



440-789 West Pender St, Vancouver, BC V6C 1H2
Tel: 604 688 6410 Fax: 604 688 6402
www.raytecmetals.com

July 30, 2009
08/09-21

TSX.V-RAY

RAYTEC FORMALIZES DEAL TO SELL POTASH ASSETS

July 30, 2009, Vancouver, BC – Further to its news release dated June 16, 2009, Raytec Metals Corp. (the “Company” or “Raytec”) (TSX.V – RAY) is pleased to report that it has entered into agreements (the “Agreements”), replacing the original letter of intent, to formalize the sale of all of its potash interests to Encanto Potash Corp. (“Encanto”).

Raytec will transfer all of its interests in its Spar and KP452 potash properties in Saskatchewan to Encanto, or its subsidiary, in exchange for 19,846,525 common shares of Encanto, at a deemed total value of \$4,961,631. Raytec will also incur \$6.5 million in expenditures on Encanto’s existing potash properties and Raytec’s potash properties (collectively, the “Potash Properties”) by Dec. 31, 2009, to earn a 51% interest in the Potash Properties. Encanto will have the option to repurchase the 51% Raytec interest in the Potash Properties for 26 million shares of Encanto.

The Agreements remain subject to TSX Venture Exchange approval. A finders' fee will be payable in accordance with TSX Venture Exchange policies.

About Raytec:

Raytec Metals Corp. is a well-financed, Canadian exploration company with a recently signed Farm-In letter of intent with Africa Oil Corp. and recently signed formal agreements with Encanto Potash Corp. Raytec currently holds over 180,000 acres of potash permits in Saskatchewan, Canada – the largest producing region for potash in the world. The Company holds approximately a 20 per cent interest in Sulphur Solutions Inc., an emerging fertilizer company developing state-of-the-art patented technology for the production of micronized sulphur fertilizer. The Company is further diversified with an iron ore project in Ontario, and a uranium joint venture project in the Athabasca Basin of Saskatchewan.

To find out more about Raytec Metals Corp., please visit the company website at www.raytecmetals.com or review the documents filed on www.sedar.com.

On behalf of the Board,
RAYTEC METALS CORP.

“Brian Thurston”, President and CEO

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE

This release includes certain statements that may be deemed “forward-looking statements”. All statements in this release, other than statements of historical facts, that address exploration drilling, exploration activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements in this news release include statements regarding the Offering (including the anticipated closing date) and future exploration plans and expenditures. Although, the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration and exploration successes, and continued availability of capital and financing and general economic, market or business conditions. These statements are based on a number of assumptions, including among others, assumptions regarding general business and economic conditions, the timing and receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company’s proposed transactions and programs on reasonable terms, and the ability of third-party service providers to deliver services in a timely manner. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected on the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.