RED METAL LIMITED
ACN 103 367 684
SUPPLEMENTARY PROSPECTUS

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 12 June 2012 (**Prospectus**), issued by Red Metal Limited (ACN 103 367 684) (**Company**). This Supplementary Prospectus is dated 25 June 2012 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on 25 June 2012. ASIC and the ASX do not take any responsibility for the contents of this Supplementary Prospectus.

This document is supplementary to the Prospectus dated 12 June 2012 issued by the Company and must be read together with that Prospectus. No previous supplementary prospectus has been lodged with ASIC in relation to the Offer. Pursuant to Section 719(4) of the Corporations Act, the information set out in this Supplementary Prospectus is taken to be included in the Prospectus. Terms defined in the Prospectus have the same meaning in this Supplementary Prospectus except where otherwise defined in this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. This Supplementary Prospectus will be issued with the Prospectus and as an electronic prospectus and may be accessed on the Company's website at www.redmetal.com.au and the Company will send a copy of this Supplementary Prospectus to all Shareholders of the Company.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

1. INTRODUCTION

On 12 June 2012 the Company issued the Prospectus offering for subscription approximately 11,211,589 Shares under a pro rata non-renounceable entitlement issue of 1 Share for every 10 Shares held by Shareholders at the Record Date at an issue price of $0.10 per Share to raise approximately $1,121,159.

In accordance with Section 719 of the Corporations Act, certain information disclosed in the Prospectus is to be amended and included.

2. SECTION 1.4 PURPOSE AND OFFER AND USE OF FUNDS

Section 1.4 (at page 4 of the Prospectus) is deleted and replaced with the following:

"1.4 Purpose of Offer and use of funds

The purpose of the Offer is to raise funds of approximately $1,121,159 (before expenses). The proceeds of the Offer will be used to fund exploration and development of the Company's projects, including a drill program at the Maronan Project in Queensland, and for working capital purposes:

Drill program at the Maronan Project	450,000
Exploration expenditure on other projects	500,000
Working capital	141,159
Other costs of the Offer including Prospectus preparation fees, share registry, ASIC and ASX fees, printing and miscellaneous expenses	30,000
Total:	**$1,121,159**

The Board will review the cash position upon completion of the Offer and the drilling program at Maronan, in order to determine the appropriate allocation of the remaining funds for exploration of the Company's other mineral projects.

If less than $1,121,159 is raised pursuant to the Offer, the Company will firstly scale back funds available for working capital, followed by exploration for the Company's other exploration projects. However, the underwritten amount of $500,000 will fund the drilling program at Maronan."

3. SECTION 1.7 PARTIAL UNDERWRITING

Section 1.7 (at page 5 of the Prospectus) is deleted and replaced with the following:

"1.7 Partial Underwriting

Wythenshawe Pty Ltd, a company in which Mr Joshua Pitt, a director of the Company, is a director and has a beneficial interest, has signed an underwriting agreement under which it has agreed to apply for 5,000,000 Shares of the Shortfall. The material terms of this Underwriting Agreement are set out in section 6.1. It is the view of the directors (other than Mr Pitt who refrains from making a statement in relation to the Underwriting) that Wythenshawe Pty Ltd has the financial capacity to fulfil its obligations under the Underwriting Agreement.

4. SECTION 1.8 KEY RISKS AND SECTION 4.2 SPECIFIC RISKS

Section 1.8 (immediately before the words "Mining and Exploration Risks") and Section 4.2 (immediately before the words "Mining and Exploration Risks") of the Prospectus are amended by the inclusion of the following:

"Specific Risks

Maronan Project

The Company's activities are currently focused on the Maronan Project. Any adverse changes or developments affecting this project, such as, but not limited to, obtaining financing on commercially suitable terms, hire suitable personnel and contractors or receiving the necessary government licences, may have a material adverse effect on the Company's financial performance and results of operations.

Drill program at Maronan

There are operational risks associated with the Company's drilling program. No assurance can be given that the proposed drill program at Maronan will be successful, or that the previous drill intersections can be replicated at depth.

The Company's March 2012 Quarterly Activities Report issued on 30 April 2012 stated the Company had secured a drill rig available to start by the end of May 2012. By mutual agreement with the drilling contractor, this start date has been deferred to July 2012."

Section 4.2 of the Prospectus is amended by removing the section "Resource Estimations" located on page 14 of the Prospectus.

5. TIMETABLE AND IMPORTANT DATES

The Company advises that the timetable for the Offer has been changed to the following:

Despatch of Prospectus and Opening Date	26 June 2012
Closing Date	10 July 2012
Securities quoted on a deferred settlement basis	11 July 2012
Notify ASX of under-subscriptions	13 July 2012
Allotment of Shares and despatch of holding statements	18 July 2012

The Company reserves the right to vary the Opening Date and the Closing Date, subject to compliance with the ASX Listing Rules. This may impact on subsequent dates.

6. CONSENTS

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with Section 720 of the Corporations Act, each Director of the Company has consented in writing to the lodgement of this Supplementary Prospectus with the ASIC.

Dated: 25 June 2012

R Rutherford

Signed for and on behalf of Red Metal Limited
by Robert Rutherford
Managing Director