

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:

210,233,409
Ordinary shares

8,725,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

RED METAL LIMITED

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Queensland
Explorer of the Year 2013

ASX ANNOUNCEMENT
21 December 2017**PUNT HILL & PERNATTY LAGOON COPPER-GOLD PROJECTS – JOINT VENTURE EXECUTED WITH OZ MINERALS**

Red Metal has advanced the exciting Punt Hill and Pernatty Lagoon copper-gold projects located 30 kilometres south of the Carrapateena deposit (Figure 1), with the execution of a binding Heads of Agreement with OZ Exploration Pty Ltd a wholly owned subsidiary of OZ Minerals Limited (OZ Minerals).

The entry of such a high quality joint venture partner to fund the project will provide new impetus particularly with OZ Minerals' strong commitment to regional exploration.

OZ Minerals is widely recognized as one of Australia's premier modern mining companies. It owns the large Prominent Hill copper and gold mine in South Australia and is also developing the nearby Carrapateena copper and gold deposit (Figure 1).

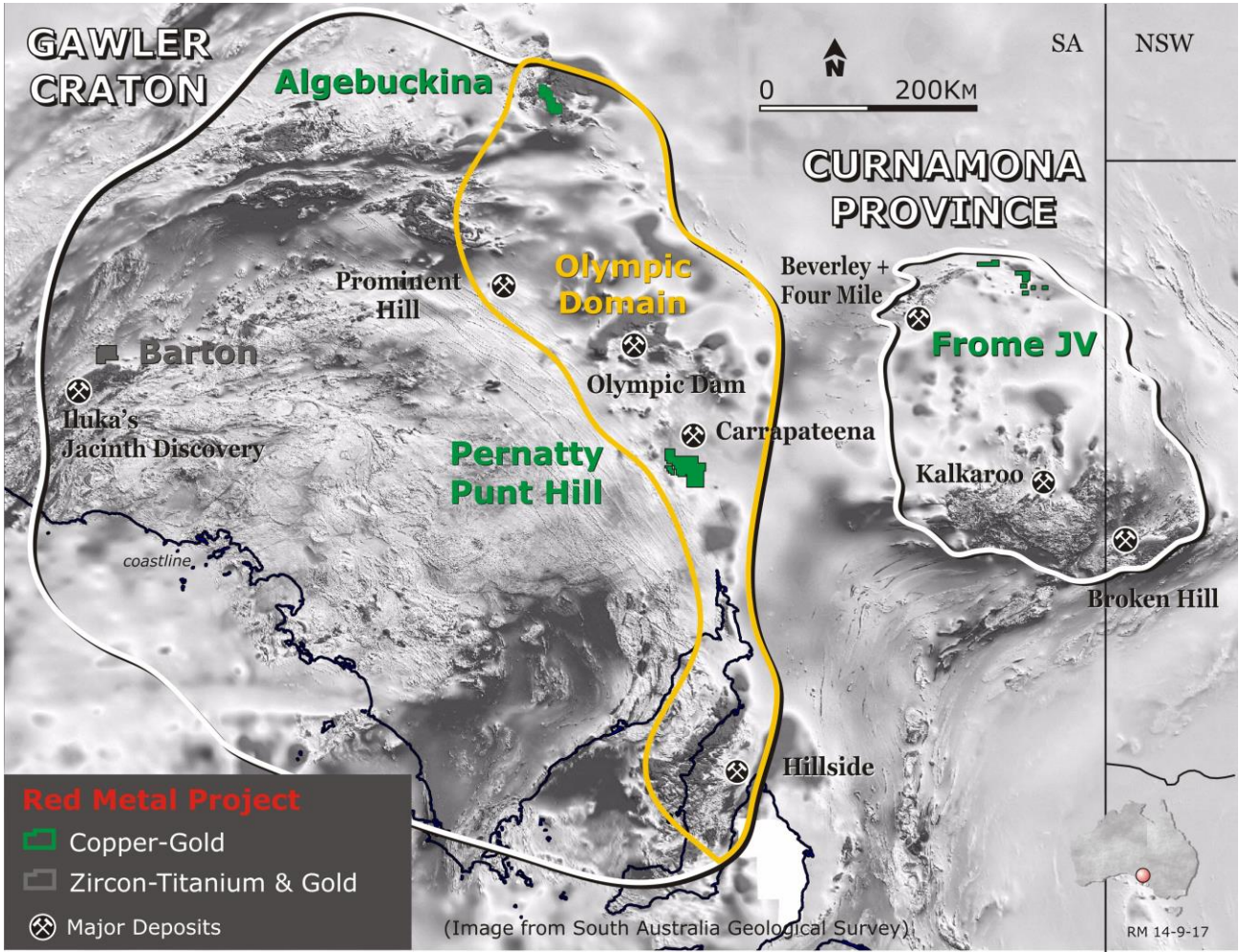
Under the agreement OZ Minerals will assist developing local level agreements with native title parties and landowners. Once access has been achieved they will have the right to earn 70% of the projects by spending \$10Million on exploration within three and a half years. Red Metal's subsequent share of expenditure up until a decision to mine will be funded by OZ Minerals and treated as a loan only repayable from Red Metal's share of future production. The loan amount will bear interest at LIBOR plus 2% per annum.

OZ Minerals has proposed an aggressive program of work by committing to a minimum work program of 6000 metres of drilling within the first year of achieving land access. OZ Minerals can vest 51% in the projects by spending \$4Million of exploration within 18 months provided it then elects to move forward on the projects.

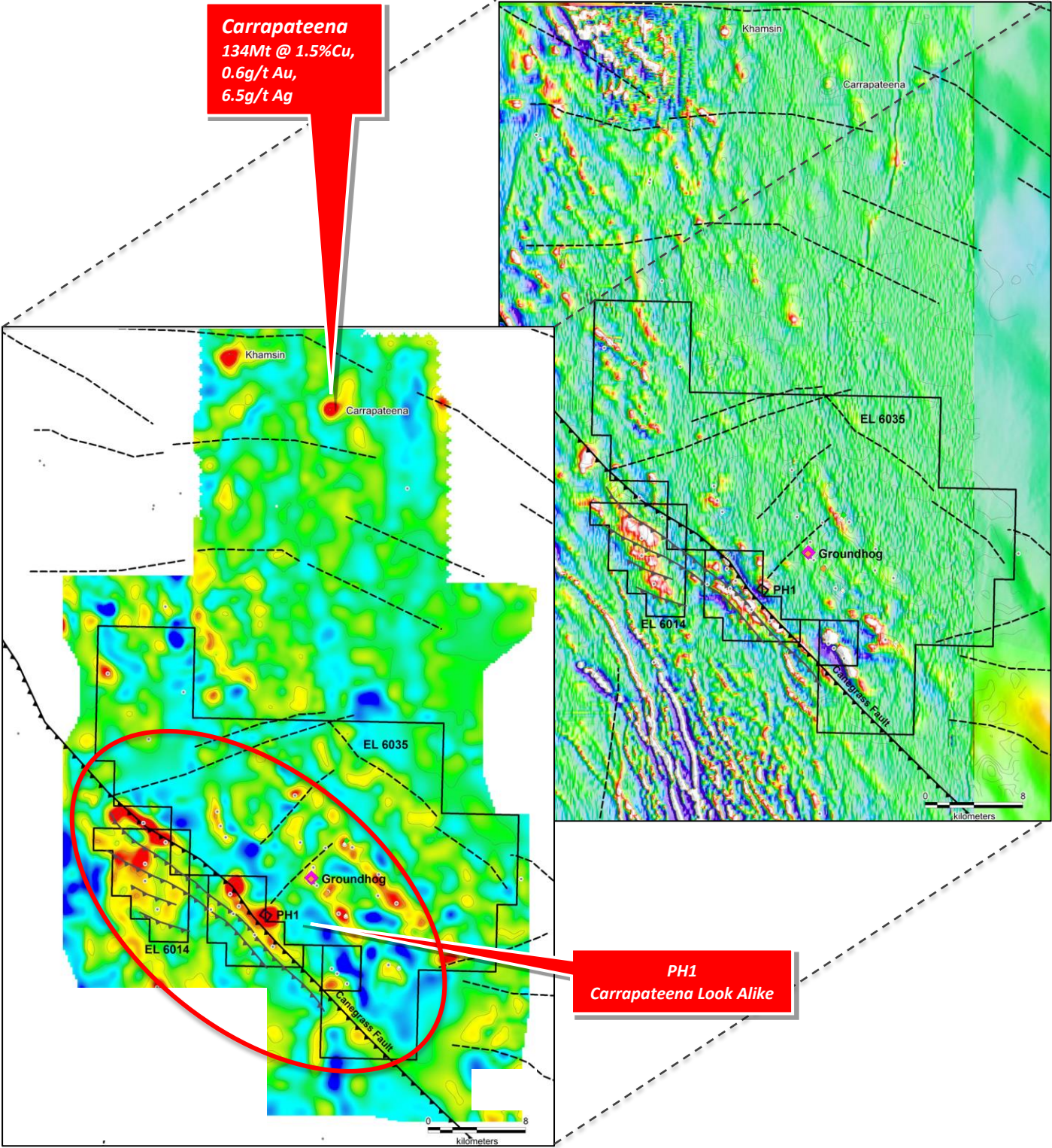
Importantly, the agreement allows Red Metal to maintain 30% of any mine discovered on the Punt Hill project and between 17.4% and 20% on the Pernatty Lagoon project which remains subject to the existing Heads of Agreement with Havilah Resources Limited.

Red Metal has been developing new targeting concepts for the location of higher grade zones of copper and gold mineralisation on the Punt Hill and Pernatty Lagoon projects. This work has identified several untested targets for proof of concept drill tests including one priority target (PH1) that has a similar geophysical response to that measured and modelled over the Carrapateena copper and gold deposit (Figure 2).

The new joint venture aims to complete the first-pass proof of concept drill tests during the 2018 field season.



[Figure 1] Project Locations: Gawler Craton and Curnamona Province, South Australia.



[Figure 2] Punt Hill EL6014 and Pernatty Lagoon EL 6035: Regional residual gravity image (front) and vertical gradient magnetic image (back) with historic drilling (white dots) highlighting untested PH1 target, Carrapateena copper-gold deposit and the low-grade Ground Hog prospects on the Punt Hill project. The priority PH1 target is a strong residual gravity anomaly associated with a small residual magnetic response and is similar to the geophysical signature measured over the Carrapateena deposit.

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:

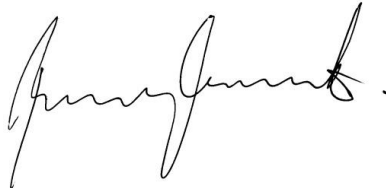
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Rob Rutherford
Managing Director



Russell Barwick
Chairman

The information in this report that relates to Exploration Results is based on 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.