

**ASX Release
31 July, 2013**

ASX Code: RDM

Issued Capital:

144,721,919
Ordinary shares

7,175,000
Unlisted options

Directors:

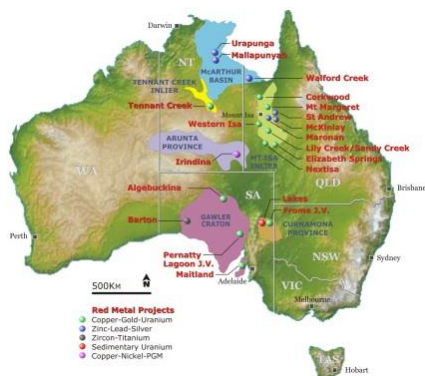
Rob Rutherford
Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

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[Figure 1] Australian Projects

June 2013 Quarterly Report

HIGHLIGHTS

Maronan, QLD, Copper-Gold & Silver-Lead

- Assay results from a wide interval of iron and copper sulphide veining in step-out hole MRN13001 returned an impressive **115 metres at 0.8% copper and 0.5 g/t gold**.
- Modelling of modern ground-based LANDTEM electromagnetic technology has defined a broad conductor centred at 600 metres below surface which coincides with the depth extension of the northern hinge zone.
- Both geological and geophysical vectors point to potential for thicker zones of stronger copper-gold and possibly silver-lead mineralisation towards the northern fold structure. Planning for a drill test is in progress.

Nextisa, QLD, Silver-Lead-Zinc & Copper

- Preparations for deep penetrating electrical geophysical survey underway.

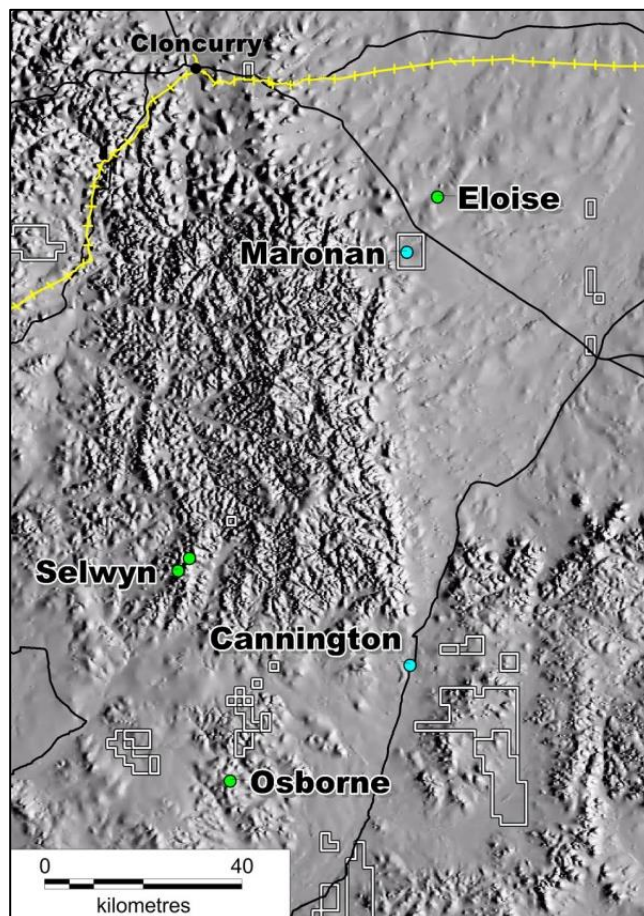
MOUNT ISA INLIER - QLD

Maronan Project: Silver-Lead

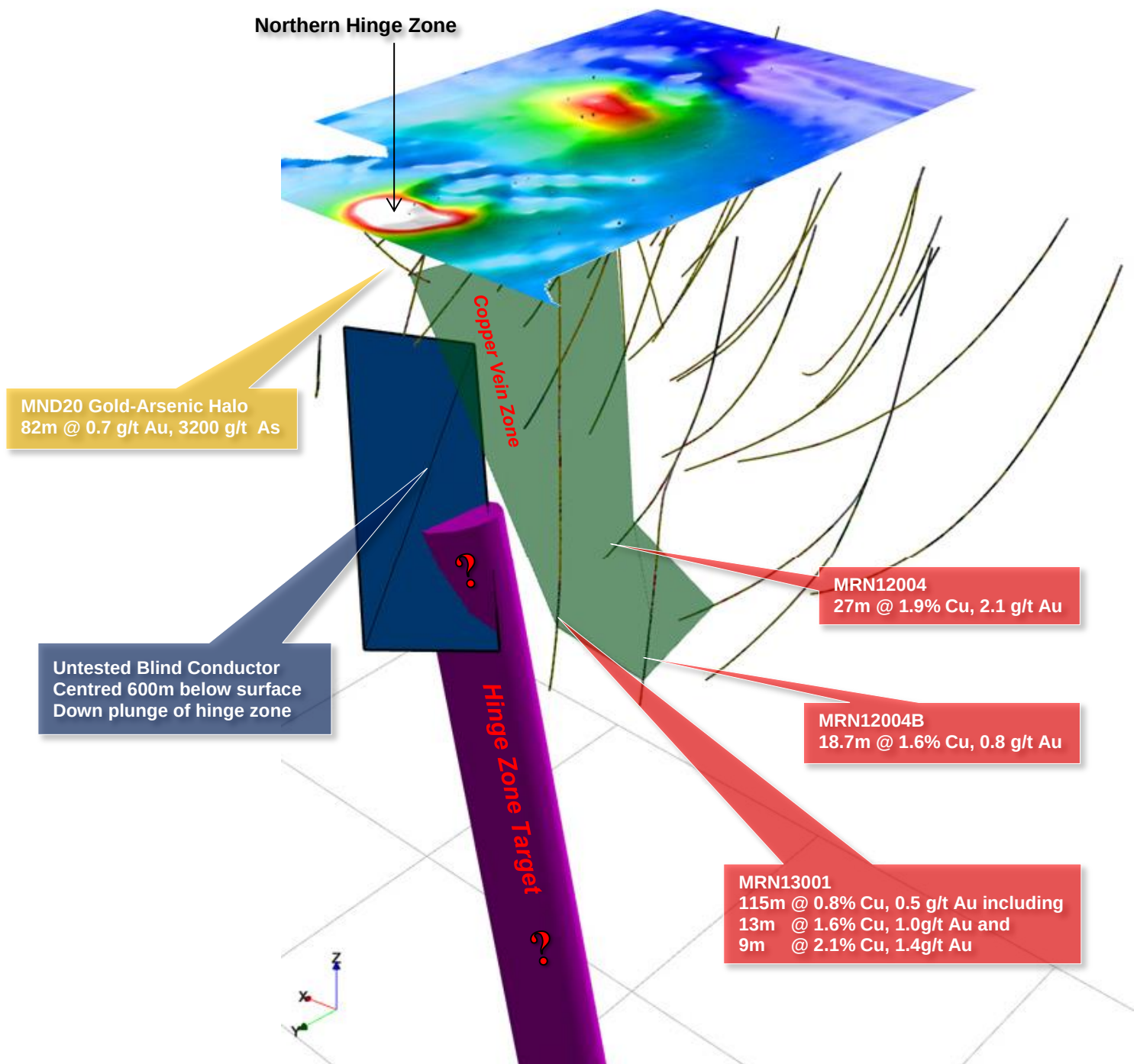
Exploration on **Maronan** has identified two separate styles of mineralisation. These are a bedded lead-silver mineralisation that has been partially overprinted by a structurally controlled, copper-gold mineralisation associated with iron sulphides. The bedded silver-lead mineralisation is of a similar style to the nearby Cannington deposit while the overprinting copper-gold mineralisation can be compared with the mineralisation style at the nearby Eloise and Osborne ore bodies (Figure 2).

During the quarter assay results from a wide interval containing iron and copper sulphide veining (Copper Vein Zone) in step-out hole MRN13001 returned **13 metres at 1.6% copper and 1.0 g/t gold and 9 metres at 2.1% copper and 1.4g/t gold** within a broad intersection of 115 metres at 0.8% copper and 0.5 g/t gold (Figure 3).

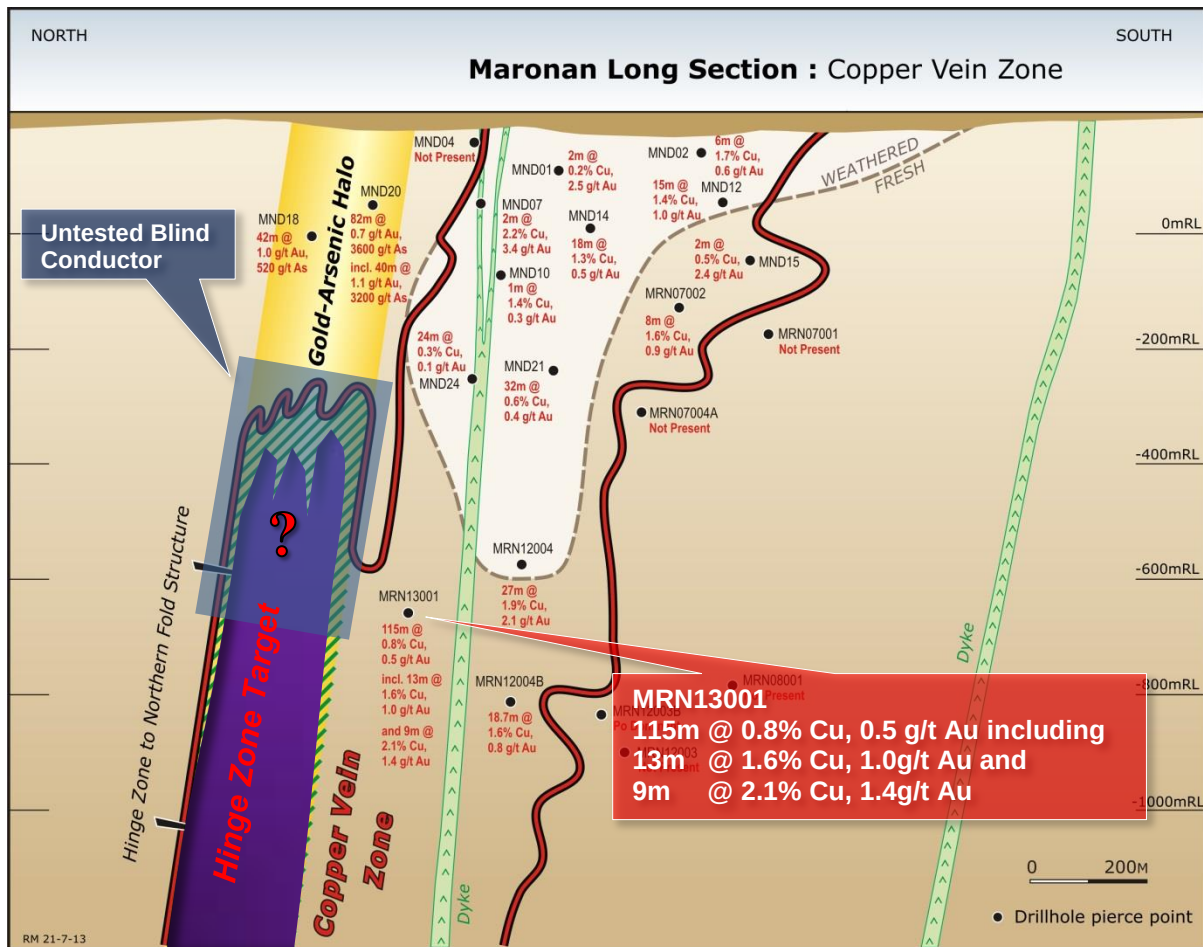
Modelling of modern ground-based LANDTEM electromagnetic technology has defined a broad conductor centred at 600 metres below surface which coincides with the depth extension of the northern hinge zone. This conductor is as shallow as 400 metres below surface and located about 200 metres northwest of the Copper Vein Zone encountered in MRN13001. It is interpreted as the possible top to a blind mineralised system (Figures 3 & 4). Planning for a drill test of this large tonnage, high-grade target concept is in progress.



[Figure 2] Maronan Location Plan: Digital terrain image, showing major road and rail infrastructure, nearby major copper deposits (green), silver-lead-zinc deposits (blue) and Red Metal's tenements.



[Figure 3] Maronan Project: 3D model showing magnetic image at surface, drill hole traces, known copper vein zone (green-grey) and untested blind conductor identified from recent LANDTEM survey (blue grey polygon). The conductor is modelled as a broad body centred 600 metres below surface and coincides with the down-plunge extent of the northern hinge zone (purple polygon). This conductor is as shallow as 400 metres below surface and is interpreted as the possible top to a potential high-grade, large tonnage mineral system blind to surface.



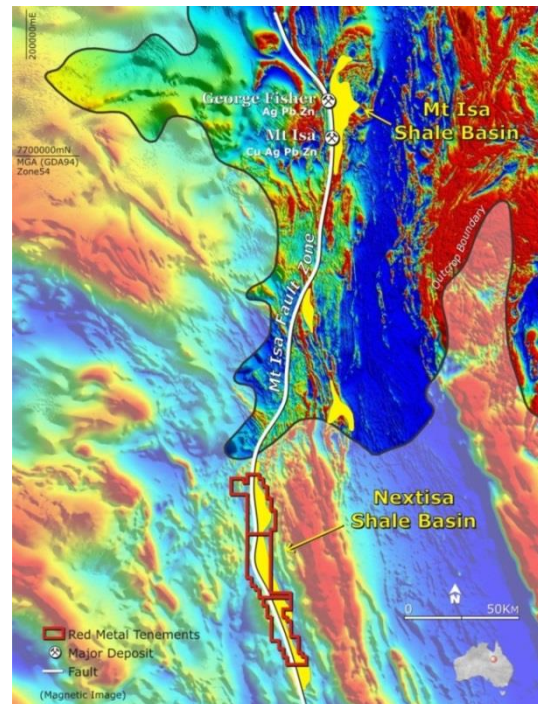
[Figure 4] Maronan Project: Long section for the Copper Vein Zone highlighting the position of the hinge zone to the northern fold structure (northern hinge zone). Broad zones of arsenic and gold in MND18 and MND20 are interpreted as possible halo mineralisation above better copper grades at depth. The untested blind conductor (blue-grey polygon) is centred at about 600 metres below surface and coincides with the down-plunge extent of the northern hinge zone (purple polygon). This conductor is as shallow as 400 metres below surface and is interpreted as the possible top to a potential high-grade, large tonnage mineral system blind to surface.

Nextisa Project: Copper and Silver-Lead-Zinc

For many years geologists have speculated as to whether other prospective shale basins occur to the south of the Mt Isa basin that could have similar base metal ore potential.

Using new high resolution magnetic and gravity survey data Red Metal identified and secured a previously untested shale basin up against the southward extension of the Mount Isa Fault (Figure 5). Red Metal plans to demonstrate its potential for Isa-type copper and silver-lead-zinc mineralisation. Targeting will utilise modern, deep penetrating electromagnetic technology to map the highly conductive pyritic and graphitic horizons that host the giant base metal ore bodies at Mount Isa.

Two of three licences are expected to be granted shortly and preparations for the deep penetrating electrical geophysical survey are underway.



[Figure 5] Nextisa Project: Regional magnetic image highlighting southward extension of Mount Isa Fault, existing Mount Isa shale basin (light blue) and deposits in outcropping area and previously unrecognised Nextisa shale basin under 400-600m of younger cover. Note the change in regional magnetic trend directions either side of the Mount Isa Fault which help locate the faults position.

Corkwood Project: Copper-Gold-Silver

The **Corkwood** project is situated about 100 kilometres to the northwest of the large Ernest Henry copper-gold ore body (Figure 6) and contains numerous large magnetic target zones considered prospective for repeats of this style of mineralisation.

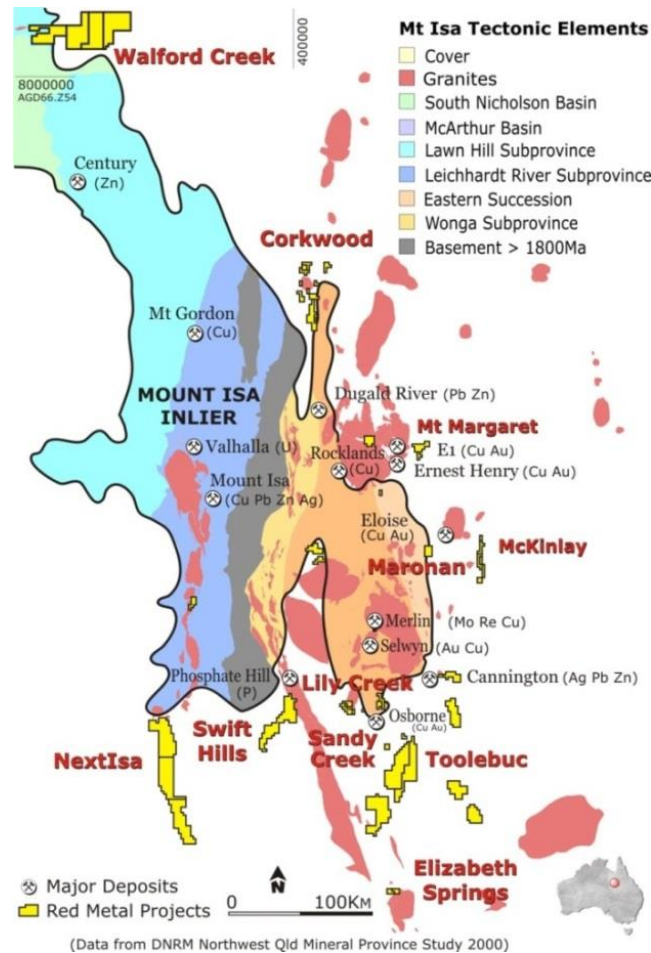
Xstrata Copper completed additional magneto-telluric surveying and soil sampling this quarter and initiated the first of several regional drill tests planned on the project. Further drilling has been deferred until 2014 due to budget constraints.

TENNANT CREEK PROVINCE - NT

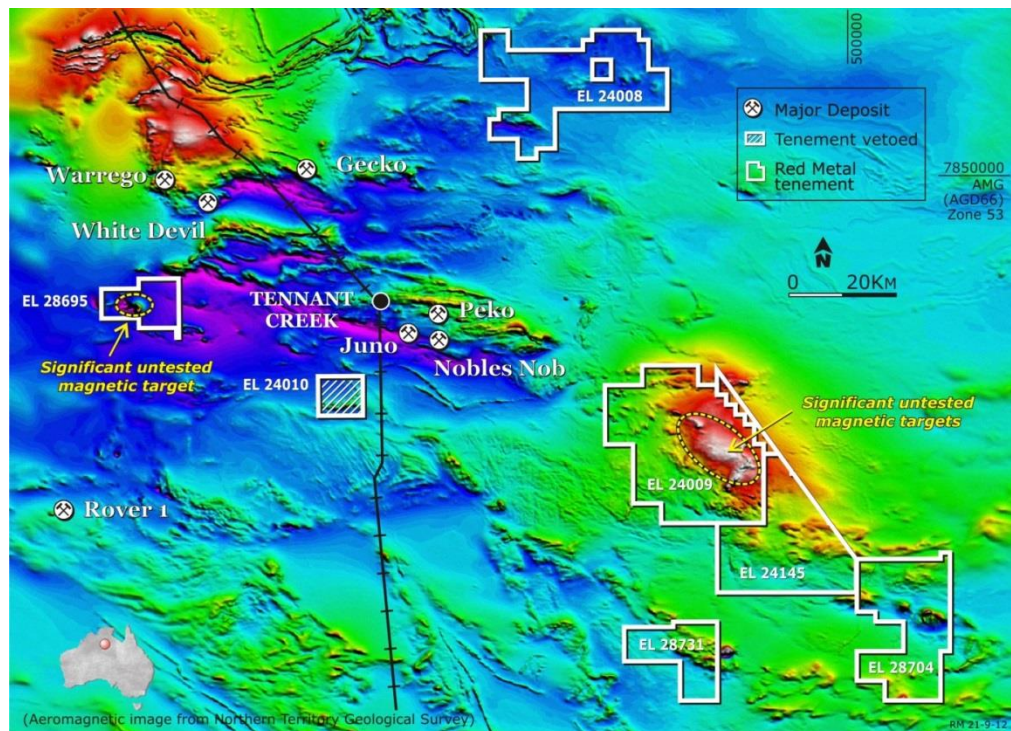
Tennant Creek Projects - Copper-Gold

In this terrain, Red Metal has a large land position under application located on Aboriginal lands where the prospective rocks are covered by a thin veneer of dune sands and sedimentary sequences (Figure 7). Red Metal's Tennant Creek application areas contain several untested magnetic targets considered prospective for ironstone-related copper and gold deposits.

Last quarter the Central Land Council consented to the grant of the exploration licence applications opening these areas to modern exploration for the first time since about 1987. A first pass soil geochemistry program is planned this field season.



[Figure 6] Mount Isa Inlier: Red Metal projects and regional geology showing extent of the outcropping Proterozoic rocks, main granite intrusions and major deposits of the region.



[Figure 7] Tennant Creek Projects: Magnetic image with main gold and copper deposits.

OTHER EMERGING PROJECTS

Red Metal has an enviable portfolio of base metal and gold projects in Australia and a potash project in Colorado, USA, which it continues to advance through to grant and drill target definition. Some of these projects are briefly summarised below in Table 1.

[Table 1] Red Metal Limited: other emerging projects.

Project	Description	Status
QUEENSLAND		
<u>Walford Creek East</u> <i>Cu-Pb-Zn</i>	Structure controlled airborne electromagnetic conductors located east along strike from significant base metal mineralisation on the Walford Creek project.	Ground based follow-up of significant EM targets.
<u>Osborne Group</u> <i>Cu-Au</i>	Structure controlled magnetic targets surrounding Osborne mine, some with associated EM and gravity response.	Drill ready and ground based EM/IP follow-up, seeking third party funding.
<u>Boulia Group</u> <u>Elizabeth Springs</u> <i>Cu</i>	Standout, district scale magnetic anomaly. Drilling intersected significant broad zones of low-grade copper associated with magnetite alteration.	Drill ready, seeking third party funding.
<u>South Cannington</u> <i>Ag-Pb-Zn</i>	Target areas were defined by processing new regional magnetic and gravity data sets and assessing the geology from Red Metal's comprehensive historic drill hole database.	Grant of tenements pending.
NORTHERN TERRITORY		
<u>Irindina</u> <i>Cu-Au</i>	Large land holding over the emerging Eastern Arunta mineral terrain, along strike from Mithril Resources Ltd new copper and copper-nickel and gold discoveries.	Land access negotiation underway.
<u>Mallapunyah</u> <i>Cu-Pb-Zn-Ag</i>	Prospective sedimentary sequences in McArthur Basin with district scale silver anomalism.	Land access negotiation underway.
SOUTH AUSTRALIA		
<u>Pernatty Lagoon</u> <i>Cu-Au</i>	Standout magnetic/gravity targets near Carrapeteena deposit in the Gawler Craton. Extensive sericite, tourmaline, siderite, garnet, chlorite alteration. Magnetite-siderite-hematite copper association.	Drill ready targets model at 500m, 1000m and 1600m depth range.
<u>Maitland</u> <i>Cu-Au</i>	Extensive magnetic alteration zone under shallow cover in the Gawler Craton prospective for copper-magnetite mineralisation.	Drill ready EM and soil geochemistry targets.
<u>Algebuckina</u> <i>Cu-Au</i>	Magnetite-associated copper-gold potential in Gawler Craton, prospective magnetic targets defined under shallow cover.	Drill ready, seeking third party funding.
<u>Lakes Frome</u> <i>U and Cu-Au-U</i>	Extensive drill and geophysical data base covering sedimentary sequences in Frome Sub-basin prospective for ISL uranium as well as IOCGU breccia targets in basement rocks. Numerous drill ready ISL targets and Cu-Au-U breccia targets.	Drill ready, seeking third party funding.
<u>Ooldea-Barton JV</u> <i>Zircon, Titanium</i>	Joint venture with Cristal Mining Australia Limited. Large tonnage, low-grade heavy mineral sand deposit discovered in Eucla Basin near Iluka's Ambrosia zircon mine.	JV partner planning significant drill program.
COLORADO USA		
<u>Colorado</u> <i>Potash</i>	Prospect permit applications covering 166 square kilometre over multiple potash horizons in the Paradox Basin.	Grant of permits pending environmental assessment process which is in progress.

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:

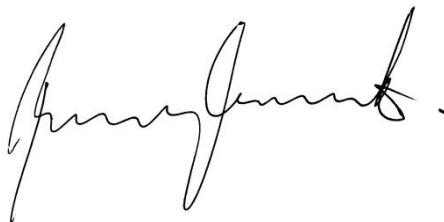
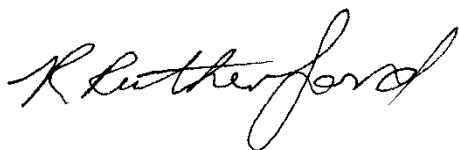
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Rob Rutherford
Managing Director

Russell Barwick
Chairman



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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

RED METAL LIMITED

ABN

34 103 367 684

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(1,109)	(3,968)
	(b) development		
	(c) production		
	(d) administration	(123)	(399)
1.3	Dividends received	28	90
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid / refund received	361	479
1.7	Other	-	25
Net Operating Cash Flows		(843)	(3,773)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(2)	(2)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	7	7
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
		5	5
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(838)	(3,768)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(838)	(3,768)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,018
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (costs)	-	(244)
	Net financing cash flows	-	4,774
	Net increase (decrease) in cash held	(838)	1,006
1.20	Cash at beginning of quarter/year to date	2,757	913
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,919	1,919

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	78
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors remuneration

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Xstrata incurred expenditure totalling approximately \$280,000 in the three months to June 2013 in respect of the Corkwood Joint Venture.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil
3.2	Credit standby arrangements	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	400

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	419	257
5.2 Deposits at call	1,500	2,500
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,919	2,757

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM's 13344, 13345	Granted licences	100	Nil
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital				
7.3 +Ordinary securities	144,721,919	144,721,919		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,000,000 1,175,000 1,325,000 1,475,000 1,200,000	- - - - -	Exercise Price 22 cents 25 cents 18 cents 33 cents 33 cents	Expiry Date 31.10.2013 02.03.2014 23.01.2015 30.11.2015 31.1.2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: July 2013
(Company secretary)

Print name: PATRICK FLINT

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.