

ASX Release
21 July, 2011

Code: RDM

Issued Capital:

101,923,531
Ordinary shares

5,125,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick
(Chairman)

Joshua Pitt
(Non-executive Director)

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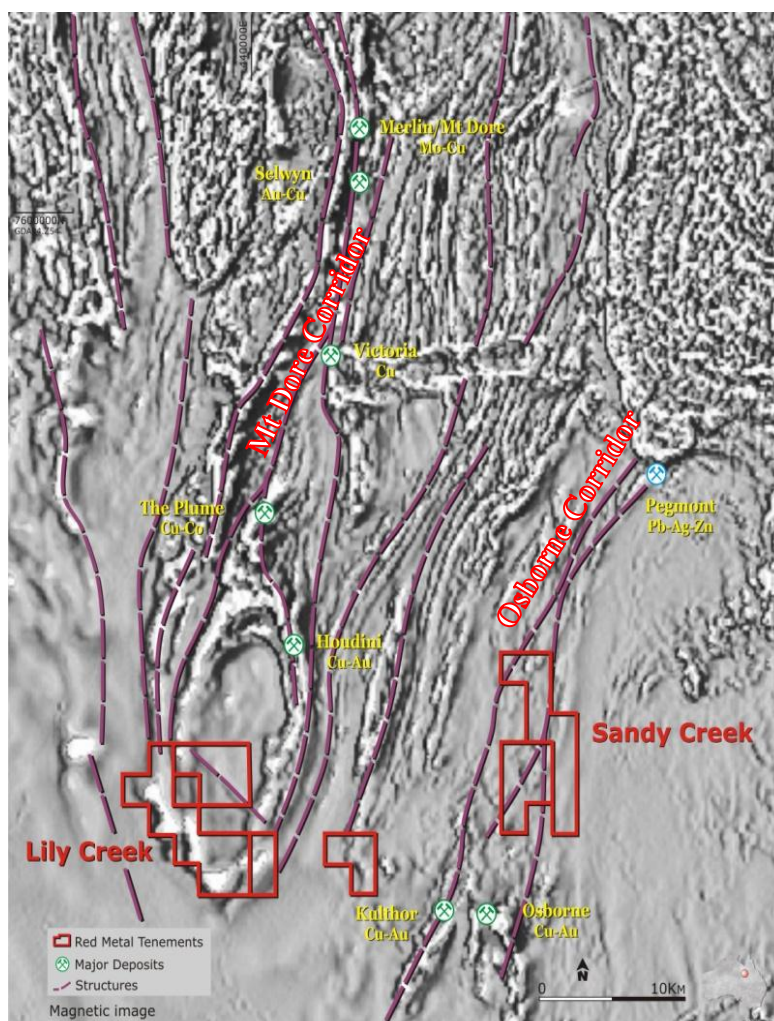


HeliTEM

New Airborne Electromagnetic Technology Defines Significant, Untested, Conductors on Red Metal's Sandy Creek and Lily Creek Projects, Northwest Queensland.

Application of the world strongest helicopter-borne airborne electromagnetic survey system (HeliTEM) has successfully defined significant conductivity targets on Red Metals Sandy Creek and Lily Creek projects located near the Osborne copper-gold mine (Figure 1).

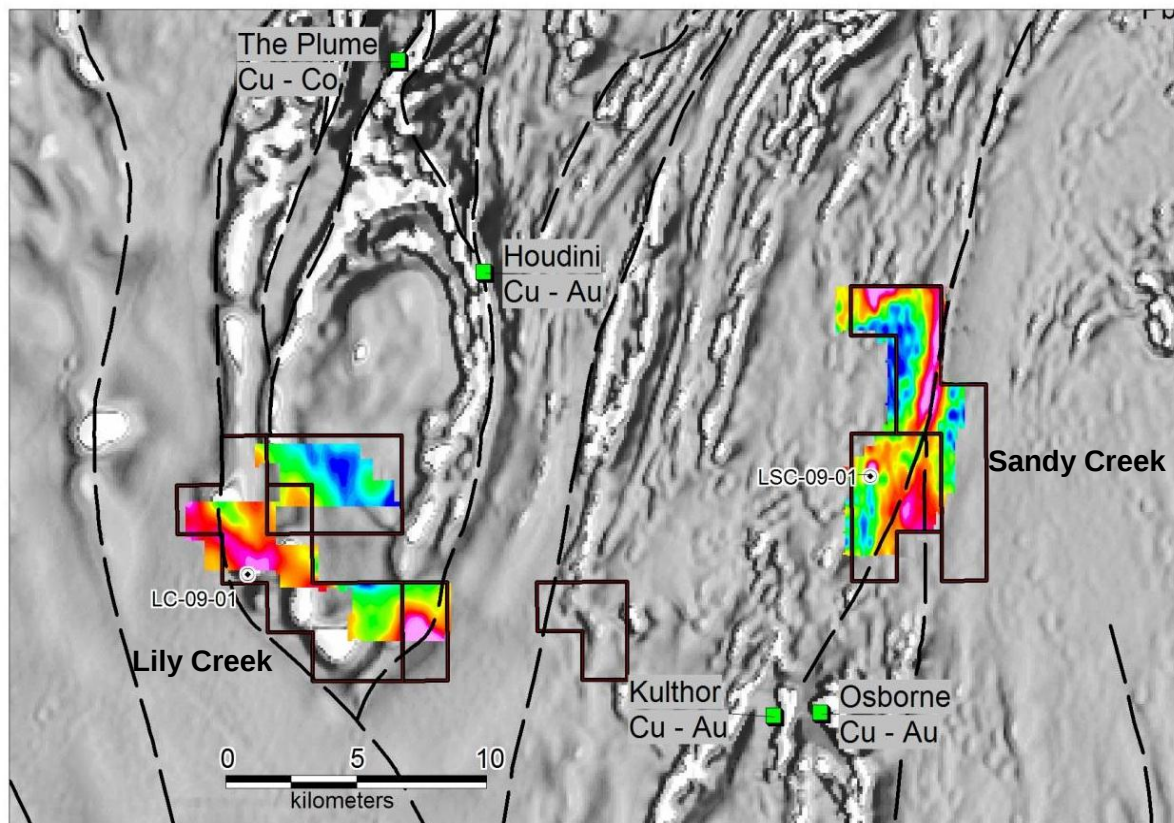
The high conductivity anomalies are encouraging as they may be sourced from massive sulphide mineralisation perhaps similar to the highly conductive chalcopyrite-pyrrhotite mineralisation mined from the nearby Osborne deposit.



[Figure 1] Lily Creek and Sandy Creek Projects: Vertical gradient magnetic image showing significant prospects and mines and the main controlling structural corridors.

Preliminary data highlight conductive targets on the **Sandy Creek** project within the same structural corridor which hosts the nearby Osborne and Kulthor copper-gold deposits (Figure 2). While on **Lily Creek**, two strong conductors were identified near regional magnetic targets located within the prospective Mt Dore structural corridor which hosts a number of significant copper-gold deposits (Figure 1 and Figure 2).

Depth inversion modelling and surface follow-up to validate the targets prior to drill target selection are progressing.



[Figure 2] Lily Creek and Sandy Creek Projects: Grey-scale vertical gradient magnetic image overlain by late-time conductivity image (colour). Note the high conductive targets (red-pink) along the prospective Osborne Mine and Mount Dore structural corridors. These targets are considered significant because the Osborne and Kulthor copper-gold deposits and the Plume copper prospect are all associated with the highly conductive iron sulphide mineral pyrrhotite.

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:

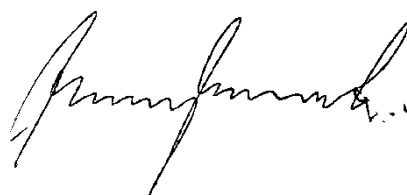
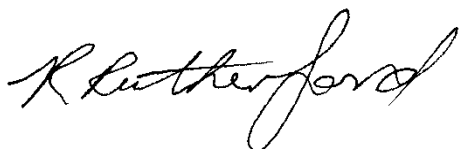
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Rob Rutherford
Managing Director

Russell Barwick
Chairman



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