

ASX Code: RDM

Red Metal Limited is a minerals exploration company focused on the exploration, evaluation and development of Australian copper-gold and basemetal deposits.

Issued Capital:

196,618,409
Ordinary shares

5,750,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

RED METAL LIMITED

Level 15
323 Castlereagh Street
Sydney NSW 2000

Ph: +61 2 9281 1805
Fax: +61 2 9281 5747

info@redmetal.com.au
www.redmetal.com.au

Queensland
Explorer of the Year 2013

ASX ANNOUNCEMENT
22 June 2017**LAWN HILL ZINC PROJECT - RESULTS FROM NEW AIRBORNE ELECTROMAGNETIC SURVEY**

Recent processing of new airborne electromagnetic data (VTEM) has mapped the extent of the 2 significant stratiform conductors and identified 5 others for further assessment (Figures 1 to 2).

Conductor 1 is flat lying, measuring 5 kilometres by 6 kilometres and located under about 120 metres of younger sedimentary cover.

Conductor 2 is 25 kilometres long, dips about 30 degrees to the northwest and is located under 50 to 200 metres of younger sedimentary cover. Here the conductive sequences are estimated to be about one kilometre thick and occur along strike from exposures of the prospective Riversleigh Siltstone (Figures 1 to 2).

The Riversleigh Siltstone is known to host stratiform zinc mineralisation and marks the time equivalence of the Barney Creek Formation, the host to the giant McArthur River and Teena silver-lead-zinc deposits located in the Northern Territory. The Barney Creek Formation, where mineralised, is locally thickened and enriched in pyritic and carbonaceous sediments that are highly conductive.

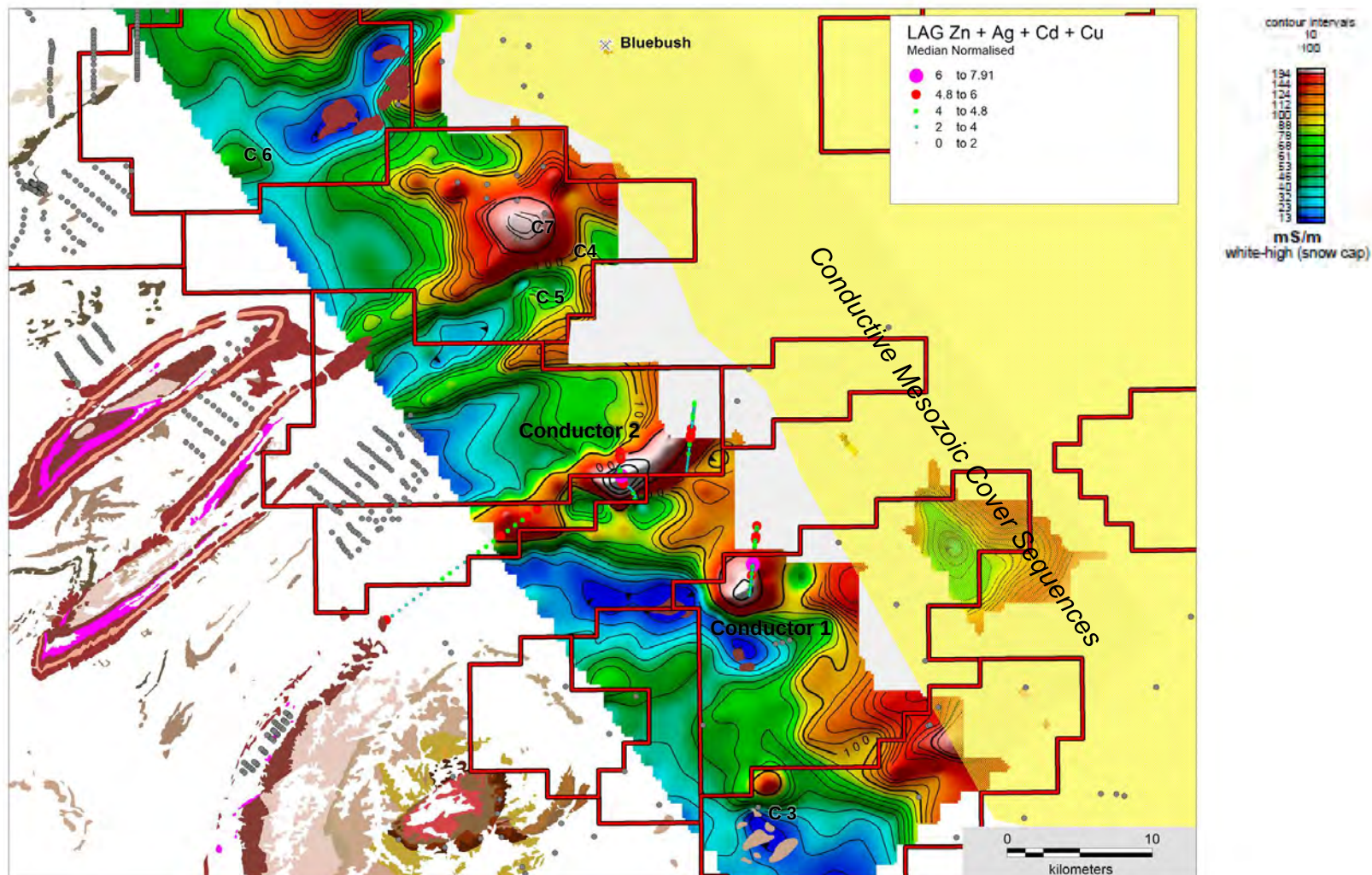
Conductor 1 and Conductor 2 are interpreted as potential thickened regions of pyritic and carbonaceous sediments in areas where time equivalent stratigraphy of the McArthur River zinc-lead-silver deposit are interpreted under shallow cover (Figures 1 to 2).

Surface lag sampling by Red Metal has identified low levels of anomalous zinc, silver, cadmium, copper and thallium above these conductors which is encouraging (Figures 1).

In addition, Red Metal's processing defined 5 lower magnitude conductors (C3 to C7) which offer scope for other styles of zinc deposits including Century style replacement deposits or fault controlled vein or breccia deposits (Figure 3).

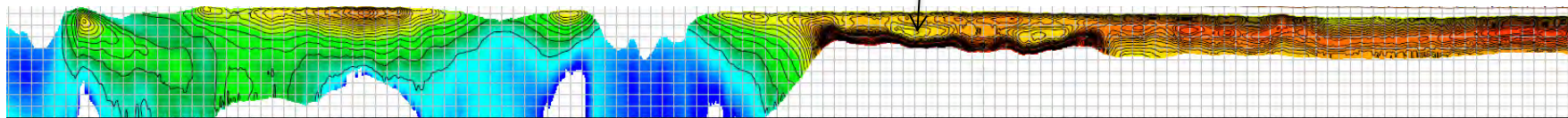
The new VTEM data was flown by the Geological Survey of Queensland, Geoscience Australia and Red Metal and has proved an invaluable additional data set.

Preparations are underway to begin ground work and drill tests on a number of these exciting new zinc target concepts during the third quarter of 2017.

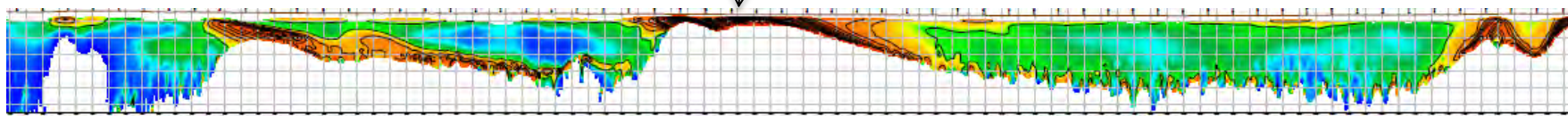


[Figure 1] Lawn Hill Project: Conductivity depth slice at 200 metres below surface showing thematic zinc, silver, cadmium, copper surface lag geochemistry, main conductive targets (C1 to C7) for follow-up investigations, historic drill holes (grey dots) and Red Metal tenements (red lines). Mapped outcrop geology shows the McArthur River equivalent stratigraphy (Riversleigh Formation) highlighted in pink. Conductive Mesozoic cover sequences, where VTEM surveying failed to penetrate, is highlighted as yellow frosting.

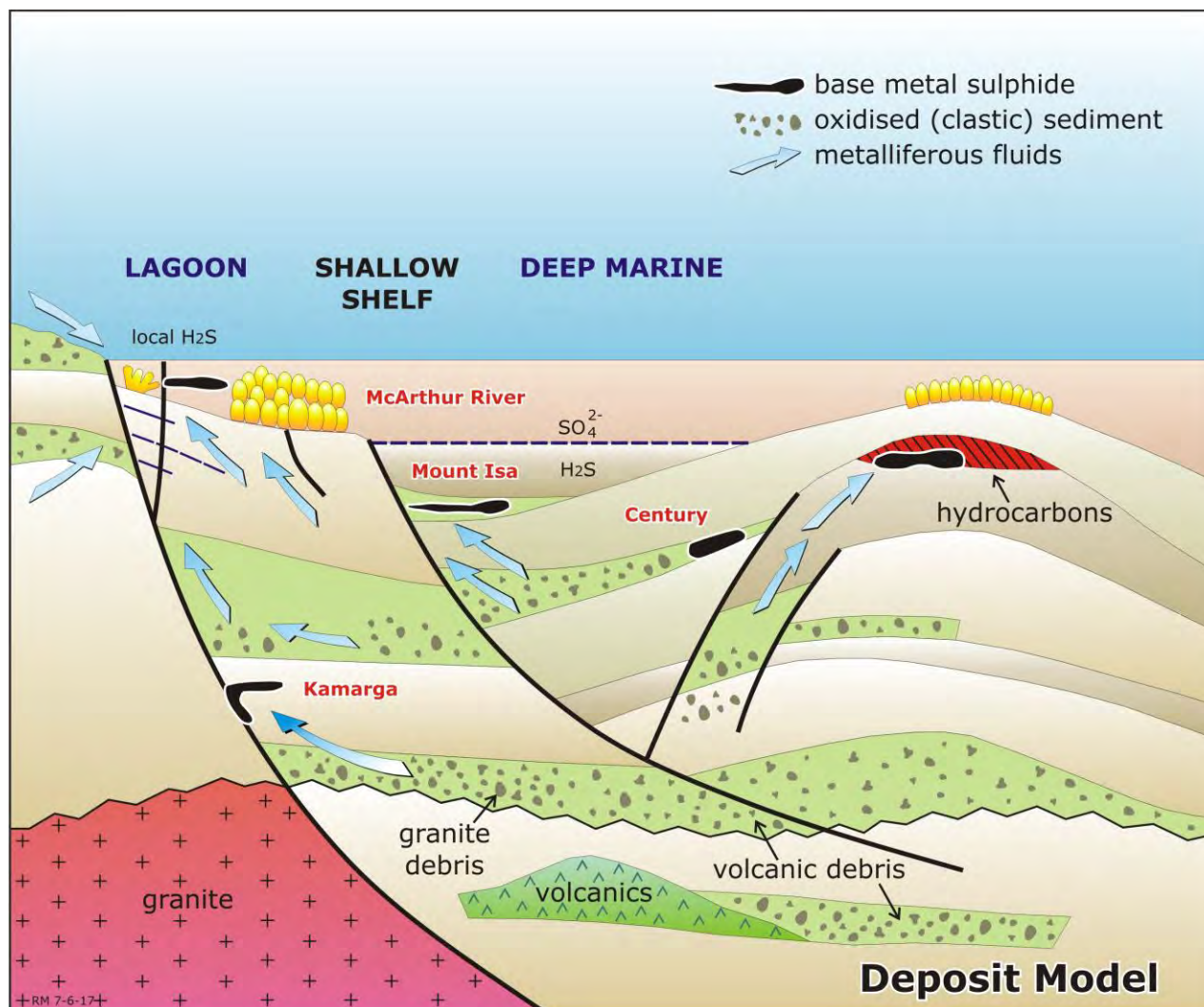
Conductor 1: Strong conductor under 120m of cover, weakly anomalous surface lag, source may be prospective zinc stratigraphy?



Conductor 2: Highly conductive zinc prospective stratigraphy (Riversleigh Formation) under shallow cover, weakly anomalous surface lag.



[Figure 2] Lawn Hill Project: Example of reprocessed conductivity depth images from airborne VTEM lines flown in December 2016. Grid spacing on the imagery is 200 metres horizontal by 40 metres vertical on the top image and 200 metres horizontal by 200 metres vertical on lower image.



[Figure 3] Lawn Hill Project: Simplified geological model highlighting the potential for zinc deposits in a range of geological settings within the one province (modified after McGoldrick and Large 1997). Conductor 1 and Conductor 2 seek stratiform McArthur River or Mount Isa type mineralisation.



[Figure 4] Northwest Queensland and Northern Territory: Major deposits and Red Metal tenement locations.

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:

Phone +61 (0)2 9281-1805

Fax +61 (0)2 9281-5747

www.redmetal.com.au



Rob Rutherford
Managing Director



Russell Barwick
Chairman

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation 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 mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 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.

[Table 1] Lawn Hill Project: JORC 2012 reporting of exploration results

Criteria	JORC 2012 Explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<i>The Company's Lawn Hill project comprises granted EPM's 25902, 25905, 25904, 25907, 26116, 25912, 25912, 25985, 26116, 26157, 26293 Native title access agreements are in place. Landowner conduct and compensation agreements remain to be established.</i>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	<i>The tenements are granted and there is no competing application lodged over the tenure.</i>
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<i>WMC completed extensive ground based electromagnetic surveying over the areas. Reprocessing of the ground data by Red Metal highlighted two significant conductors which remain to be drill tested.</i>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<i>Red Metal are targeting sedimentary hosted lead-zinc-silver deposit types equivalent to the giant McArthur River or Mount Isa silver-lead-zinc deposits. These deposit types are hosted in thickened sub-basins of heavily pyritic and carbonaceous shale and silts which are highly conductive and can mapped with ground and/or airborne electromagnetic techniques.. The prospective sub-basins were deposited in unique geological time periods</i>
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of survey information for all Material drill holes:</i>	<i>A review of historic exploration indicates that the conductors referred to in this report have not been drill tested.</i>
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	<i>Refer to Figures 1 and 6</i>
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<i>There are many false-positive electrical conductors in sedimentary basins as the electromagnetic technique generally maps the conductance variation caused by variations in the carbonaceous shale content and/or pyrite content of rocks. It is not a direct measure of the lead or zinc sulphide content and drilling is required to determine the sequences mineralisation potential.</i>
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	<i>Drill tests are planned on a range of conductors to evaluate their silver-lead-zinc potential</i>