

ASX Release
23 August, 2011

Code: RDM

Issued Capital:

101,923,531
Ordinary shares

5,125,000
Unlisted options

Directors:

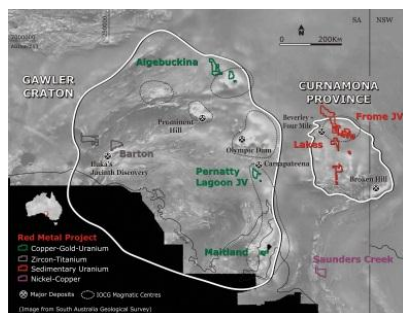
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Managing Director

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Extensive Drill Program Initiated on Lakes Uranium Joint Venture, Curnamona Craton, South Australia.

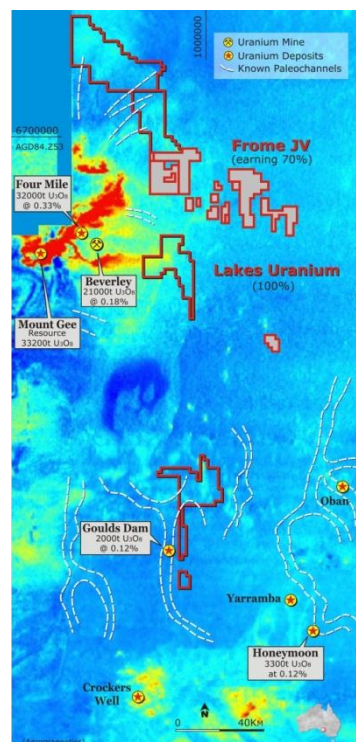
Cameco Australia Limited (Cameco) has begun a 16,000 metre drill program on Red Metal's Lakes joint venture project targeting giant sandstone-hosted uranium plays (Figure 1).

This extensive regional drill program is anticipated to take three months to complete and will target uranium mineralisation in previously unrecognised, thick, oxidised sand horizons which occur within the same Tertiary sedimentary sequences as host the nearby Beverley and Four Mile uranium deposits (Figure 2).

The targeted oxidised sand horizons, some with anomalous uranium, are considered significant as they indicate oxidising and potential uranium-bearing fluids may have passed through the rocks and deposited uranium mineralisation further down flow.

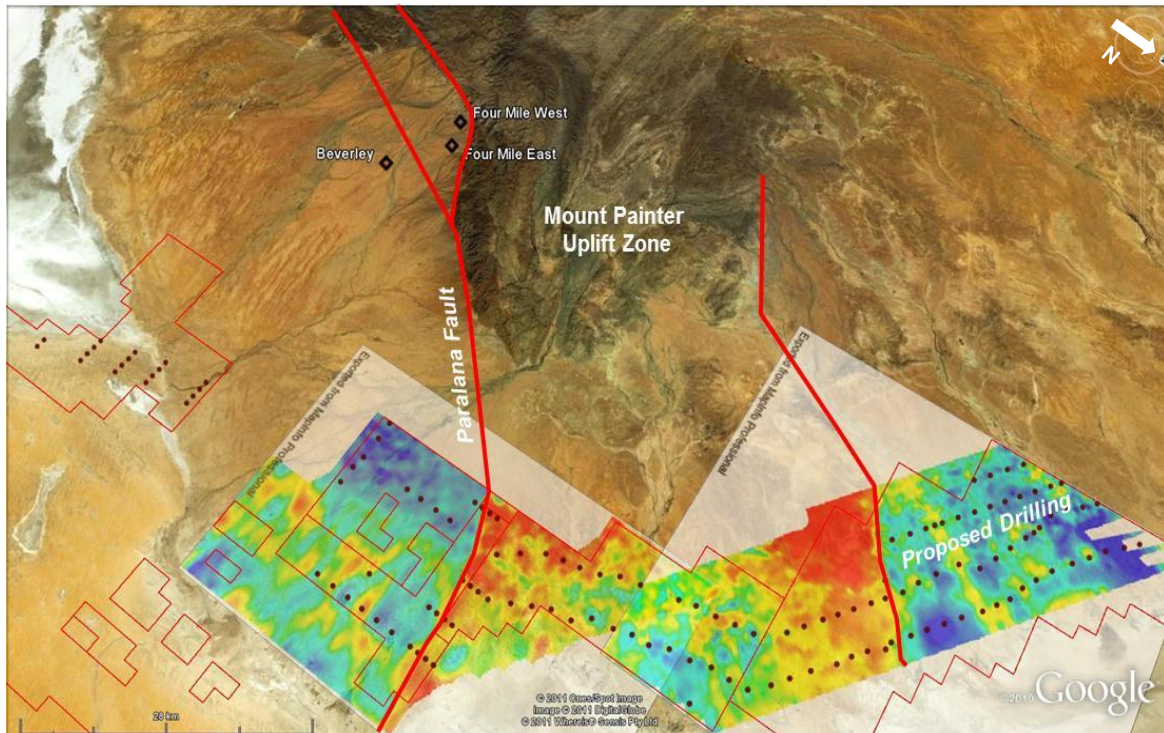
Red Metal's work and new ideas for the region attracted the interest of Cameco, one of the world's largest uranium miners, leading to a farm-in and joint venture agreement over the Lakes uranium project in May 2010. The agreement grants Cameco an exclusive right over a six-year period to explore for uranium and earn a 51% interest in any or all of the four Red Metal Lakes Joint Venture tenements.

[Figure 1] Curnamona Province: colour radiometric image or uranium channel data highlighting known deposits and Red Metal projects.



Cameco brings significant uranium exploration and development experience to the project and has planned a large drill program backed with an exploration budget in excess of \$2.9 million for the 2011 field season.

Results will be made available when they come to hand.



[Figure 2] Lakes and Frome Joint Venture Projects: Proposed drill hole locations for 2011 program on Google Earth image draped with colour image showing interpreted depth to top of Eyre Formation. Note prospective Paralana Fault and close proximity to Beverley and Four Mile uranium deposits.

For further information concerning this exciting project and 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.
