

## ASX Release 4 December, 2012

ASX Code: RDM

### Issued Capital:

142,771,919  
Ordinary shares

7,975,000  
Unlisted options

### Directors:

Rob Rutherford  
Managing Director

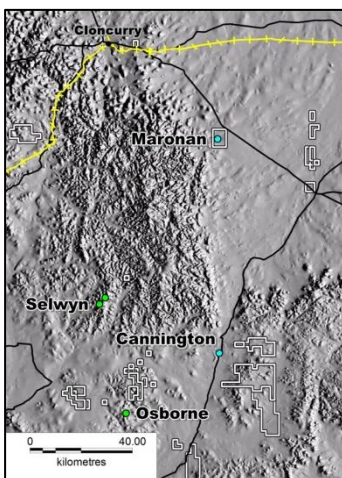
Russell Barwick  
Chairman

Joshua Pitt  
Non-executive Director

### RED METAL LIMITED

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[Figure 1] Project Location

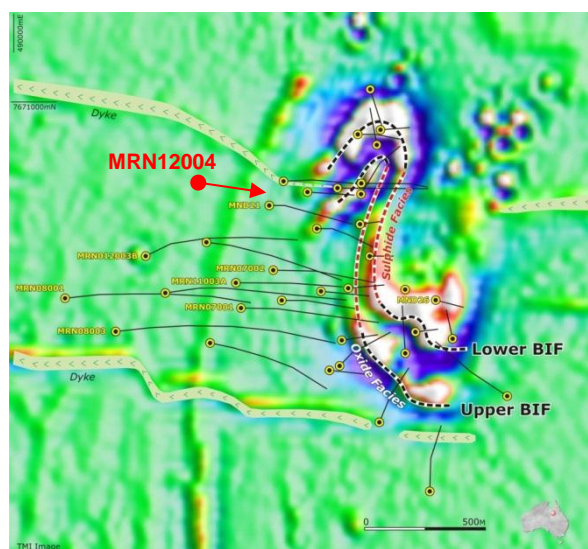
## Step-out Drilling Underway on the Maronan Silver-Lead Project

A deep drill test has begun on the Maronan project as follow-up to the recent drill hole MRN12003B which intersected significant widths of high grade lead and silver mineralisation hosted within 50 metre thick intervals of banded iron sulphide formation rocks.

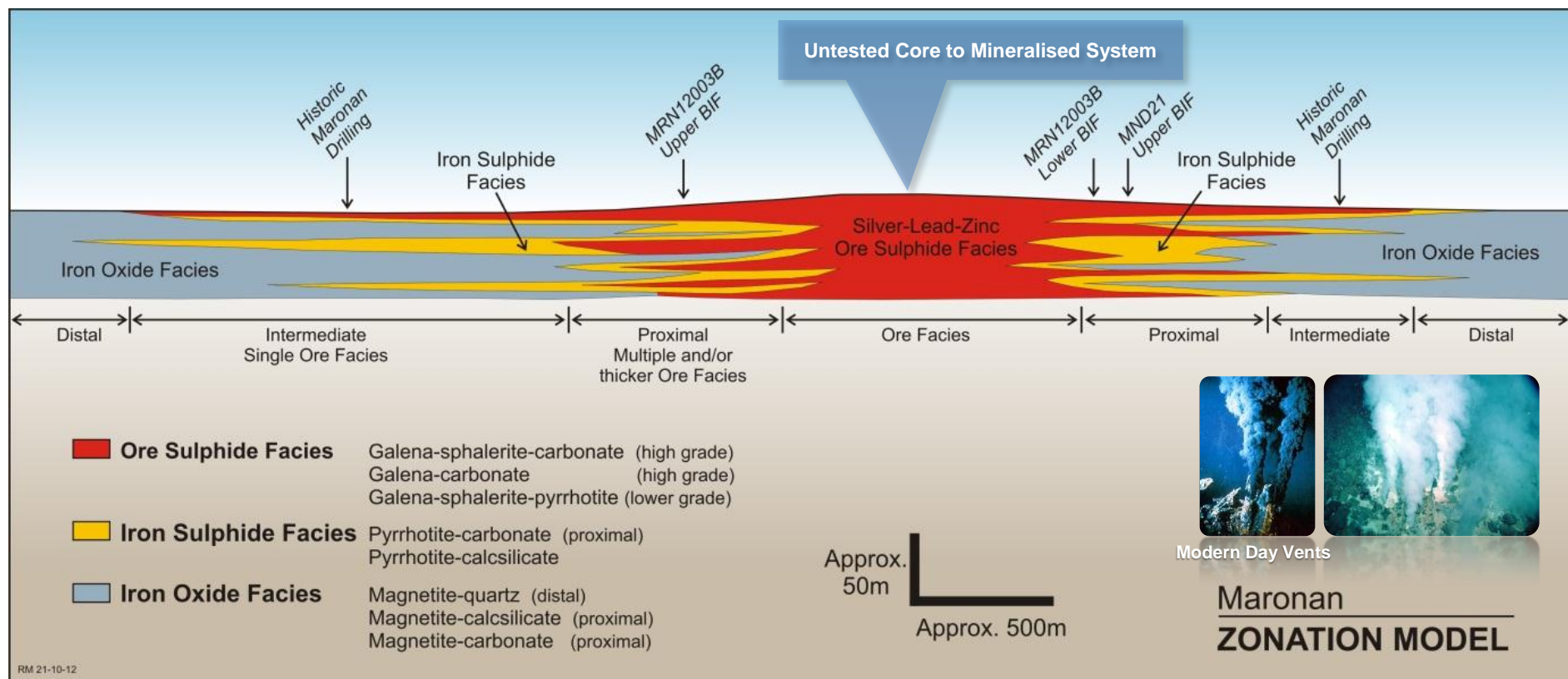
Red Metal's new geological model for Maronan (Figure 3) predicts that the thick intervals of iron sulphide mineralisation in MRN12003B could transition into thick intervals of silver, lead and zinc sulphide mineralisation towards the centre of the system (refer ASX announcement dated 29 October 2012). The step-out hole MRN12004 (Figure 2) aims to validate this model by intersecting the central portion of the mineralised system about 150 metres north and 250 metres above the MRN12003B pierce point (Figure 4).

The current drill test also aims to test for thick intervals of higher grade mineralisation in the area below the historic hole MND21 which intersected a broad 70 metre down-hole interval of deeply weathered and potentially leached Upper BIF grading 3% lead mineralisation (Figure 2 and Figure 4).

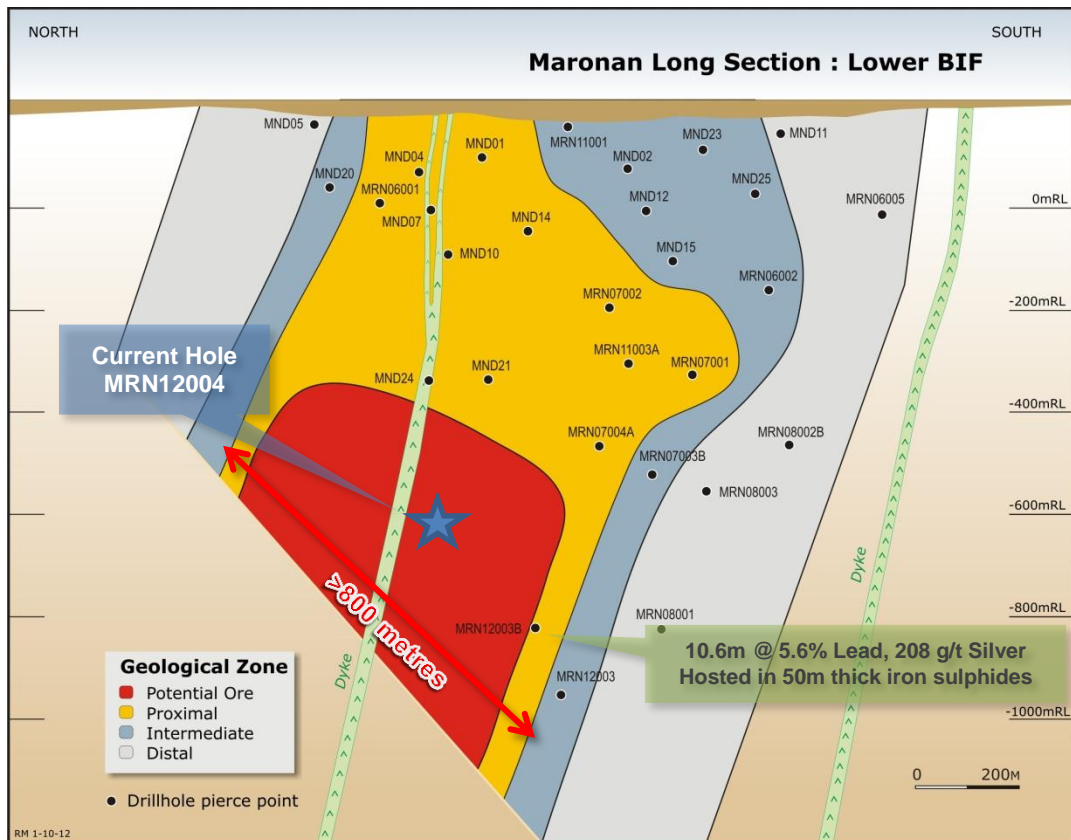
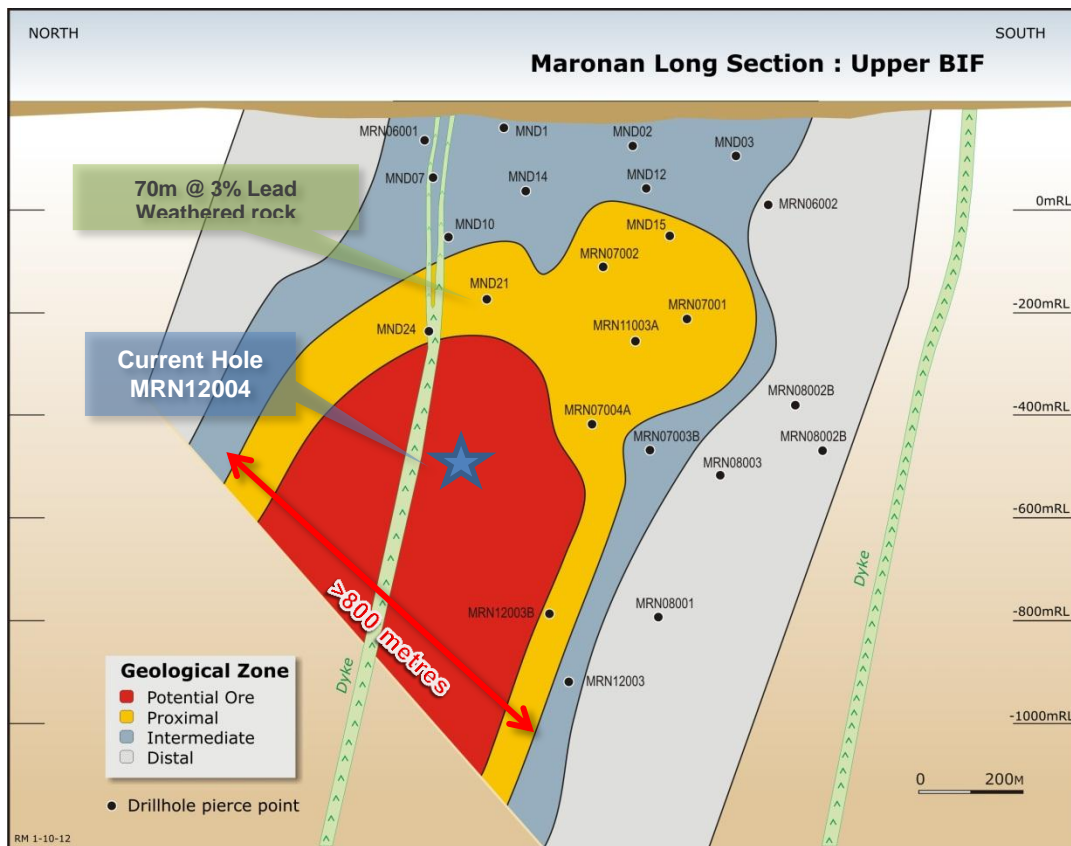
The drilling is expected to take four weeks to complete with assays to follow towards the end of January 2013. Additional step-out holes will be positioned based on geological observations and down-hole electrical survey results from MRN12004.



[Figure 2] Maronan Project: Drill hole location plan on magnetic image showing location of current hole MRN12004 and the lower banded iron formation (Lower BIF) and upper banded iron formation (Upper BIF).



[Figure 3] Maronan Project Schematic Zonation Model: Section view showing interpreted geological zonation pattern in the banded iron formation at the time of deposition or venting on the seafloor. Note many of the historic mineralised holes at Maronan are interpreted as part of the intermediate zone while MRN12003B and MND21 are interpreted to be more proximal to ore. The iron formations, iron sulphides and lead sulphide mineralisation at Maronan are interpreted by Red Metal to have been deposited in deep water perhaps similar to the environment where “White Smokers” or “Black Smokers” vent on the seafloor today (see inserted pictures). This new zonation model provides vectors to guide future exploration and predicts that the thick intervals of iron sulphide mineralisation in MRN12003B could transition into thick intervals of silver, lead and zinc sulphide mineralisation towards the centre of the system.



[Figure 4] Maronan Project: Longitudinal section viewed facing east for the Upper BIF (top) and Lower BIF (below) with the hole number posted by the pierce point. Geological Zones based on the new zonation model in Figure 3. This model predicts that the thick intervals of iron sulphide mineralisation in MRN12003B could transition into thick intervals of silver, lead and zinc sulphide mineralisation towards the centre of the system. Note the significant untested ore zone potential (red and lessor yellow) above and north of MRN12003B as well as at depth.

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



**Background:** *Drilling on the Maronan project in late 2011 successfully intersected significant high-grade silver-lead mineralisation of a similar style and tenor to the nearby Cannington deposit - one of the world's largest silver and lead producing operations. This work supported Red Metal's new geological model and encouraged the Company to test a strong off-hole conductor leading to the identification of a thickened zone of high-grade silver and lead mineralisation in MRN12003B. Continued success will open the project up to further step out drilling and potentially resource definition drilling in the year ahead.*

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*The information in this report that relates to Exploration Results is based on information 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 mineralization under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 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.*

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