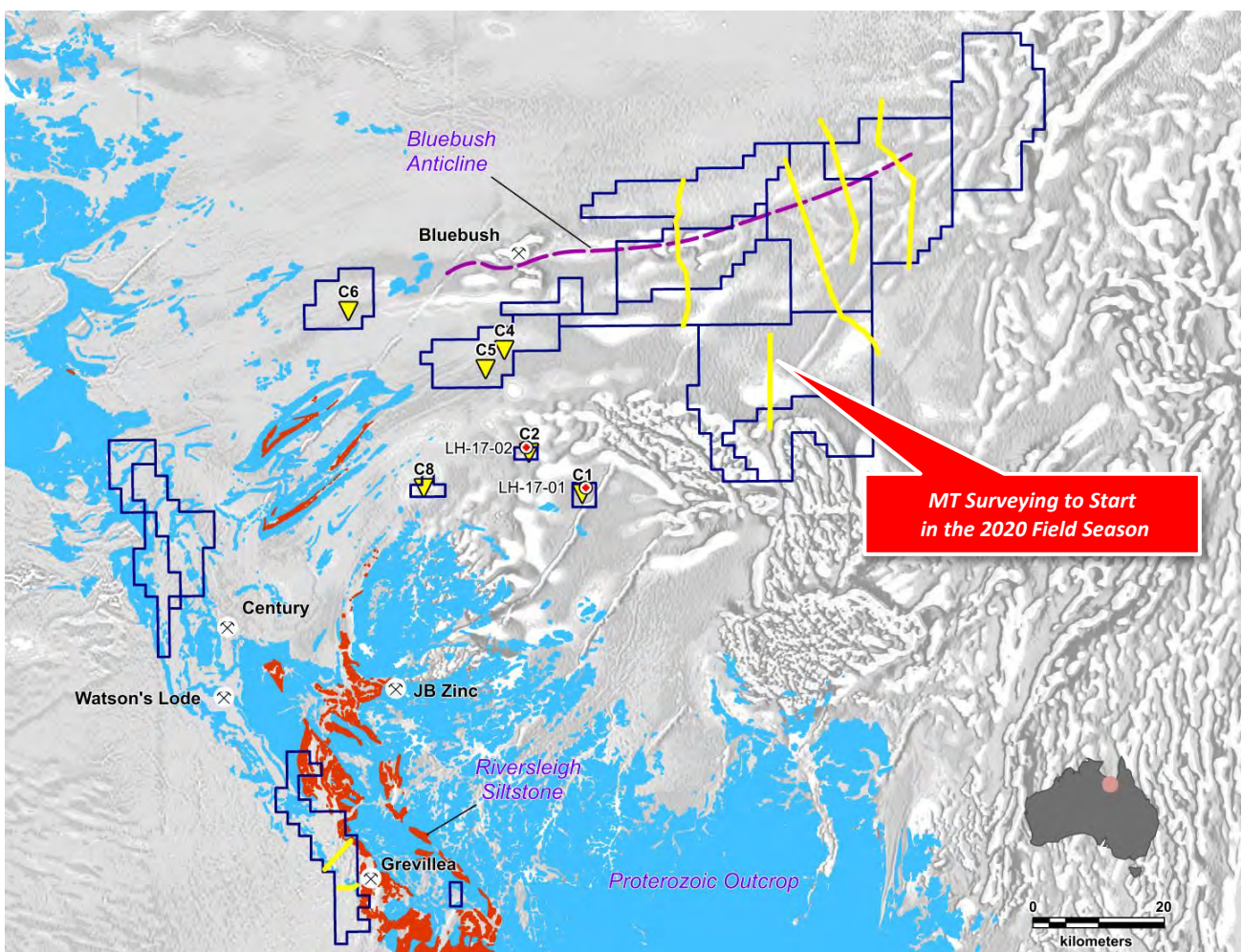
[Figure 7] Corkwood Project: Regional total magnetic image showing Black Cat Bore, Doppler and Jimmy’s Creek magnetic targets



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

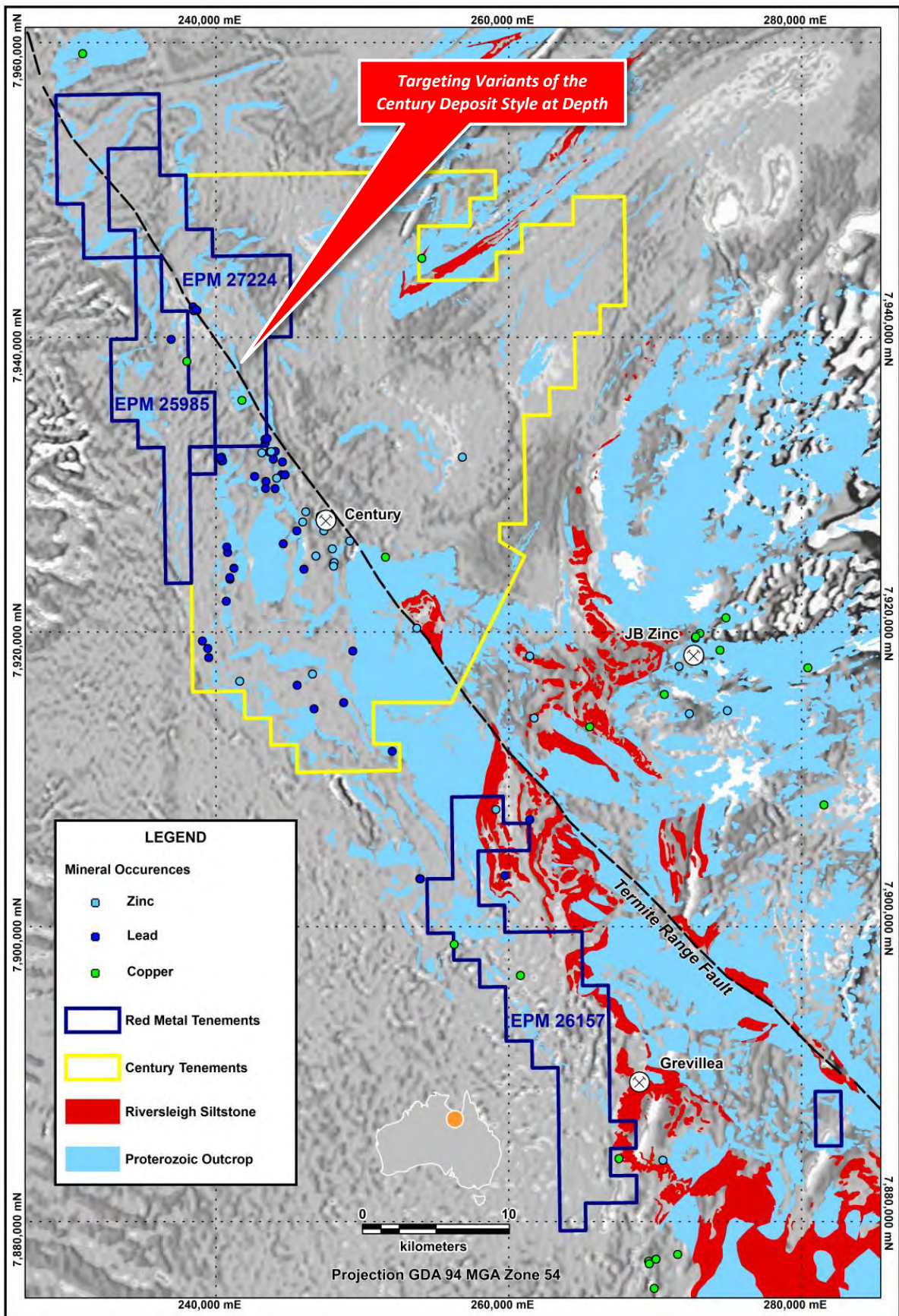
Last quarter, New Century Resources Limited (owners of the Century Mine) established a strategic arrangement with IGO Limited that should see a significant expansion of exploration activity in the mine region (refer to New Century Resources ASX announcement dated 21 April 2020). Red Metal, under the 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 8 and 9).

With funding from OZ Minerals, the Company proposes to utilize high resolution magnetotelluric (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 in the regions surrounding remote aboriginal communities are lifted. Preparations necessary to start the program next quarter are being assessed.



[Figure 8] 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 9] 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.

## PATERSON PROVINCE - WA

Continued strong gold and copper assays results from drilling by Newcrest Mining on the Havieron discovery and recent press suggesting mine construction at Winu as early as 2021, highlight the exploration potential for new deposit types in this proven gold and copper province.

Red Metal had very early on secured a significant and strategic 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 last quarter. Securing a standard access agreement with a renewable energy power company active over the tenement area is the last requirement before the tenement can be granted.

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

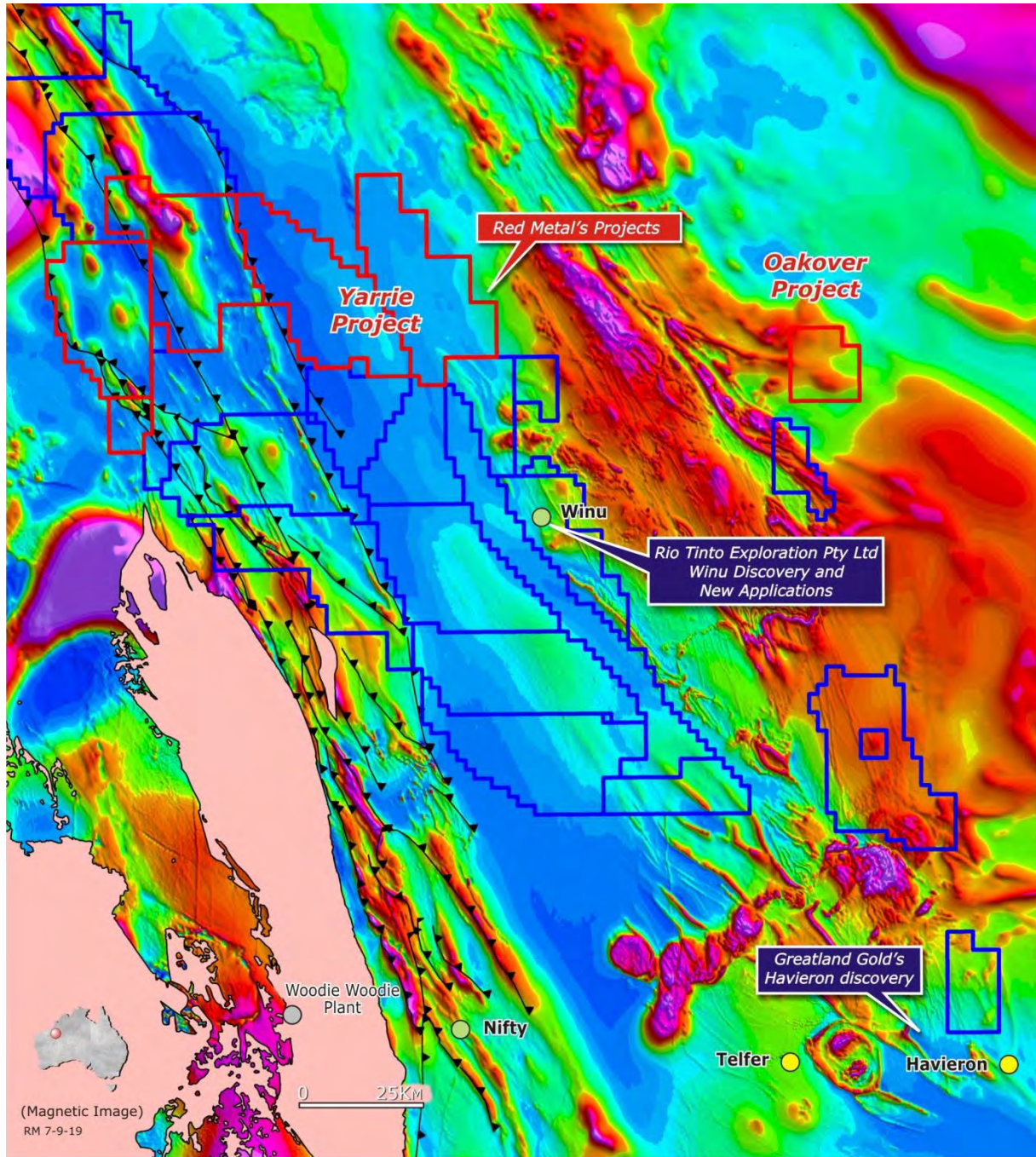
Yarrie comprises five new exploration license applications covering almost 2,000 square kilometres. The area has seen little past exploration but is well located along trend from Metal X Limited's Nifty copper mine and Rio Tinto's new Winu copper and gold discovery (Figure 10).

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.

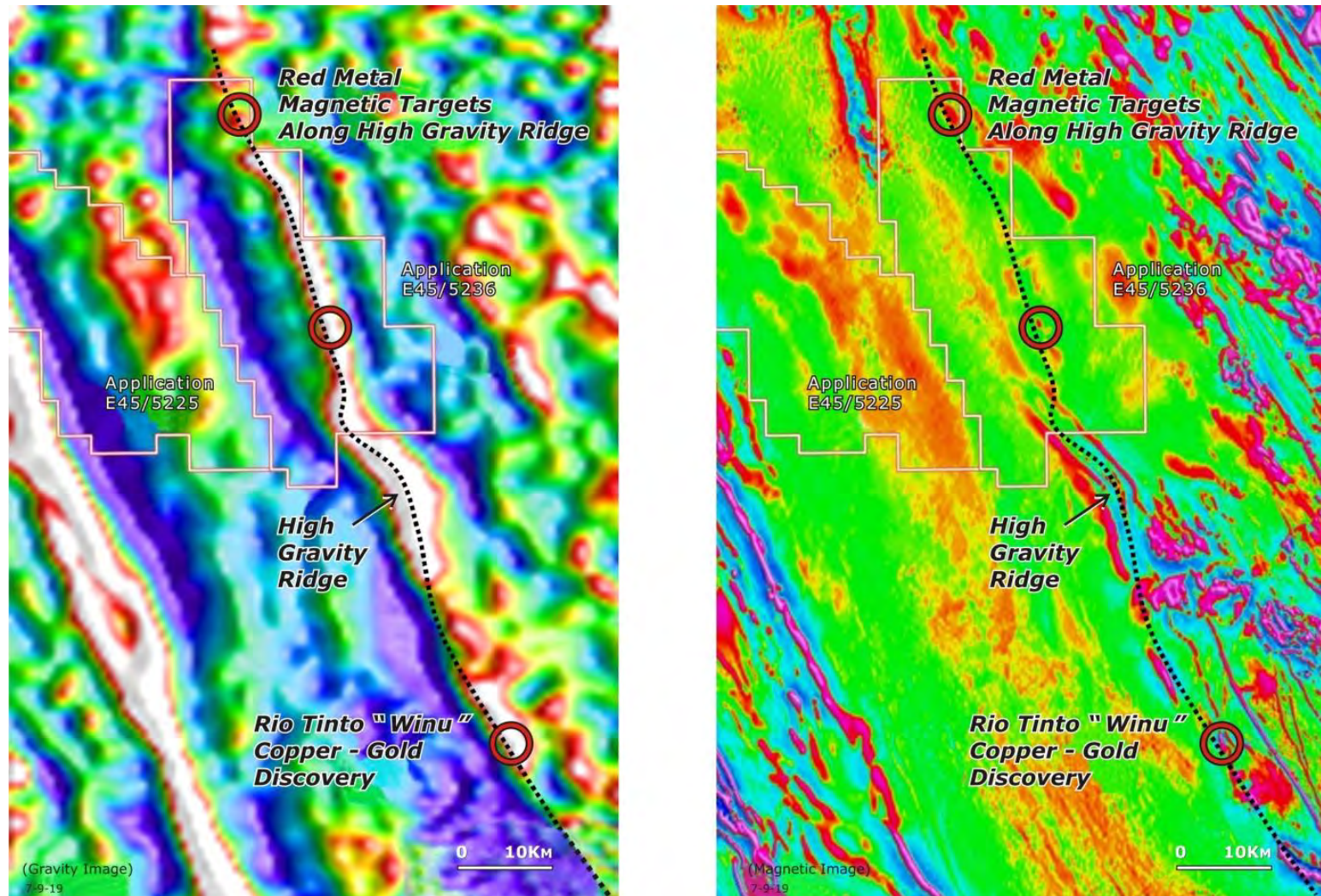
Future exploration funded by OZ Minerals under the Greenfields Discovery Alliance will utilize modern, deep penetrating, ground electromagnetic surveying methods to map prospective stratigraphy and rank the dome-shaped structures and magnetic bullseye targets for drill testing.





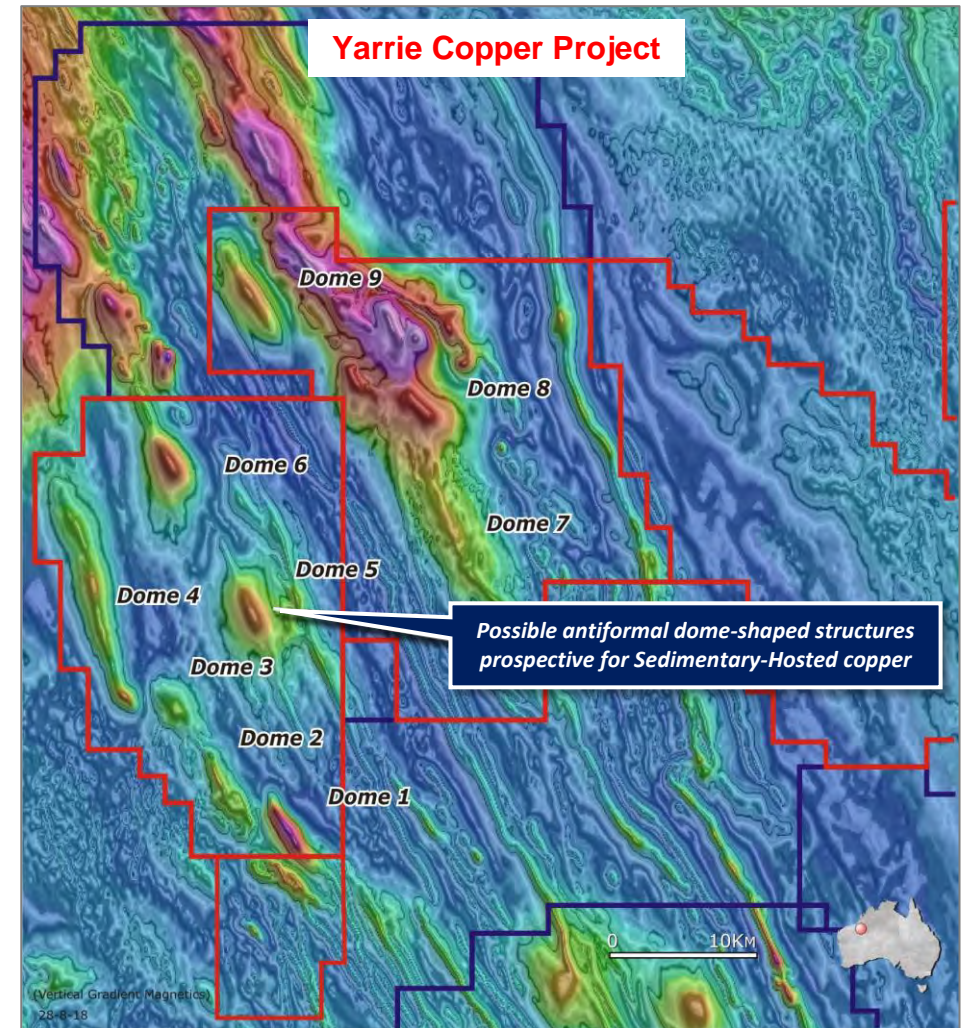
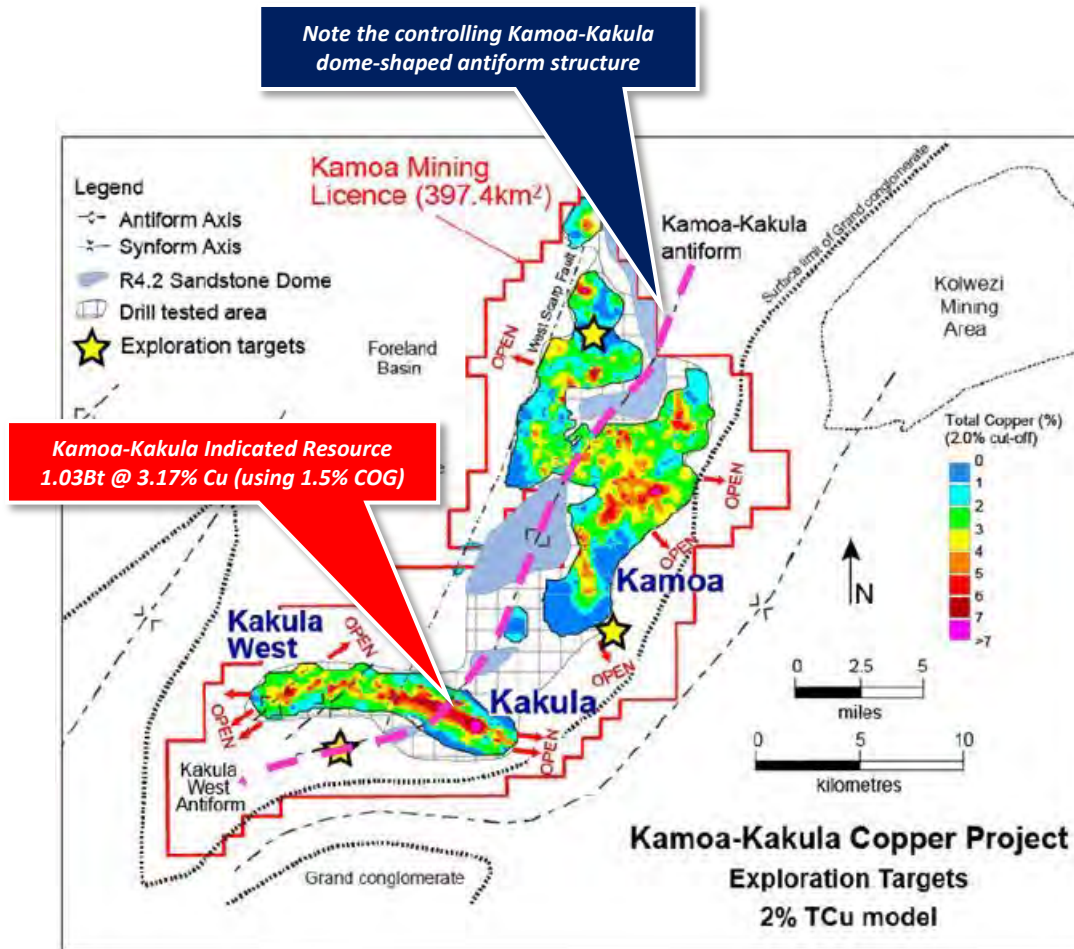
[Figure 10] Paterson Province Yarrie and Oakover Projects: Magnetic imagery with Nifty Mine, Telfer Mine, Haverion prospect, Winu prospects and Red Metal's Yarrie and new Oakover tenement applications (red line) and Rio Tinto Exploration Pty Limited's new applications (blue line). Note the exposed basement 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.

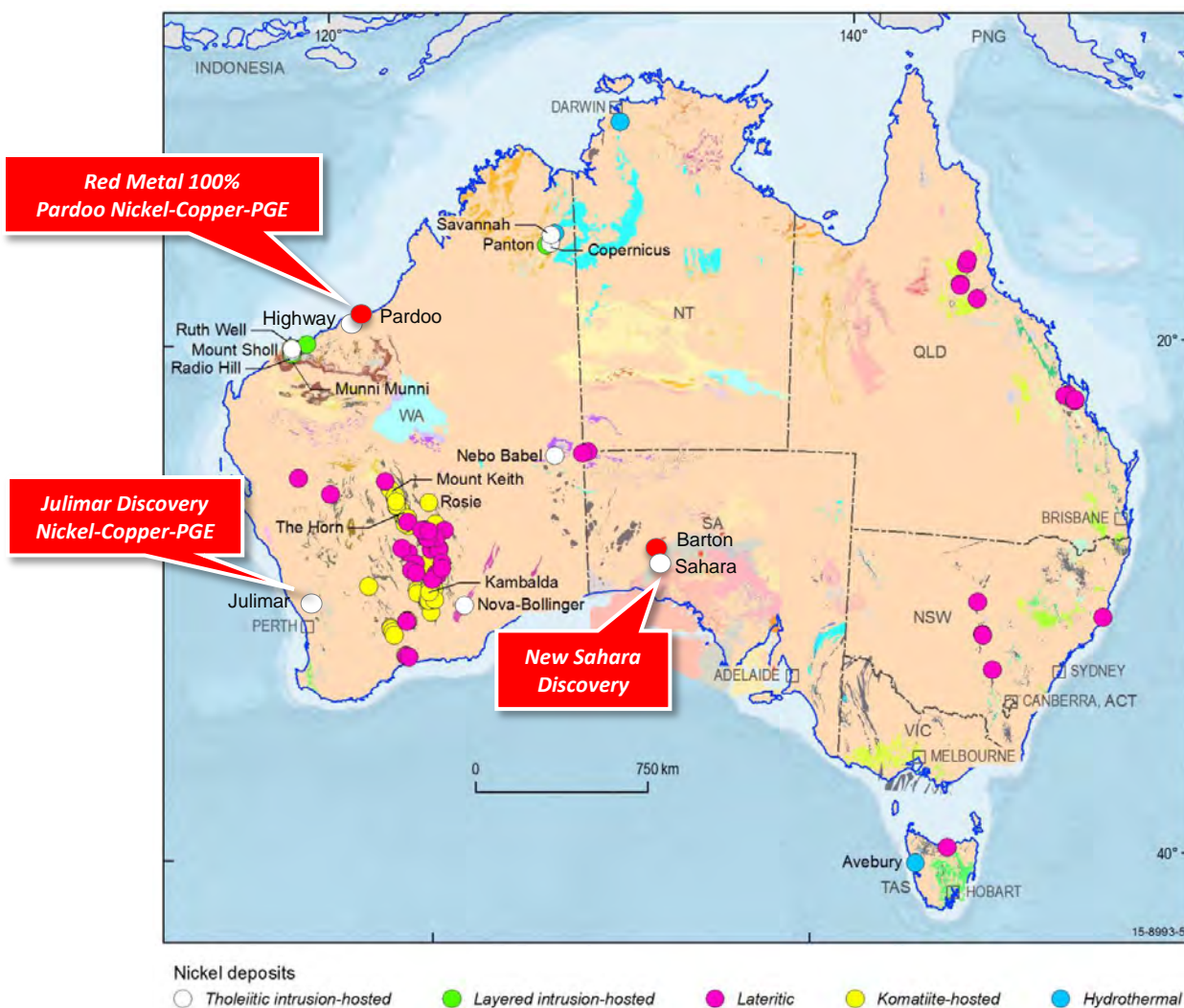
## PILBARA CRATON – WA

### 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 lead 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).

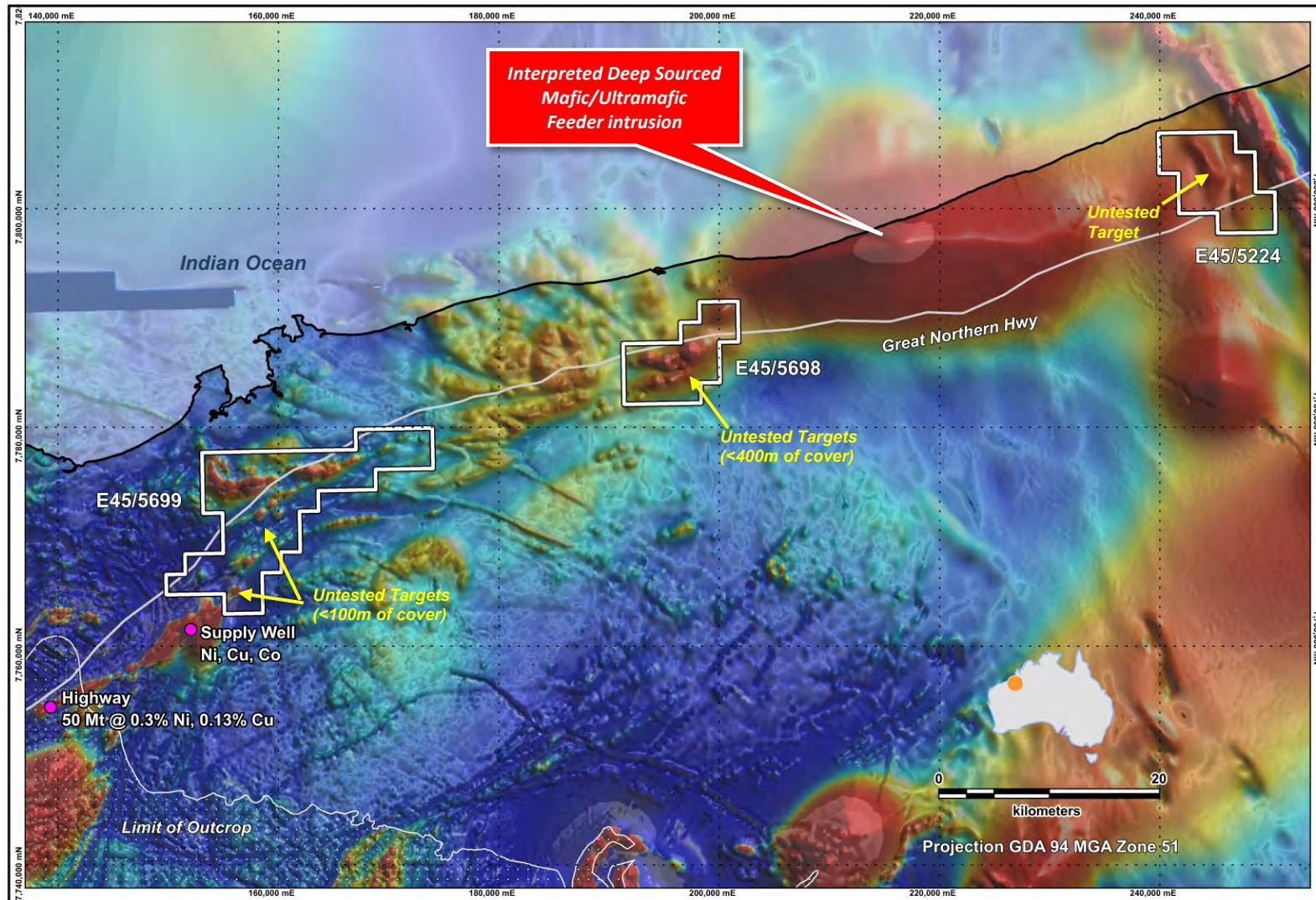
The new Pardoo project covers several shallow covered magnetic targets located along strike from the known Highway nickel and copper deposit (50Mt @ 0.3% nickel and 0.13% copper) and two deeper covered plays towards the northeast (Figure 14). These previously untested targets lie along a broad east northeast 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.

## COOMPANA AND MADURA PROVINCES - WA

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

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.

## 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%)**

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.

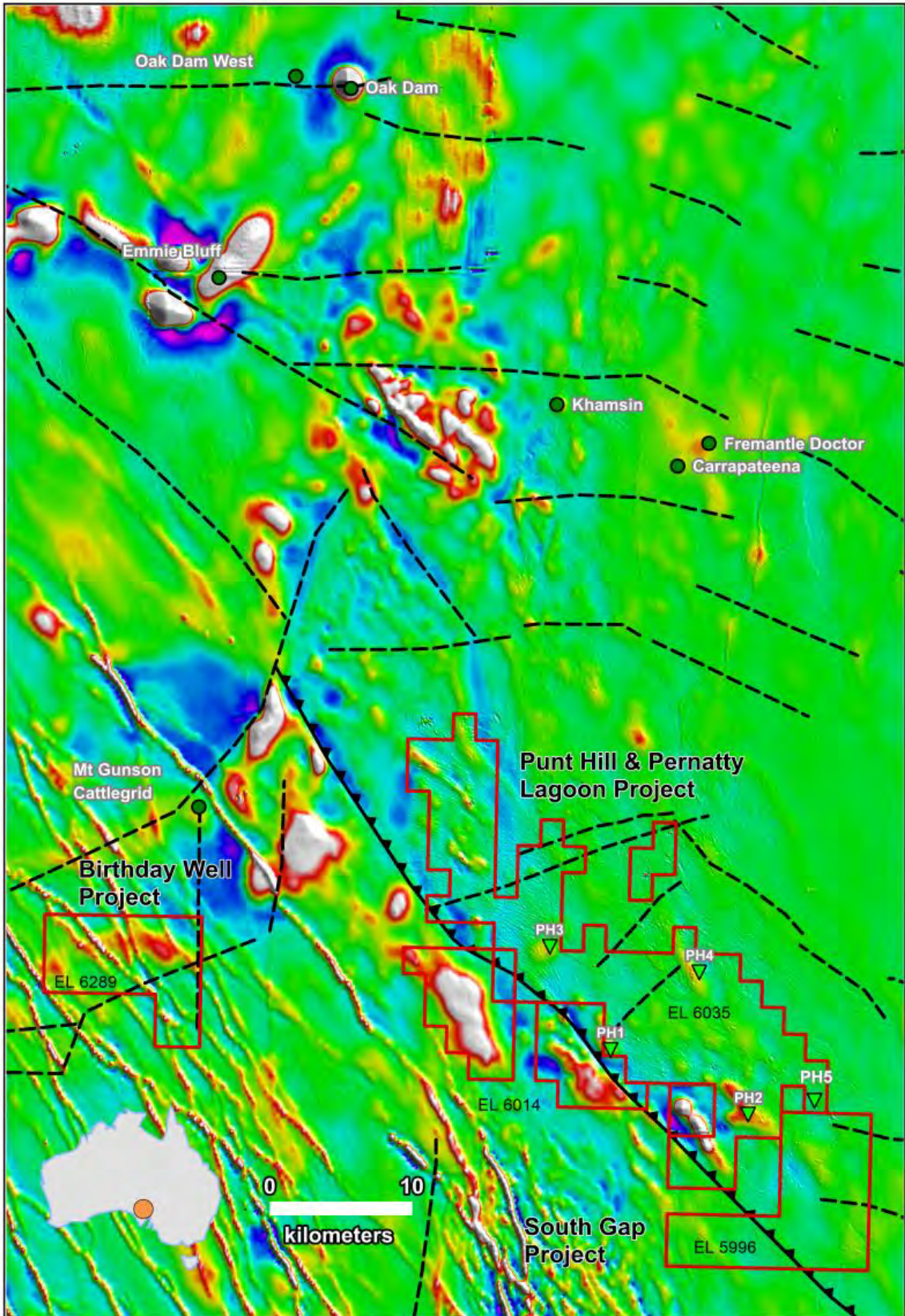
Red Metal believe the wide intervals of anomalous copper mineralisation, proximal magnetite-chlorite and feldspar alteration minerals and subsequent geophysical modelling suggest the hole is potentially proximal to a much more intensive base metal accumulation and step-out drilling directed towards the 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>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; Cu-Ni</i>	Large tonnage, low-grade heavy mineral sand deposit discovered in Eucla Basin near Iluka's Ambrosia zircon mine. Scope for magmatic nickel-copper sulphides on large chonolith-like mafic intrusion recognised.	Scope for magmatic Ni-Cu and 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 last quarter. Currently seeking new third party funding

A total of \$81,000 was paid to related parties during the quarter in respect of the Managing Director's salary and Non-Executive Director Fees.

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:

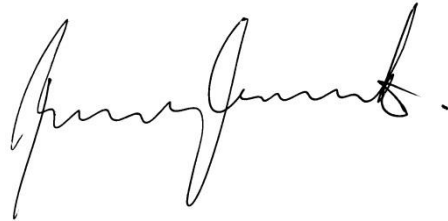
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Rob Rutherford  
Managing Director



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 \$US1804 per tonne lead, \$US22.34 per ounce silver, \$US6416 per tonne copper, \$US1855 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\$7.71/10kg lead, A\$0.065/g silver, A\$15.67/10kg copper, and A\$3.45/g gold, using an exchange rate of US\$0.71/A\$*
- *Net recovered values of A\$15.54/10kg lead, A\$0.85/g silver, A\$62.89/10kg copper, and A\$68.4/g gold*
- *Lead equivalent multipliers of 0.05546 for silver,*
- *The lead equivalent percentage value is calculated as follows: lead equivalent% = lead% + (silver ppm x 0.0546)*  
*The copper equivalent percentage value is calculated as follows copper equivalent % = lead equivalent% /4.0476*

*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 JUNE 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, 27335	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	90	Refer note 4.
Punt Hill JV	EL 6035	100	
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, 3602, 3603	100	

*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 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%).*

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

Project	Tenement Reference	Status	Comment
Lawn Hill	EPM 27335	Granted	
Nullarbor	ELs 3599, 3600	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")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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)	(82)	(226)
(b) development		
(c) production		
(d) staff costs	(166)	(696)
(e) administration and corporate costs	(26)	(267)
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	116	497
Bonds recovered	-	40
Tax receipt	50	50
Other	23	32
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(85)</b>	<b>(570)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(1)	(10)

## 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 (12 months) \$A'000</b>
(d) exploration & evaluation (if capitalised)		
(e) investments		
(f) other non-current assets		
<b>2.2</b> Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
<b>2.3</b> Cash flows from loans to other entities		
<b>2.4</b> Dividends received (see note 3)		
<b>2.5</b> Other (provide details if material)		
Alliance option fees received	-	600
Government grant	35	175
Advances to Alliance	(5)	(155)
Reimbursements from Alliance	7	383
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>36</b>	<b>993</b>

<b>3. 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 (12 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	(49)	423
4.1	Cash and cash equivalents at beginning of period	1,388	916
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(85)	(570)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	36	993
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>1,339</b>	<b>1,339</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	1,339	1,388
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>1,339</b>	<b>1,388</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	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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)	(85)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(85)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,339
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,339
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	15.8
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: 28 July 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.