

For Immediate Release  
June 27, 2007

## **Maronan Project, Mount Isa Inlier - second hole in 2007 program returns more encouraging silver and lead drill intercepts**

### ***Maronan Project***

*(100% Red Metal , BHP Billiton earning 70%)*

### ***Silver, Lead, Zinc***

BHP Billiton is currently drilling a range of Broken Hill/Cannington-type targets on the Maronan joint venture project located about ninety kilometres north of its Cannington operation, Northwest Queensland. The joint venture provides that BHP Billiton can earn 70% of the project by sole funding to the completion of a bankable feasibility study to a maximum expenditure of \$40 million within six years. Drilling is targeting the depth extension of two parallel lead-silver mineralised banded iron formation (BIF) horizons.

A second hole MRN07002 located about 200 metres north of the first hole (MRN07001) intersected more significant widths of moderate to high grade lead-silver mineralisation this time in the parallel lower BIF horizon (Figure 1). Results include 22 metres from 479 metres at 5.01% lead, 120ppm silver including a higher grade zone of 5.5 metres at 8.08% lead, 209ppm silver (Table 1). As previously announced, MRN07001 intersected significant widths of moderate to high grade lead-silver mineralisation in the upper BIF horizon including 14.1 metres at 11.34% lead, 176 ppm silver from 501.38 metres. The upper BIF horizon was not intersected in MNR07002 and appears to have been offset by a quartz filled fault zone associated with weak copper mineralisation (copper and gold assays pending).

The mineralised intercept in the lower BIF is considered encouraging because of its high silver content and good continuity when compared to previous drill intercepts into the horizon.

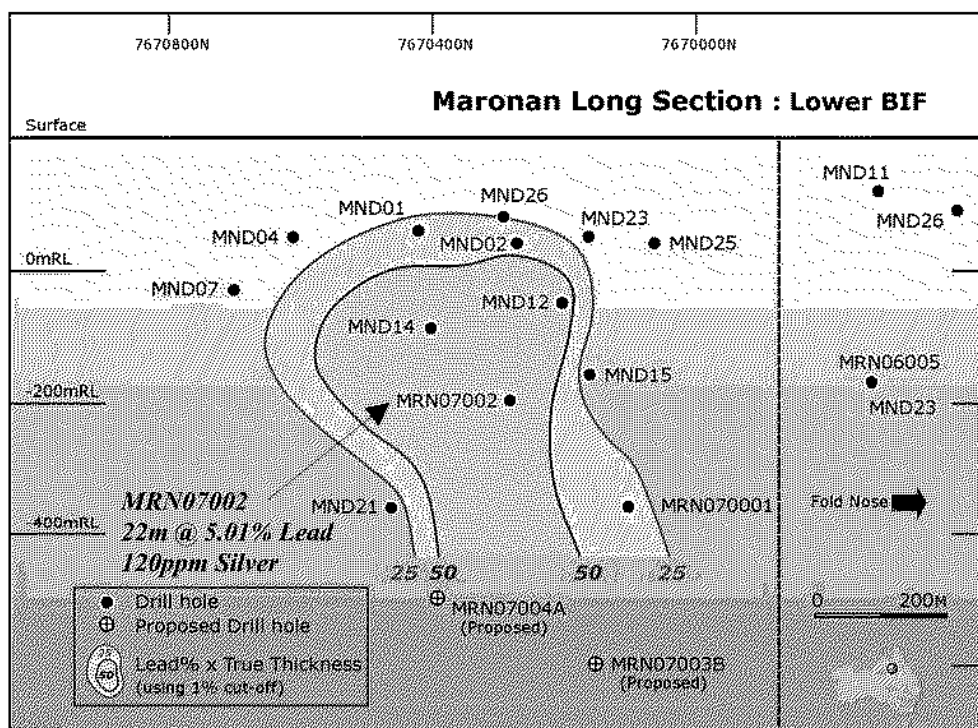
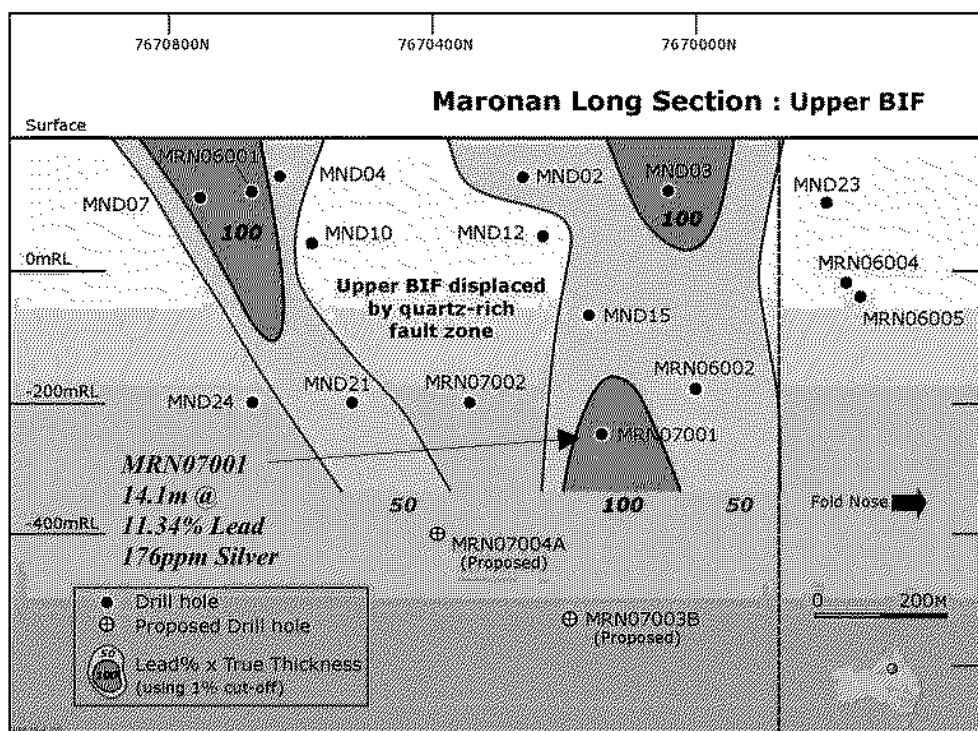
Drilling is continuing.

[Table 1] Maronan Project: assay results from BHP Billiton's drill hole MRN07002.

| <b>Lower BIF</b>       |               |                            |             |               |               |
|------------------------|---------------|----------------------------|-------------|---------------|---------------|
| <b>1% lead cut off</b> |               |                            |             |               |               |
| <b>From (m)</b>        | <b>To (m)</b> | <b>Interval (downhole)</b> | <b>Pb %</b> | <b>Ag g/t</b> | <b>Zn ppm</b> |
| 479                    | 501           | 22                         | 5.01        | 120           | 522           |
| <b>5% lead cut off</b> |               |                            |             |               |               |
| <b>From (m)</b>        | <b>To (m)</b> | <b>Interval (downhole)</b> | <b>Pb %</b> | <b>Ag g/t</b> | <b>Zn ppm</b> |
| 479                    | 484           | 5                          | 8.8         | 209           | 1881          |
| 493                    | 498           | 5                          | 6.25        | 159           | -             |

[Table 2] Maronan Project: collar details of BHP Billiton's drilling

| HOLE ID  | Northing | Easting | Dip/Azimuth | Total Depth |
|----------|----------|---------|-------------|-------------|
| MRN07002 | 7670300  | 491030  | -65/083     | 714.9       |



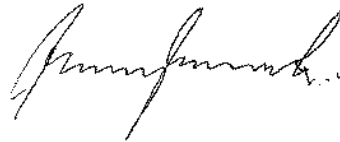
[Figure 1] Maronan Project: schematic long sections of upper and lower parallel BIF horizons showing location of drill collars (black), lead grade x true metre thickness contours using 1% lead cut off and remaining holes proposed in the 2007 program.

For further information concerning Red Metal's operations and plans for the future please refer to the web site [www.redmetal.com.au](http://www.redmetal.com.au) or contact the Managing Director, Rob Rutherford.

Rob Rutherford  
Managing Director



Russell Barwick  
Chairman



**Red Metal Limited** aims to generate shareholder wealth through the discovery and development of giant copper-gold, base metal and uranium deposits in Australia. Red Metal focuses its exploration in Australia's proven Proterozoic terrains which host known world class copper, base metal and uranium deposits. In addition to its copper and base metal exploration the Company is exploring an exciting portfolio of sedimentary-hosted uranium projects in South Australia, Queensland and the Northern Territory. The company obtains additional exploration funds and added technical support through its Strategic Alliance with Phelps Dodge Australasia, Inc., a subsidiary of Freeport-McMoRan Copper & Gold Inc., one of the world's largest public copper producers.

The information in this report that relates to Exploration Results is based on information compiled by Robert Rutherford, who is a member of the Australian Institute of Geoscientists (AIG). Robert Rutherford is a director of the Company. Robert Rutherford has sufficient experience which is relevant to the style of mineralisation 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). Robert Rutherford consents to the inclusion in this report of the information, in the form and context in which it appears

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