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TSX.V-RAY

RAYTEC FINALIZES AGREEMENTS WITH ENCANTO POTASH CORP. AND ACQUIRES SHARES

August 24, 2009, Vancouver, BC –Raytec Metals Corp. (the “**Company**” or “**Raytec**”) (TSX.V – RAY) is pleased to announce that it has closed its previously announced transactions with Encanto Potash Corp. (“**Encanto**”). Raytec has transferred all of its interests in its potash properties in Saskatchewan to Encanto’s operating subsidiary in exchange for 19,846,525 common shares of Encanto, at a deemed total value of \$0.25 per share (\$4,961,631 in total). As a result, Raytec now owns 19,846,525 common shares of Encanto representing approximately 14.76% of the common shares of Encanto. Raytec has acquired the common shares of Encanto for investment purposes.

Raytec will also incur \$6,500,000 in expenditures on Encanto’s existing potash properties and Raytec’s potash properties (collectively, the “**Potash Properties**”) by December 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 26,000,000 common shares of Encanto. If this option is exercised, Raytec will own an aggregate of up to 45,846,525 shares of Encanto which will be equal to an estimated 28.57% of Encanto’s issued shares based on its current issued share capital.

The Company will file a report describing the above transactions with applicable securities regulators, a copy of which will be available under the Company’s profile at www.sedar.com. For further information, or to obtain a copy of the early warning report, please contact Brian Thurston, President and Chief Executive Officer (Tel: (604) 688-6410).

About Raytec:

Raytec Metals Corp. is a well-financed, Canadian exploration company with recently signed agreements with Africa Oil Corp. The Company holds an approximately 20% 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 a uranium joint venture project in the Athabasca Basin of Saskatchewan and an iron ore project in Ontario.

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

On behalf of the Board,
RAYTEC METALS CORP.

“*Brian Thurston*”
Brian Thurston,
President and CEO

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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, expenditures 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 transaction, expenditures to be incurred, shares to be issued and interests to be transferred there under, and any 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 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 in 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.