

For Immediate Release
21 April 2010

RED METAL IN NEW POTASH INITIATIVE

NEW COLORADO POTASH PROJECT

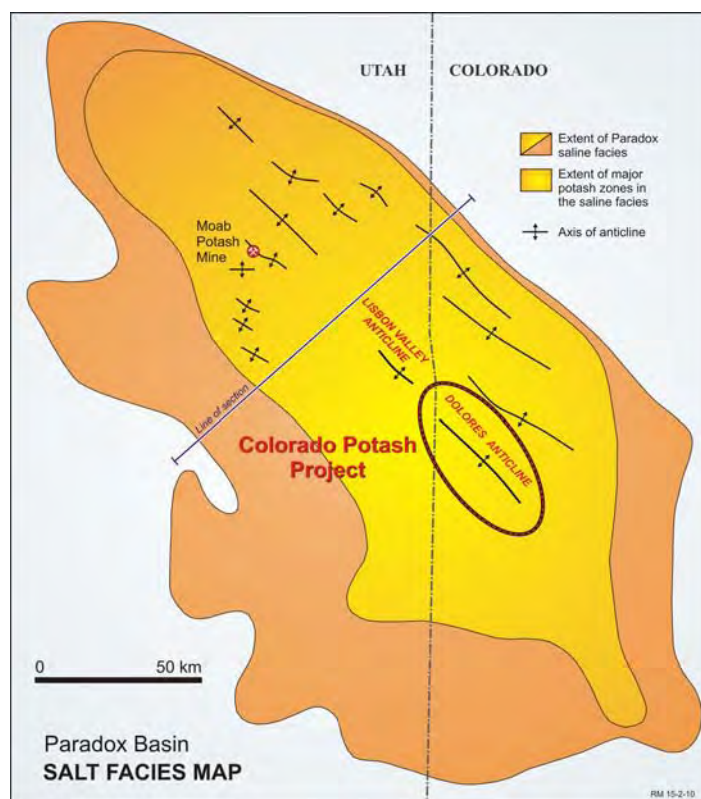
Red Metal has applied for 21 potash prospecting permits covering a total of 166 square kilometres of the potash-rich Paradox Basin, of Colorado, USA (Figure 1 and Figure 2). The decision to secure this large acreage follows the completion of a detailed study commissioned for the Company by the leading international potash consultants, Agapito Associates Inc. The study identified multiple potash-rich horizons within the application area and concluded that there was high potential for defining economically significant potash resources.

The study predicts the likely presence of potash strata that could be amenable to extraction using standard solution mining methods. Based on this the Company is targeting economic resources capable of producing between 200,000 and 2 million tonnes of potash per year.

Importantly, the prospecting permit applications cover areas that are predominantly federal government owned public land which has had a long history of oil, gas and uranium exploration and development. Red Metal understand the applications fall outside of known potash leasing areas and as a consequence are subject to a "priority in time" rather than an "open tender" granting procedure. Grant of the applications is dependent upon the Bureau of Land Management's assessment of Red Metal's proposed exploration plan and a decision is expected within about six months.

The basinal stratigraphy of the Paradox Basin has similarities to that which hosts major potash solution mining operations to the north in the sedimentary basins of Saskatchewan, Canada, where BHP Billiton has recently invested. It contains a large number of laterally extensive salt horizons several of which contain beds where potash-rich salts predominate. Drilling logs from earlier regional oil exploration indicate that some of these beds reach economically viable widths and, importantly, primarily consist of the soluble potassium-rich salt, sylvite (potassium chloride).

The structural characteristics of the basin appear very favourable for the establishment of solution mining operations. The Red Metal applications are centred on potash horizons in flat lying strata over the crests of the regional Dolores anticline. Regional oil exploration data which included seismic surveying provides strong evidence that this anticline is a very broad feature with particularly gentle dips: a key requirement for the preparation of the cavity leach systems used in most major solution mining operations.



[Figure1] Paradox Basin : Colorado Potash Project location

Of particular significance is the oil log data from two wells situated over 17 kilometres apart and central to the project area. Although no direct potash assays were taken during the oil drilling our consultants have used standard industry practice calculations based on natural gamma data from radiometric logs to determine best estimate potassium grades for contained potash. These logs reveal a series of potash beds with encouraging grades and widths at depths at which solution mining can be contemplated with the most encouraging being the Potash 5 Bed (Figure 3).

Intercepts calculated for the Potash 5 Bed include 6.7 metres estimated at 27.2% sylvite (17% K₂O) from 1697.7 metres in the first hole and 3.7 metres estimated at 30.4% sylvite (19% K₂O) from 1861.7 metres in the second. Another target bed of particular promise is the Potash Bed 9 which occurs at a depth of 1934 metres in the first hole and 2112 metres in the second hole. This bed returned widths of 9.1metres at 16% sylvite in the first hole and 3.7 metres at 38.4% sylvite in the second.

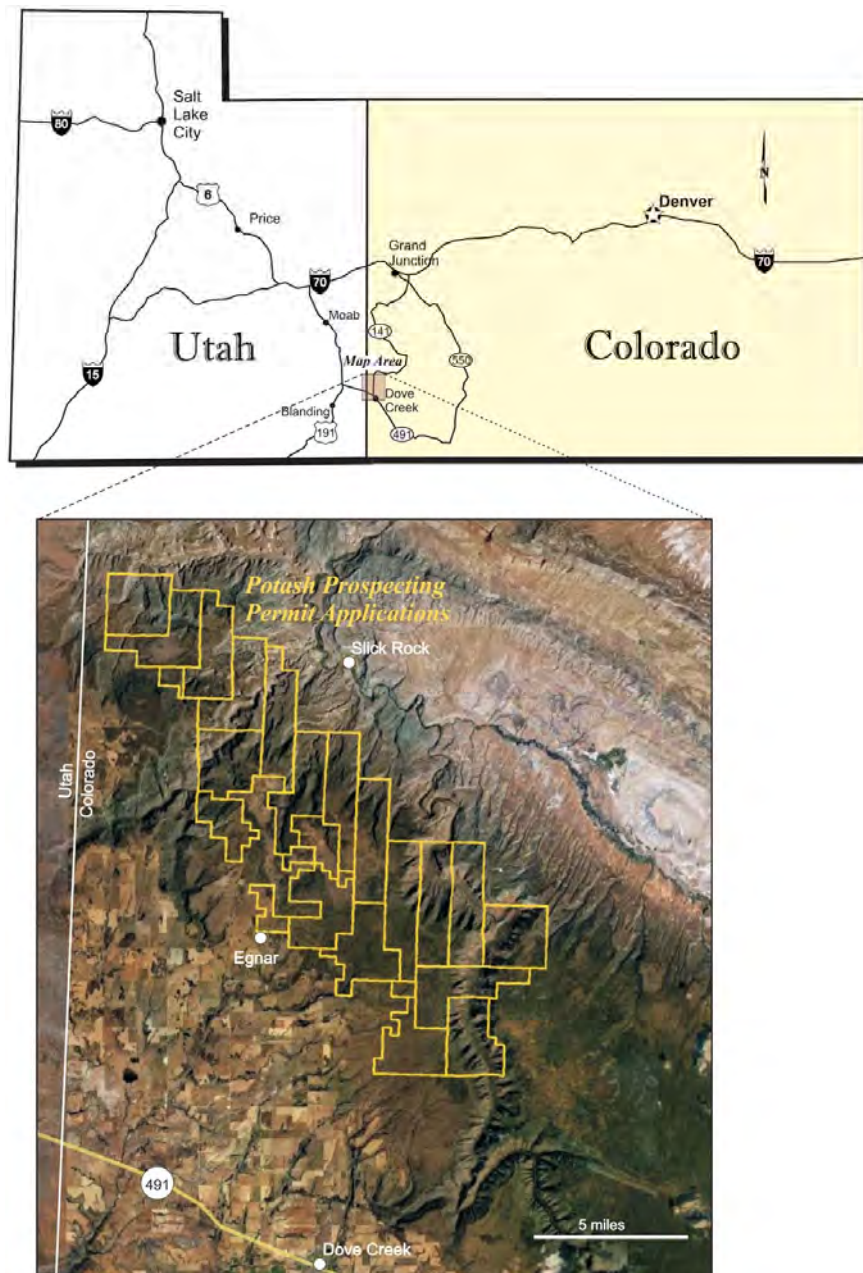
INDEPENDENT PROJECT ASSESSMENT

Red Metal commissioned an independent due diligence assessment of the Colorado Potash Project by Agapito Associates Inc. (Agapito) who are world renowned leading experts in potash solution mining. Agapito have participated in studies on many potash projects throughout the world (refer to agapito.com) including the solution mining study on the Potassio Rio Colorado deposit in Argentina which Vale recently purchased from Rio Tinto for \$US850 million.

Agapito's assessment validated the significant intercepts calculated from oil well log data and confirmed the large tonnage potential for potash on the project with the calculation of a JORC code compliant Exploration Target for the Potash Beds 5, 6, 9 and 19 (see Agapito Target Statement below, Table 1). Well log data indicate the dominant potash mineral for all

the beds is sylvite (potassium chloride) rather than the less favoured carnallite (hydrated potassium-magnesium chloride). The study concluded that the Potash Bed 5 to be the most favourable solution mining target. The deeper beds, in particular Bed 9, are considered potentially significant because if they can be solution mined along with Bed 5 they could have the advantage of significantly lowering the drilling cost per tonne of potash produced.

The Agapito review found no fatal flaws with the project and concept at this early stage and recommended advancing the project by assessing existing seismic data and drilling a single exploration core hole located midway between the two old oil holes mentioned above (Figure 3). The hole would seek to confirm the positive data gleaned from the old logs and allow a more accurate assessment of the potassium content and the relative proportions of potassium salt types and impurities of the beds.



[Figure 2] Location plan showing Red Metal new Colorado Potash Project on google image

Extract From Agapito Associates, Inc. Exploration Target Summary Statement:

“The Colorado Potash Project (CPP) comprises potash (KCl) mineralization in four evaporite beds, Potash 5, Potash 6, Potash 9, and Potash 19, which range in depth from approximately 1,600 to 2,450 meters (m) over the area of interest. The Exploration Target estimate for the four beds is shown in Table 1.

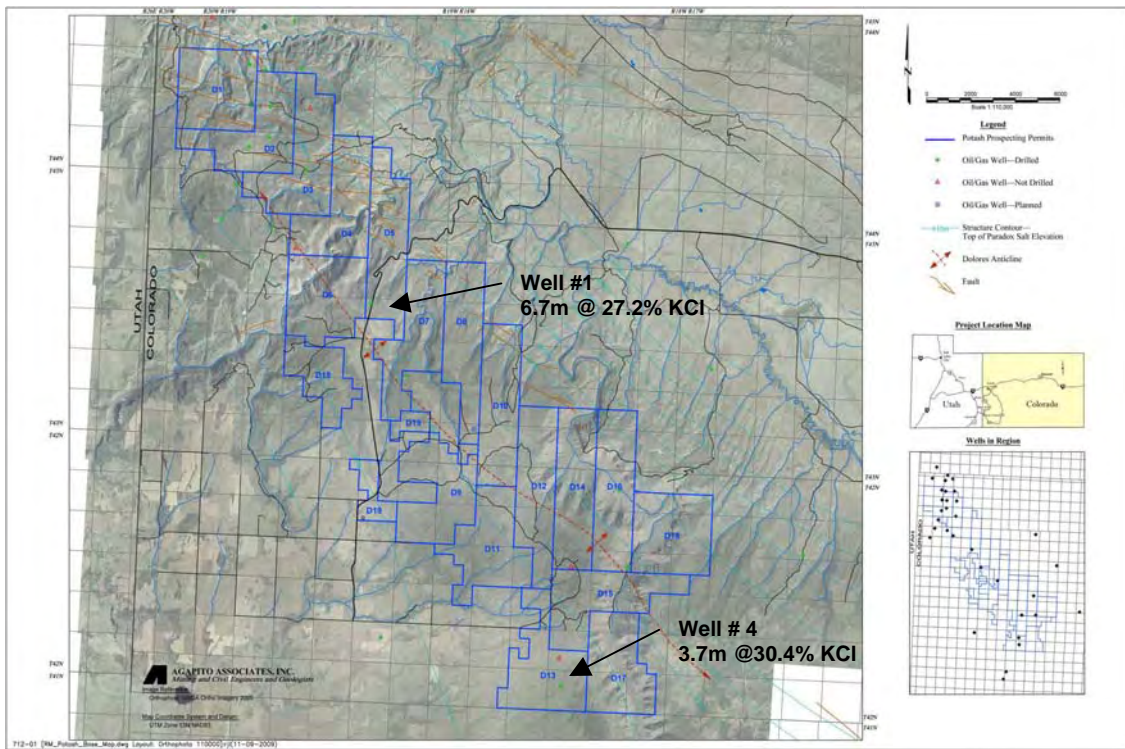
Table 1. Exploration Target Estimate for the Colorado Potash Project

Bed No.	Depth (m)	Thickness (m)	Grade		Grade-Thickness Product (% K ₂ O-m)	Sylvinite Tonnage (Mt)
			K ₂ O %	Sylvite%		
Potash 5	1,600 – 1,900	3.5–5.2	13–19	20.8-30.4	57–86	940–1,410
Potash 6	1,650 – 1,950	2.6–3.9	8–13	12.8-20.8	34–50	710–1,070
Potash 9	1,850 – 2,150	4.2–6.3	14–21	22.4-33.6	72–108	1,130–1,690
Potash 19	2,200 – 2,450	8.5–12.8	13–19	20.8-30.4	133–199	2,310–3,470
Mt = million tonnes		Sylvite(KCl) % = 1.6 x K ₂ O% assuming no other potassium mineral types				

The Exploration Target covers an area of approximately 130 square kilometers (km²). The target assumes a grade-thickness cut-off of 20% K₂O-m, below which mineralization is excluded from the estimate. All mineralization estimated exceeds this cut-off. The Exploration Target excludes mineralization known or projected to exist in heavily faulted or steeply dipping areas. The Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code” (JORC 2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

The basis for the Exploration Target range is a contemporary geologic block model developed from historical geophysical data from thirteen oil and gas exploration holes available through the Colorado Oil and Gas Conservation Commission, a division of the Colorado Department of Natural Resources, and the Denver Earth Resources Library. The Exploration Target relies on the professional interpretation of grade, thickness, and bed correlations from geophysical logs. Where K₂O grades are reported, values were calculated from natural gamma data derived from radiometrically logged drill holes.

The validity and accuracy of the historical geophysical data have not been verified per JORC standards. The majority of the geophysical logs were completed by recognizable and reputable contractors to a technical standard compatible with modern exploration. The historical data are expected to be valid and reliable for the purpose of Exploration Target definition.”



[Figure 3] Aerial orthophoto map showing potash prospecting permit applications, location of Dolores anticline and historic oil well and proposed oil well locations. Well#1 and Well#4 are over 17 kilometres apart. Sylvite % for Potash 5 Bed shown. Note all other drilled wells located between #4 and #1 stopped short of the potash stratigraphy.

For information concerning this project and 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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The information set out above and information in this report that relates to Exploration Results is based on information prepared by Dr. Douglas F. Hambley, an Associate with Agapito Associates, Inc. and reviewed by Dr. Michael P. Hardy, President and Principal with Agapito Associates, Inc. (AAI). Dr. Hambley is a Professional Engineer registered with Professional Engineers Ontario (PEO) and the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS). Dr. Hardy is a Professional Engineer registered with the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS) and a Registered Member of The Society for Mining, Metallurgy, and Exploration (SME). Drs. Hambley and Hardy have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the JORC Code. Drs. Hambley and Hardy consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.