

ASX Release
3 April, 2012

ASX Code: RDM

Issued Capital:

112,115,885
Ordinary shares

6,500,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick (Chairman)

Joshua Pitt
(Non-executive Director)

RED METAL LIMITED

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[Figure 1] Project Location

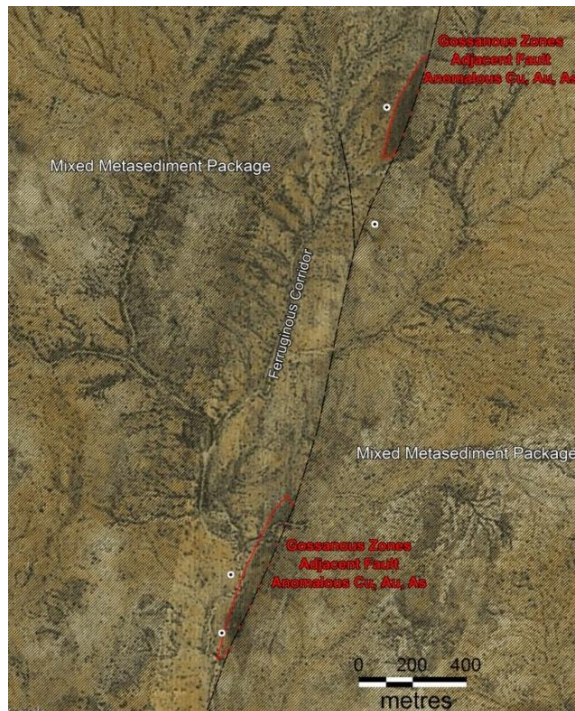
Drilling Underway on the Sandy Creek Copper and Gold Project, Northwest Queensland.

The Sandy Creek project occurs within the same structural corridor as hosts the nearby Osborne and Kulthor copper-gold deposits (Figure 2 and Figure 5).

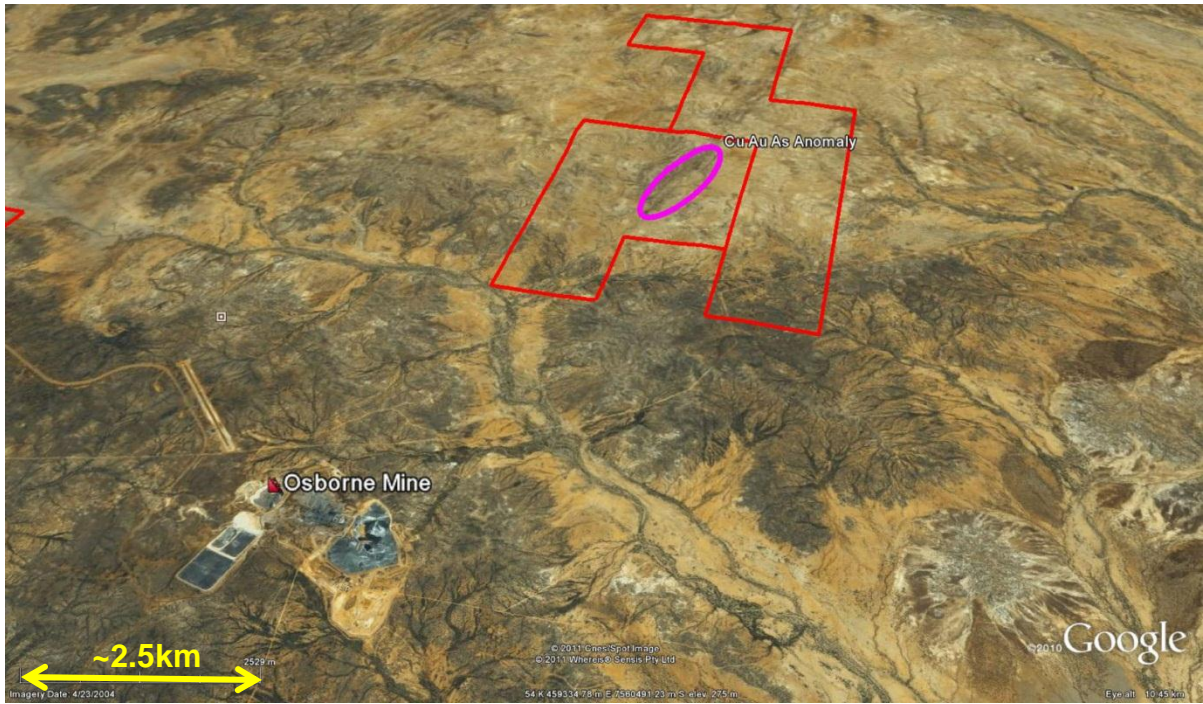
The drilling will test a target zone that extends over 2 kilometres and is up to 40 metres in width (Figure 2). An initial four shallow percussion holes along the strike of the anomalous trend are planned.

The target zone was discovered during ground follow up of the aerial EM survey carried out by Red Metal last year. Rock chip samples from sporadic exposures of leached, ferruginous and gossanous metasediments located along the trend consistently return about 0.1% to 0.2% copper with elevated gold, silver and arsenic (Figure 4). The highest sample values included 6g/t gold, 66g/t silver and 0.5% copper.

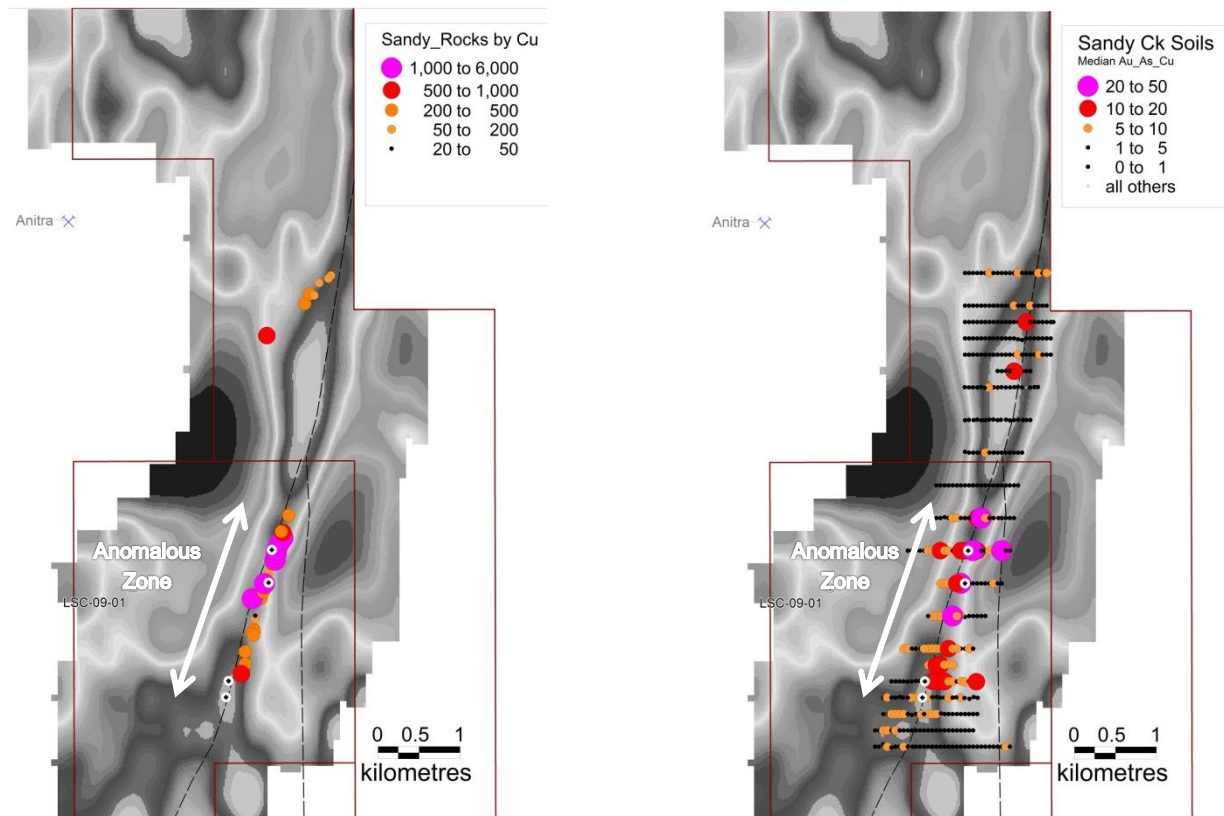
This extensive, previously untested, zone of mineralisation has been confirmed by soil geochemistry and is very encouraging particularly given its close proximity and structural relationship to the Osborne base metal mine which Ivanhoe Australia Limited recently re-opened.



[Figure 2] Sandy Creek Project: Google image showing two significant ferruginous and gossanous vein zones as dark coloured regions on the image each about 400-500m long and 40m wide.



[Figure 3] Sandy Creek Project: Google image oblique vertical view facing north showing large soil anomaly and proximity to the Osborne Copper-Gold Mine.



[Figure 4] Sandy Creek Project: Greyscale airborne EM image with thematic rock chip copper values (left) and relative depiction (median normalised) of copper-gold and arsenic values in soil (right).

