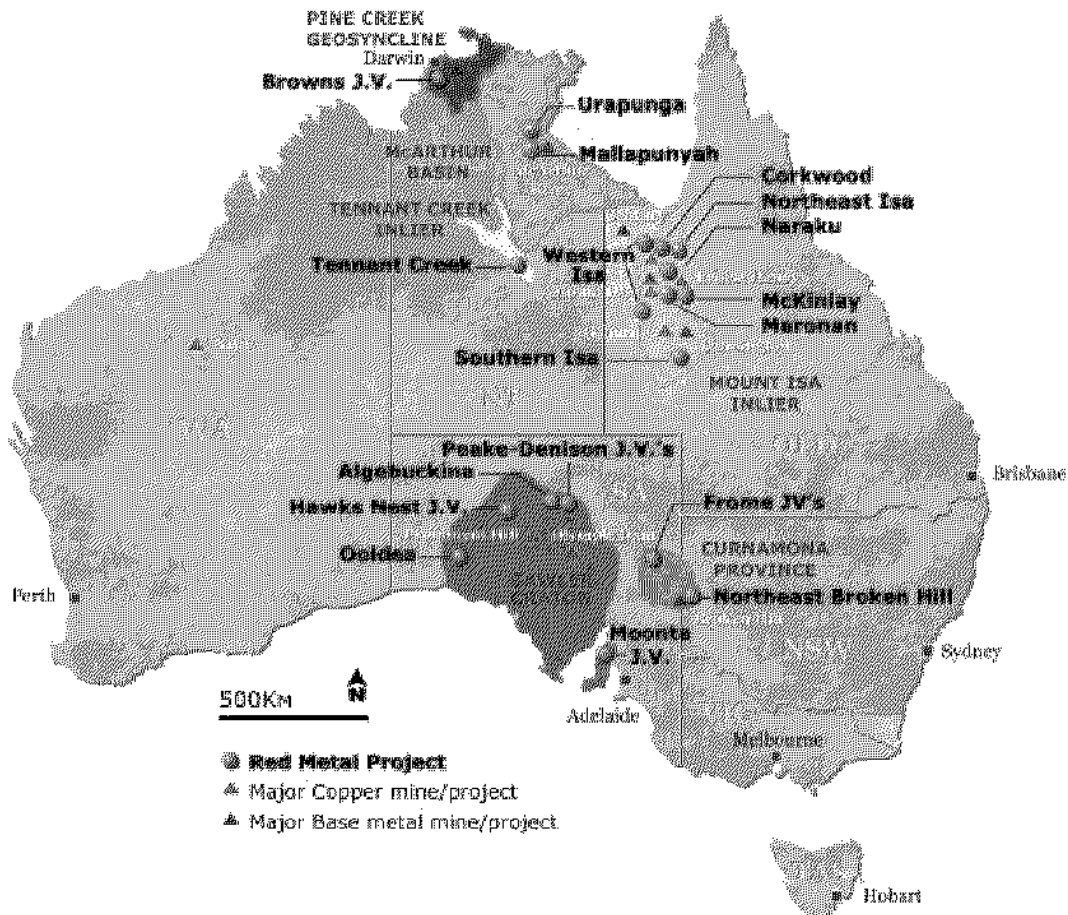

NEWS RELEASE

For Immediate Release
6 July , 2004

June Quarterly 2004

Highlights

- Drilling has commenced to follow up encouraging zones of secondary copper mineralisation and anomalous copper and gold in soil calcrete samples in the Moonta Joint Venture tenement. Results due in third quarter 2004.
- Also in the Moonta Joint Venture tenement, infill soil calcrete sampling defined a previously untested high gold and copper anomaly continuous over one kilometre of strike. Results include values up to 58ppb gold which are considered highly anomalous for the region.
- Several exciting Iron-Oxide Copper Gold (IOCG) drill targets were defined following processing of detailed gravity data over the Peake and Denison Joint Venture tenements. Drilling of high priority targets scheduled for September 2004.
- Drilling and detailed gravity surveys have commenced over a number of 100% owned Mount Isa projects. Results due in third quarter 2004.
- Detailed gravity surveys were completed over the Frome Joint Venture tenements. Processing and interpretation has commenced. Drilling scheduled for early fourth quarter 2004.



[Figure 1] Location of Red Metal projects.

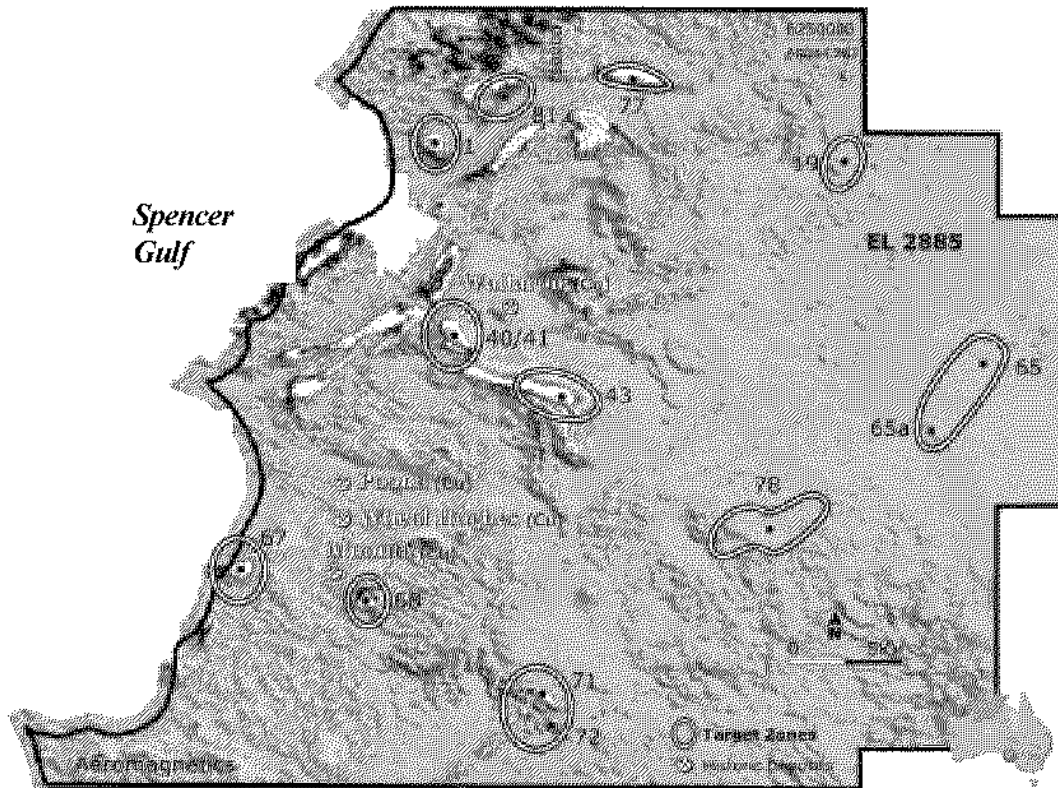
Exploration in Progress

Moonta Joint Venture (Red Metal right to earn 21%)

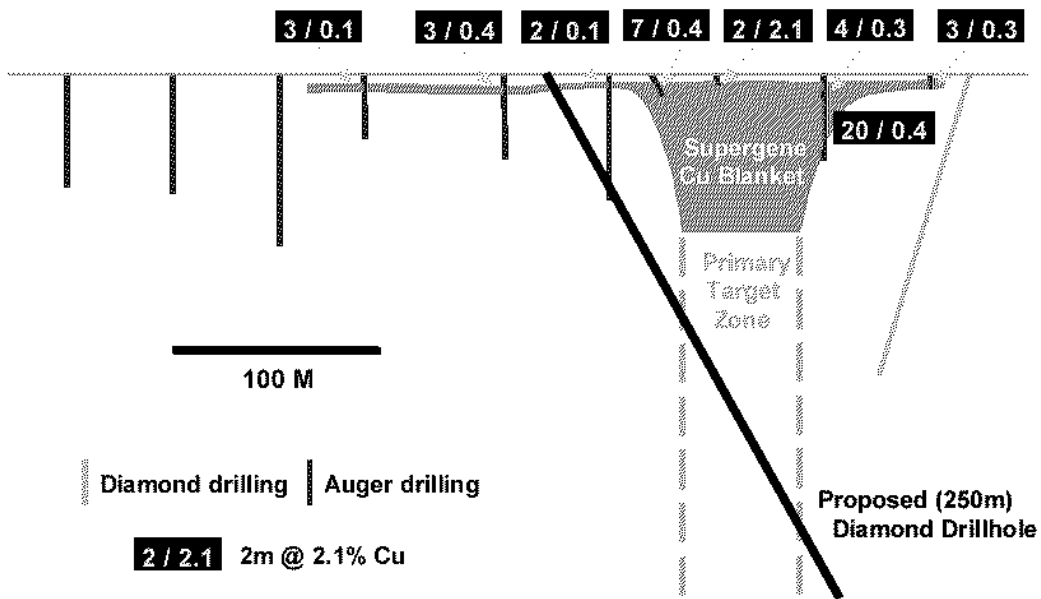
The Moonta Joint Venture tenement is centred around the historic copper mining district of Moonta –Walleroo. Under the joint venture the alliance between Phelps Dodge Australasia Inc. (“PDAI”) and Red Metal Limited can earn 70% and Adelaide Resources Limited retain a 30% equity.

During the quarter an infill calcrete soil sampling program totalling 841 samples was completed and a 600m mud drill/diamond core program commenced in late June. Soil calcrete sampling at Target 81 has discovered a previously untested zone of anomalous gold and copper extending for over one kilometre along a faulted contact between granite and metasediments. Values up to 58 ppb gold and 56 ppm copper within the zone are considered highly anomalous for this region. Soil calcrete sampling at Target 78 also discovered a 4 kilometre long zone of high copper values coincident with weak magnetic anomalies.

The current drill program will follow-up encouraging zones of secondary copper mineralisation at Target 81 West (Figure 3) and Target 19 and the gold and copper soil calcrete anomaly at Target 81. Results from this program will be reported before the end of the third quarter of 2004.



[Figure 2] Moonta Joint Venture: magnetic image showing deep drill targets.



[Figure 3] Moonta Joint Venture: Target 81 West interpreted drill section with historic copper grades

Peake and Denison Joint Ventures (Red Metal right to earn between 18% and 21%)

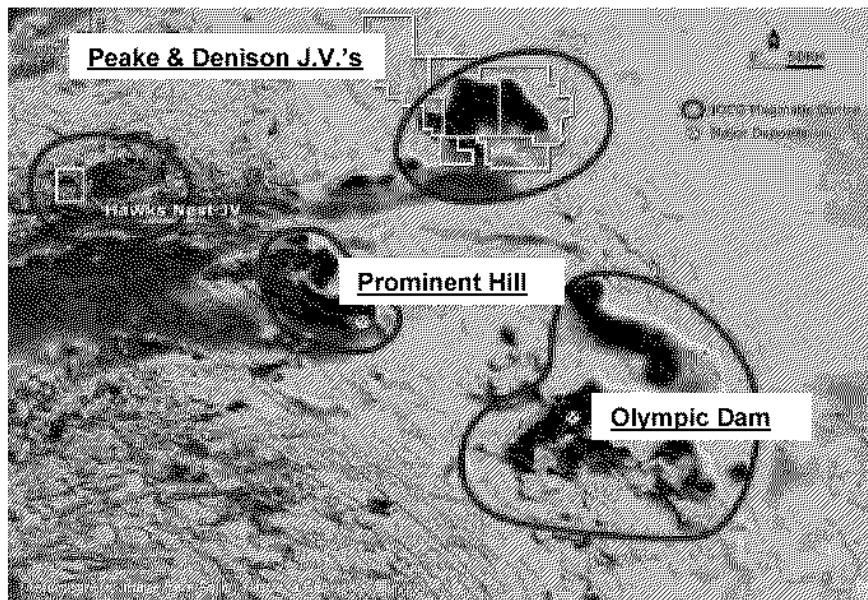
The joint ventures are included under the alliance with PDAI and comprise the Douglas Creek Joint Venture (Red Metal right to earn 21%) and the Peake and Denison Joint Venture (Red Metal right to earn 18%). The ventures cover an interpreted magmatic centre associated with a regional scale magnetic and gravity signature similar to the region hosting the Olympic Dam mine (Figure 4). A detailed gravity survey comprising 3,651 stations was completed over the prospective Douglas Creek, Umbum Creek and Spring Hill regions. Interpretation and modelling of the new data has identified several exciting geophysical targets considered highly prospective for both magnetite-associated and/or hematite-associated Iron Oxide Copper Gold (IOCG) style of deposit. Key targets within each of these areas are described below.

Douglas Creek (Douglas Creek J.V.) - 5 kilometre long by 1 kilometre wide, 6 milligal gravity anomaly located along a crustal scale fault zone (hematite-associated target).

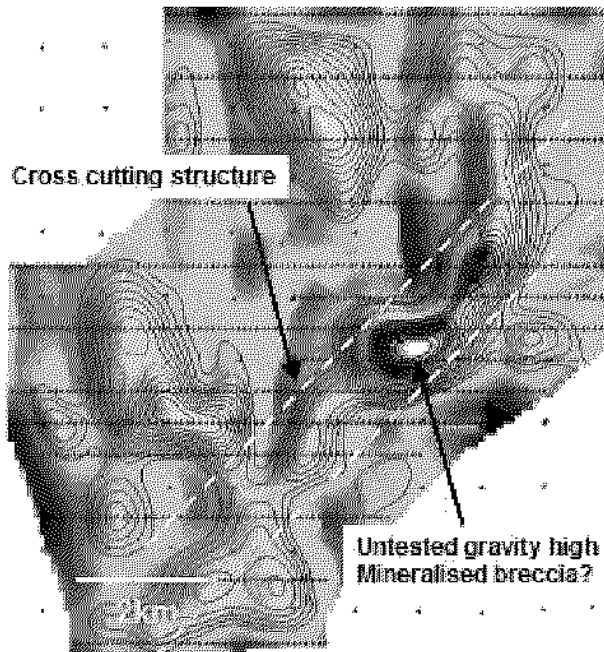
Umbum Creek (Peake and Denison J.V.) - 800 metres long by 500 metres wide, 3.5 milligal gravity target within cross-cutting highly magnetic alteration zone. Gravity anomaly off-set from magnetic anomaly (hematite/magnetite-associated target). Previous drilling near target intersected encouraging alteration in basement rocks located 295 metres below surface (Figure 5).

Spring Hill (Peake and Denison J.V.) - 5 kilometre long by 3 kilometre wide zone of magnetic lows with coincident high gravity up to 2 milligal (hematite-associated target). Previous drilling near the zone intersected prospective hematite-chlorite breccia under less than 50 metres of younger sedimentary cover. A previous orientation I.P. survey defined a 1 kilometre long chargeability anomaly at 400 metres depth within part of the low magnetic zone (Figure 6). Additional structure controlled, high magnetic and low magnetic targets coincident with high gravity anomalies were also identified.

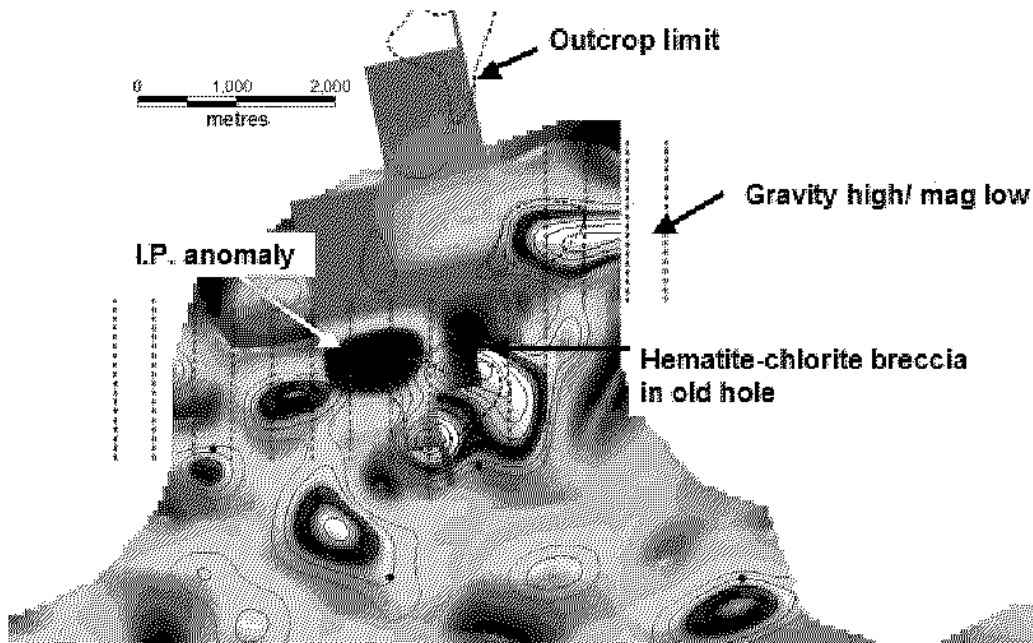
An extension of the I.P. survey is planned at Spring Hill. Drill testing of the highest priority targets in both joint venture areas is scheduled for September 2004 when specialist water bore drillers required for drilling in this region become available.



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



[Figure 5] Peake and Denison Joint Venture: Umbum Creek gravity image highlighting untested gravity anomaly near old holes with encouraging alteration minerals



[Figure 6] Peake and Denison Joint Venture: Spring Hill gravity image overlain by I.P. chargeability image. Highlights untested gravity highs and I.P. anomaly in area with known hematite breccias.

Hawks Nest Joint Venture (Red Metal right to earn 21%)

Rehabilitation of the drill sites in progress.

Mt Isa Basemetal Projects (Red Metal 100%, subject to PDAI earn-back)

An extensive exploration program including detailed gravity surveys and drilling over many of the Mt Isa projects was initiated this quarter. The company is targeting large IOCG deposits in structures similar to those hosting the Ernest Henry and Osborne copper-gold mines.

Detailed gravity surveys have been completed over the Naraku project (1,076 stations) and McKinlay project (575 stations) with surveys commenced over the Corkwood project and Southern Isa project. Processing and interpretation of the data are in progress.

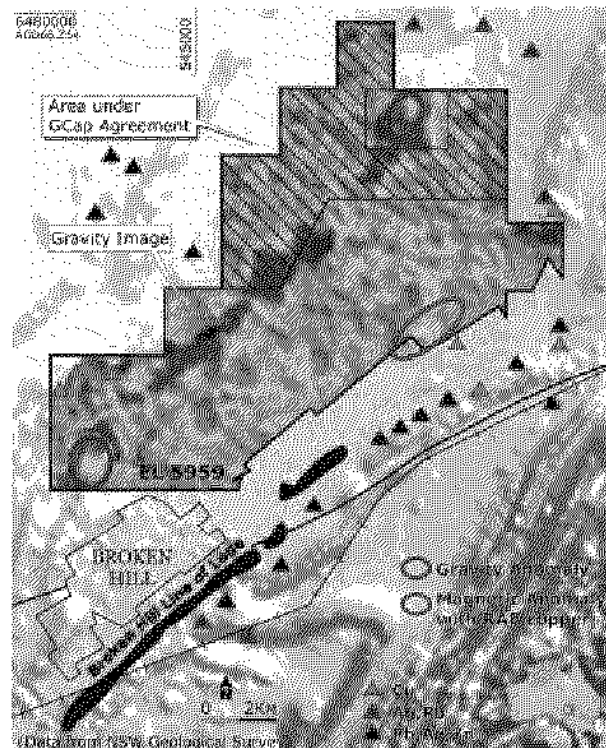
Rotary mud/diamond core drilling was initiated in mid June over the McKinlay projects. To date 389 metres of drilling has been completed. Drilling will continue in the third quarter on the McKinlay, Northeast Isa (Taldora) and Southern Isa (Elizabeth Springs) projects testing a number of regionally significant, structurally controlled magnetic and gravity anomalies (example Figure 10). Results from this program are expected in the third quarter of 2004. A second program of drilling is planned to begin late in the third quarter of 2004 over the Maronan, Naraku and Corkwood projects.



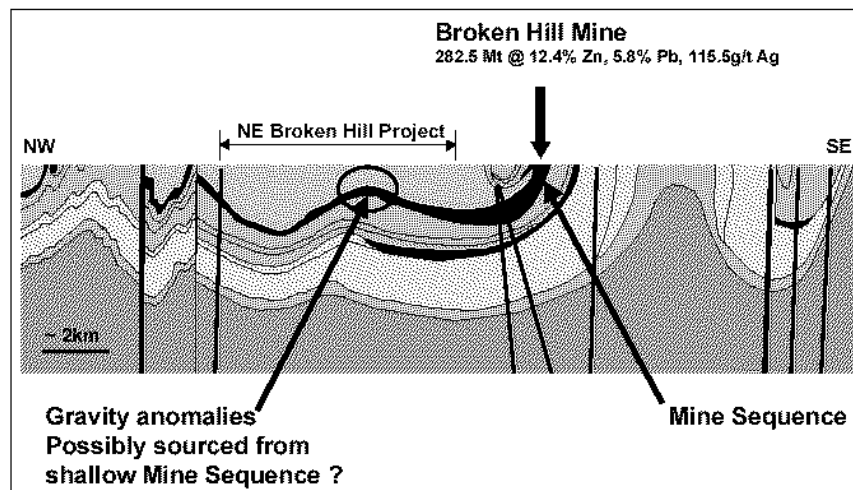
[Figure 10] Elizabeth Springs Projects: magnetic image highlighting two significant structure controlled magnetic highs adjacent to an interpreted granite pluton.

Northeast Broken Hill Project (Red Metal 100%, subject to PDAI earn-back)

Drilling of Falcon derived gravity anomalies will commence upon completion of access negotiations and is currently scheduled for the third quarter of 2004.



[Figure 8] Northeast Broken Hill Project: colour Falcon gravity image on greyscale magnetic image. The gravity image shows a ridge of high gravity (red) through the centre of the licence which may possibly reflect shallowing of dense Broken Hill mine sequence rocks.



[Figure 9] Regional cross section through Broken Hill Mine and Red Metal's Northeast Broken Hill project highlighting shallowing of dense rocks belonging to the Broken Hill mine sequence.

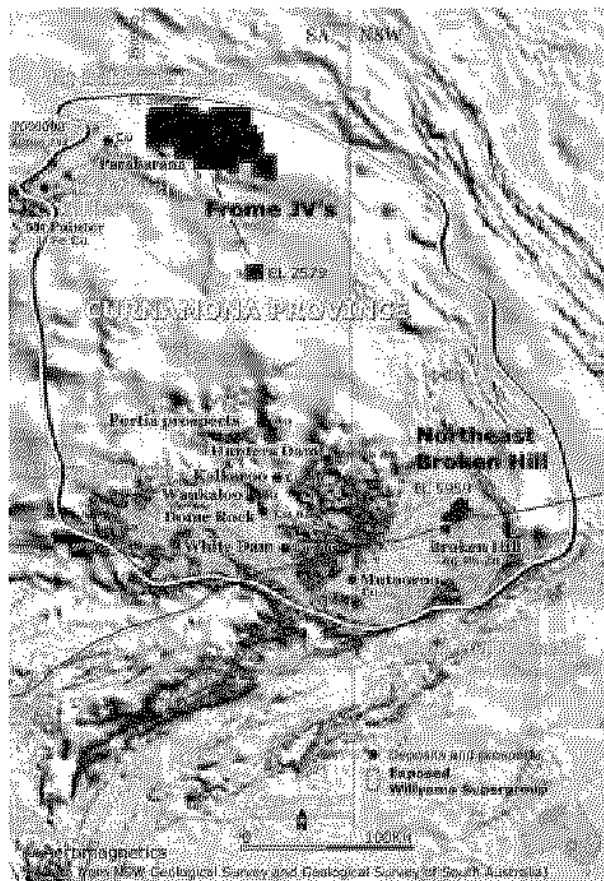
Frome Joint Ventures (Red Metal earning 70%)

The Frome Joint Ventures are located in the north-western portion of the metal rich Curnamona Province and target Olympic Dam style mineralisation in basement rocks buried below 400-600 metres of younger sedimentary cover rocks (Figure 7). The joint venture partners are PlatSearch N.L. at Callabonna (EL2886) and PlatSearch N.L. in equal partnership with a prospecting syndicate at Quinyambie (EL2579).

Historic exploration in the joint venture areas have identified a number of large IOCG style breccia systems associated with magnetite and hematite alteration and weak copper mineralisation.

Red Metal completed a detailed gravity survey totalling 2,798 stations over a large portion of the joint venture areas during the quarter.

Processing and interpretation of data has commenced. Drill testing of targets is scheduled for early in the fourth quarter of 2004 when specialist water bore drillers required for drilling in this region become available.



[Figure 7] Curnamona Province: magnetic intensity image showing Red Metal's project locations and the major deposits and prospects of the region.

Tennant Creek Projects (Red Metal 100%, subject to PDAI option to earn-in)

Red Metal now holds 8 exploration licence applications and 5 granted exploration licences covering 2,440 square kilometres over a range of combined magnetic and structural targets located under shallow cover within the highly prospective Tennant Creek Inlier. Many of the applications are subject to land access negotiations with traditional aboriginal owners and native title claimants. A meeting with the traditional owners and claimants is scheduled for 15 September 2004.

Browns Joint Venture (Red Metal right to earn 21%)

A final report on the deep drilling was completed. Drilling has down-graded the potential for a large copper resource at depth below the Browns trend. PDAI and Red Metal are currently considering their future involvement in the joint venture.

For further information concerning Red Metal's operations and plans for the future refer to the prospectus or contact Rob Rutherford, Managing Director at:

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