

ASX Release 25 May, 2012

ASX Code: RDM

Issued Capital:

112,115,885
Ordinary shares

6,500,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

RED METAL LIMITED

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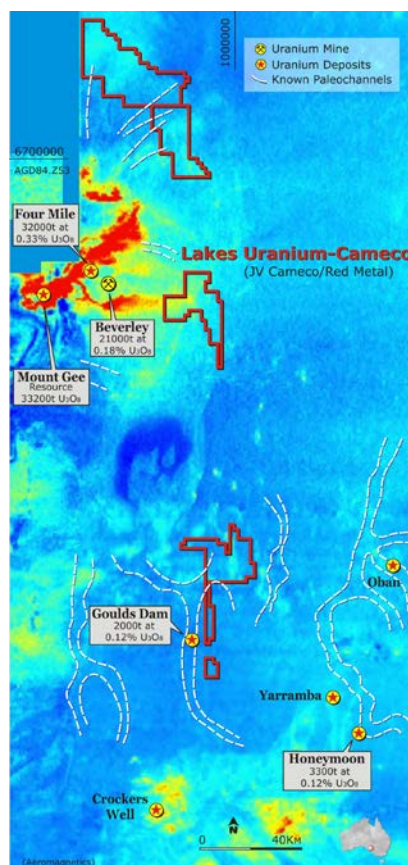
[Figure 1] Magnetic image with Red Metal South Australia projects

Cameco withdraw from exploration on the Lakes Joint Venture project, South Australia.

Cameco Australia Limited (Cameco) has informed Red Metal of its intended withdrawal from the Lakes Joint Venture following a head office decision to terminate all green field exploration activities in the Frome Basin, South Australia.

Cameco had in place many drill ready targets and had allocated a \$3 million budget for the 2012 field season prior to their sudden withdrawal. These untested targets provide a unique opportunity for a new joint venture partner keen to explore in this productive and highly sought after uranium province.

Red Metal will take charge of the Cameco data shortly and will be seeking expressions of interest from new potential joint venture partners soon. Interested parties should contact Rob Rutherford.



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

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:

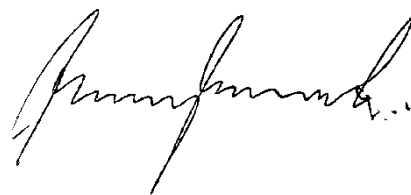
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Rob Rutherford
Managing Director

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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.
