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**15 SEPTEMBER 2023**

## **Placement and Rights Issue to raise up to \$4.5 million**

Red Metal Limited (ASX:RDM) (RDM or the Company) is pleased to announce a capital raising via a proposed placement of securities (Placement) and pro rata non-renounceable rights issue (Rights Issue) to raise up to approximately \$4.5 million (together, the Capital Raising). The securities issued under the Placement and the Rights Issue will be issued on the same terms.

Funds raised from the Capital Raising will be allocated to develop and conduct drill testing on the Company's projects (including the Sybella project, Pardoo project, Gidyea project, Nullarbor project and other existing and new projects), as well as the Company's working capital and expenses of the Capital Raising.

The new funds will be quickly put to work drilling the standout Ernest Henry look-alike target GT19 on Gidyea commencing early October and the initiation of percussion-chip leach tests on our exciting new Sybella REO discovery.

The Company has engaged Veritas Securities Limited (AFSL 297 043) to act as lead manager to both the Placement and Rights Issue (Lead Manager).

The Company intends to release a prospectus for the Rights Issue to its ASX platform on Monday 18 September 2023 (Prospectus) following lodgement of the Prospectus with ASIC.

An overview of the proposed Capital Raising is as follows:

### Placement

Under the Placement, the Company has received firm commitments to raise \$1,500,000 (before costs) through the issue of 17,647,060 fully paid ordinary shares in the capital of the Company (Shares) at an issue price of \$0.085 per Share to sophisticated and professional investors. Investors under the Placement will also receive one (1) free attaching option with an exercise price of \$0.13 and an expiry date of 25 October 2025 (Capital Raising Option) for every two (2) Shares applied for.

The issue of securities under the Placement will be completed utilising the Company's existing ASX Listing Rule 7.1 placement capacity.

### Rights Issue

The Company intends to conduct a pro-rata non-renounceable rights issue of one (1) Share for every seven (7) Shares held by eligible shareholders at an issue price of \$0.085 per Share together with one (1) Capital Raising Option for every two (2) Shares applied for and issued to raise up to \$2,982,185.

The Rights Issue is open to all eligible shareholders who have a registered address in Australia and New Zealand and who hold Shares on the Record Date (as set out in the proposed timetable below).

As the Record Date for the Rights Issue will be before settlement of the Placement, those persons who participate in the Placement will not be entitled to participate in the Rights Issue.

Eligible shareholders should consider the Prospectus in deciding whether to acquire securities under the Rights Issue and will need to complete the personalized entitlement and acceptance form that will accompany the Prospectus.

The indicative timetable for the Rights Issue is as follows:

Announcement of Placement and Rights Issue and lodgement of Appendix 3B with ASX	15 September 2023
Lodgement of Prospectus with ASIC and ASX	18 September 2023
Ex date	21 September 2023
Record Date for determining Entitlements	22 September 2023
Issue of Placement Shares	25 September 2023
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	27 September 2023
Last day to extend the Closing Date	13 October 2023
Closing Date as at 5:00pm*	18 October 2023
Securities quoted on a deferred settlement basis	19 October 2023
Announcement of results of issue	23 October 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	25 October 2023
Quotation of Shares issued under the Offer*	26 October 2023

\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

The Company advises that Non-Executive Director Mr Joshua Pitt has agreed to subscribe for his full entitlement under the Rights Issue (pursuant to his entitlement held directly and via associated entities). In addition, subject to Shareholder approval to be sought at the Company's upcoming annual general meeting, Mr Pitt has also agreed to participate in any shortfall component of the Rights Issue (Shortfall Offer) up to an amount of \$240,000 worth of Shortfall securities. Eligible Shareholders applying for shortfall securities will have priority to Mr Pitt under the Shortfall Offer.

#### Lead Manager

The Lead Manager will receive a 2% management fee on the gross proceeds raised under the Capital Raising and a 4% selling fee on the gross proceeds raised under the Placement and Shortfall Offer.

The Company has also agreed to issue the Lead Manager 4,000,000 Capital Raising Options for facilitation of the Capital Raising. In addition, the Company has agreed to issue the Lead Manager 1 Capital Raising Option for every \$1.75 raised under the Placement and Shortfall Offer.

*This announcement was authorised by the Board of RDM.*

*For further information concerning the Company's operations and plans for the future please refer to the recently updated website or contact Rob Rutherford, Managing Director at:*

*Phone +61 (0)2 9281-1805*

[www.redmetal.com.au](http://www.redmetal.com.au)



Rob Rutherford  
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