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NEWS RELEASE

For Immediate Release
24 October, 2003

ASX Listing - Drilling and New Projects Update

Highlights

- Successful completion of its Initial Public Offering and the commencement at 11.00am (Sydney time) on 27 October 2003 of trading of its shares on the Australian Stock Exchange (ASX Code: RDM).
- Prospectus closed fully subscribed, with a total of $12 million raised.
- Drilling is planned to commence next week on the Browns Joint Venture and the Moonta Joint Venture, and at the Hawks Nest Joint Venture in early November.
- Acquisition of interest under the Strategic Alliance in a new joint venture located in the Gawler Craton.
- Acquisition of new 100% projects in the Tennant Creek Inlier.

Red Metal Limited ("Red Metal") is pleased to provide the following project update, coinciding with the successful completion of its Initial Public Offering and the commencement at 11.00am (Sydney time) on 27 October 2003 of trading of its shares on the Australian Stock Exchange (ASX Code: RDM).

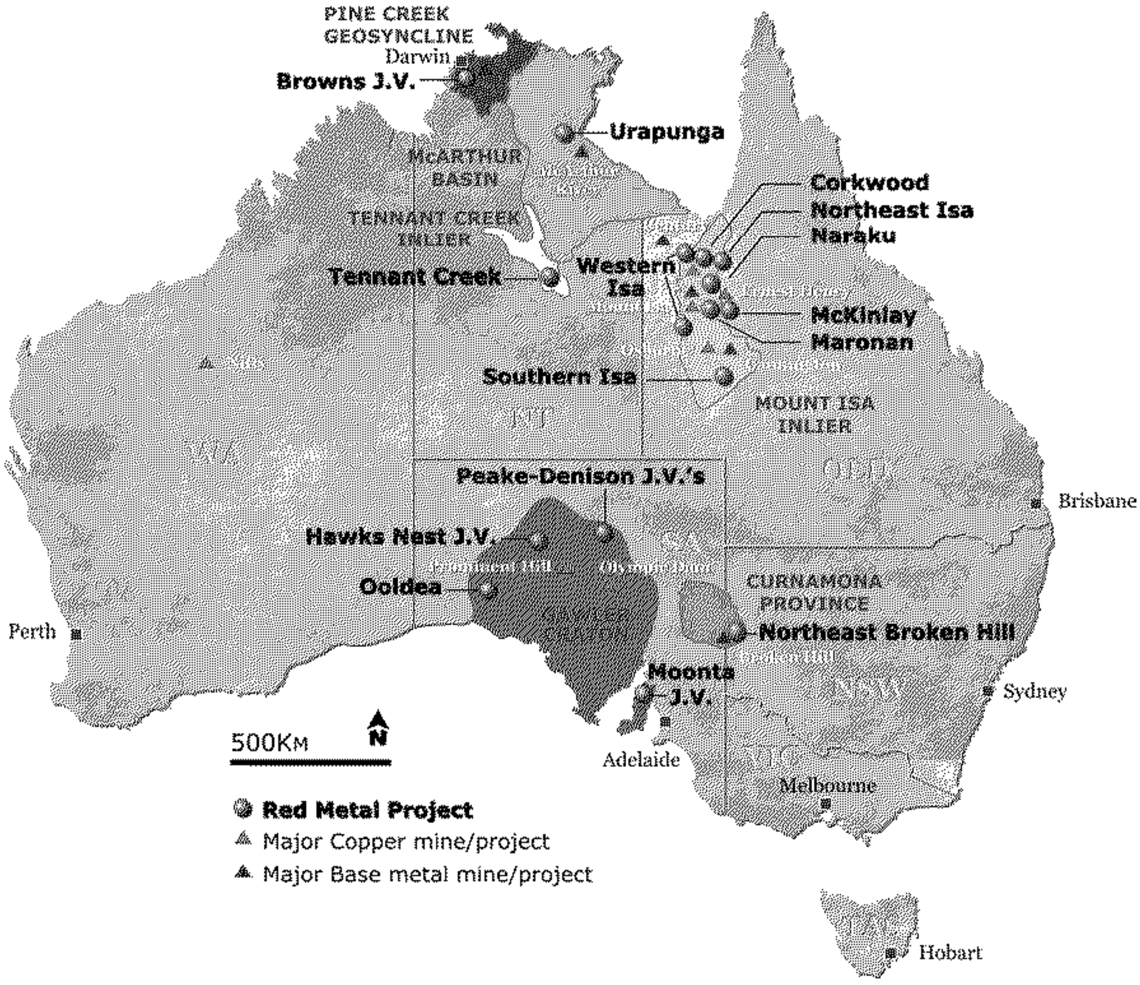
Red Metal has a focused exploration strategy targeting giant copper, copper and gold deposits in Australia.

Initial Public Offering

Red Metal's IPO prospectus was closed fully subscribed, with a total of $12 million being raised. This represents one of the largest IPO's for a mineral exploration company in Australia in recent times. The success of the issue is a reflection of the quality of the Company's projects, the number of "company making" targets ready to drill and the Strategic Alliance with Phelps Dodge Australasia Inc.(" Phelps Dodge"), a subsidiary of Phelps Dodge Corporation the largest publicly traded copper producer in the world.

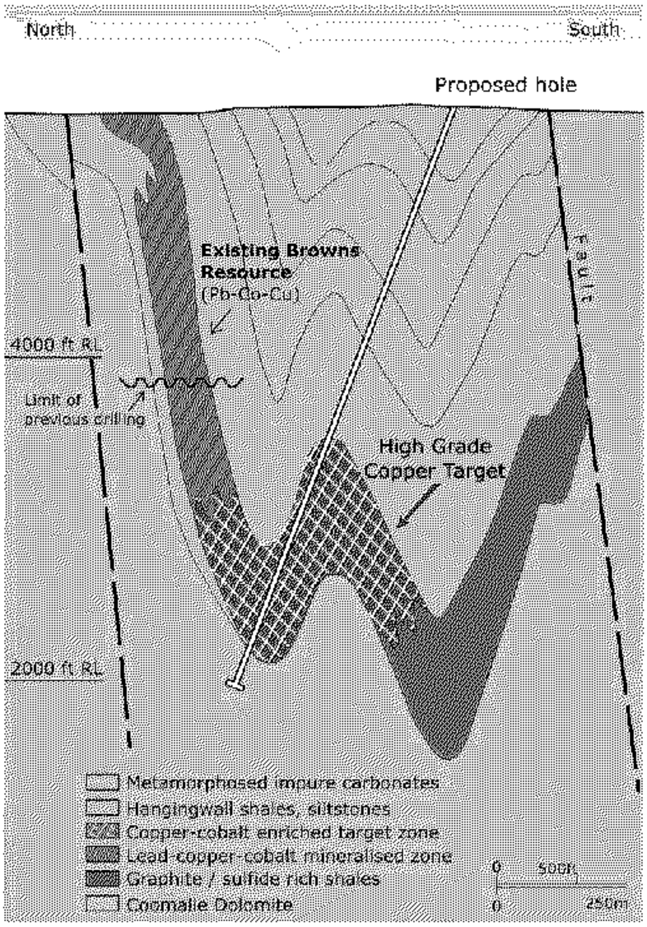
Drilling

Drilling of targets within the Browns Joint Venture in the Northern Territory, the Moonta Joint Venture and the Hawks Nest Joint Venture in South Australia is scheduled to commence within the next week and continue through to the end of the December quarter (Figure 1). Targets include deposit styles with potential for large tonnages and high copper and gold grades including Iron Oxide Copper-Gold (IOCG) types and Sediment-Hosted types similar to those occurring at Mount Isa. The Red Metal /Phelps Dodge Strategic Alliance are earning a 70% equity in these joint ventures. Under the terms of the strategic alliance, Phelps Dodge will fund the exploration while Red Metal operate the programs for a 21% equity in the rights and interests of the joint ventures.



[Figure 1] Location of Red Metal Projects

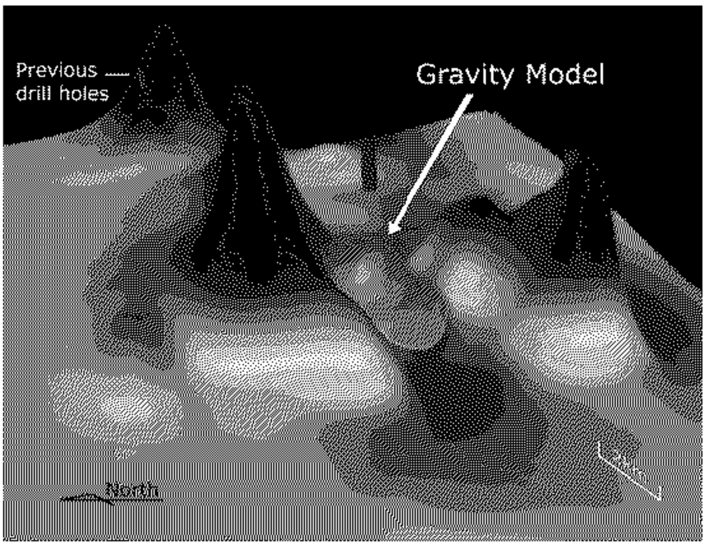
The program at Browns includes an 1100 metre deep diamond drill hole targeting a gravity anomaly adjacent to the Browns lead, copper, cobalt resource that may indicate substantial copper mineralisation at depth (Figure 2). The target model is a giant Mt Isa or Zambian style copper deposit. The anomalous mass is modelled at between 600 and 800 metres depth. A second 250 metre deep percussion hole will test a transient electromagnetic anomaly located about 200 metres southwest and down-dip from the Area 55 lead, copper, cobalt resource where historic drilling interested 27m @ 1.67% Cu.



[Figure 2] Browns: schematic drill section

Drilling at Moonta will initially test geophysical targets flanking the geochemically anomalous Alford magnetic anomaly (target 77) with an additional 11 targets scheduled for drill testing in December 2003 and the first quarter of 2004. The target model is a large IOCG style deposit. At Alford, a 400 metre diamond drill hole will test a combined chargeability/gravity anomaly located 200 metre below surface with a second 200 metre percussion hole targeting a combined gravity and magnetic anomaly.

The Hawks Nest program will involve two 650 metre deep diamond drill holes testing a gravity anomaly and a combined gravity and magnetic anomaly (Figure 3). A recent ground based transient electromagnetic survey identified weak to moderate conductive anomalies associated with both drill targets. The target model is a large, high-grade IOCG style or Broken Hill silver-lead-zinc style deposit.

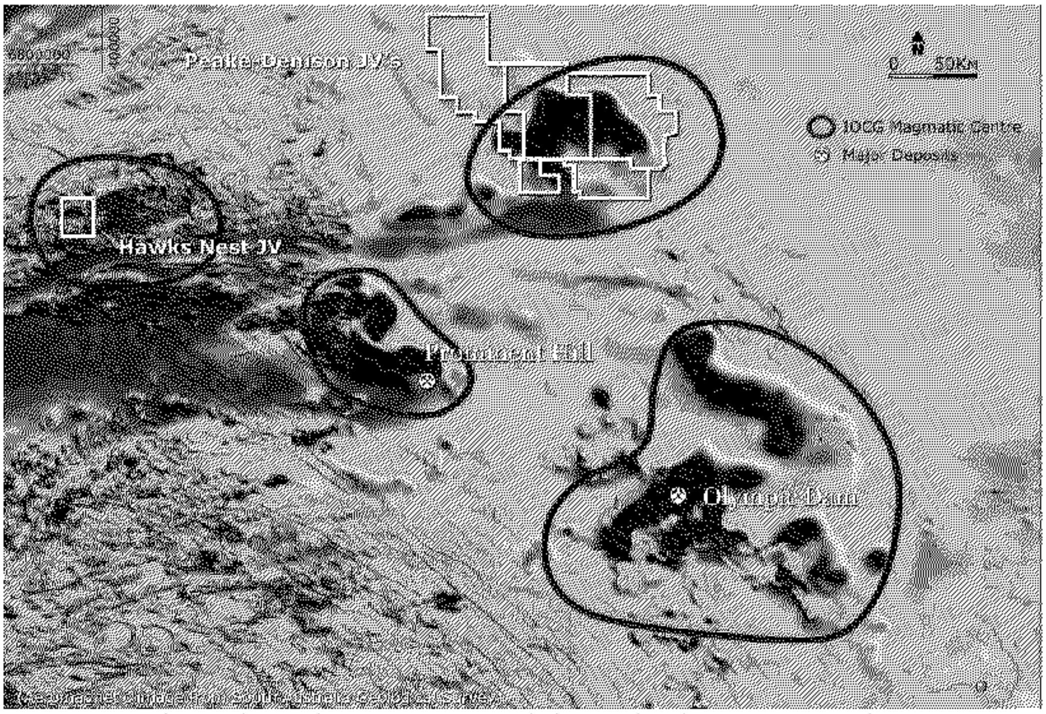


[Figure 3] Hawks Nest: 3D magnetic intensity and gravity model

New Projects

Peake-Denison Joint Ventures (Red Metal operating for 18%, Phelps Dodge funding)

The Red Metal / Phelps Dodge Strategic Alliance have finalised the terms of two joint ventures incorporating 7,113 square kilometres of highly prospective terrain covering the majority of the Peake-Denison magmatic centre located within the northeastern margin of the Gawler Craton (Figure 4). This project comprises the Douglas Creek Joint Venture with Rio Tinto Exploration Pty Limited and the Peake and Denison Joint Venture with both BHP Billiton Minerals Pty Ltd and Rio Tinto Exploration Pty Limited. Both joint ventures enable the Alliance to earn an interest of 60%. The Peake-Denison magmatic centre is associated with IOCG style alteration and has a similar regional scale magnetic and gravity signature to the region hosting the Olympic Dam mine (Figure 4). Re-interpretation of the geophysical data has identified a number of gravity and magnetic targets located along large cross cutting structures considered prospective for Olympic Dam style mineralisation. Under the terms of the strategic alliance, Phelps Dodge will fund the exploration while Red Metal operate the programs for an 18% equity in the rights and interests of the joint ventures. Drill testing of the highest priority targets is scheduled for 2004.



[Figure 4] Peake-Denison Joint Venture: magnetic image showing main magmatic centres

Tennant Creek Projects (Red Metal 100%)

Red Metal has successfully pegged nine new applications covering 1612 square kilometres over a range of combined magnetic and structural targets located under shallow cover within the highly prospective Tennant Creek Inlier. This terrain contains a number of small but high-grade copper and gold deposits associated with hematite and magnetite ironstone's and is considered by Red Metal to be highly prospective for larger deposits of this style. The applications are subject to land access negotiations which will progress in 2004.

Employee Options

The Company has issued of 100,000 employee options pursuant to the Red Metal Limited Employee Incentive Scheme. The options expire on 30 September 2007 and are exercisable at 20 cents as follows:.

- one third of number of options held on or after 30 September 2004;
- one third of number of options held on or after 30 September 2005;
- one third of number of options held on or after 30 September 2006.

For further information in respect of Red Metal's operations and plans for the future refer to their recent prospectus or please contact Rob Rutherford, Managing Director on:

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