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TSX.V-RAY

RAYTEC TO ACQUIRE LION PETROLEUM CORP.

August 25, 2009, Vancouver, BC – Raytec Metals Corp. (the “**Company**” or “**Raytec**”) (TSX.V – RAY) announced today that it has entered into a binding Letter of Intent (“**LOI**”) with Lion Petroleum Corp. (“**Lion**”), subject to certain conditions and completion of due diligence process. Lion is a privately held oil and gas exploration company based in Vancouver, British Columbia, with an exploration office in Nairobi, Kenya. Lion’s principal assets are Blocks 1 and 2B, both highly prospective exploration Blocks in Northeastern Kenya.

Blocks 1 and 2B:

Lion is party to Production Sharing Contracts (“**PSC**”) with the Government of the Republic of Kenya, relating to Blocks 1 and 2B. The PSCs grant Lion a 100% interest in the respective Blocks, subject only to an 18% back-in right in favour of the Kenyan government.

Block 1 covers an area of approximately 31,781 square kilometers forming part of the western portion of the Mandera-Lugh basin that occupies part of the northeastern territory of Kenya and extends into Somalia and Ethiopia. Lion has entered into a Farm-In Agreement with East African Exploration Ltd. (“**EAX**”) of Dubai, UAE on the Block 1 concession. EAX may earn a 50% interest in Block 1 by conducting a work program (minimum 600 kilometres 2D seismic) and making all the financial commitments required of Lion to the Kenyan government under the PSC.

Block 2B covers an area of approximately 7,807 square kilometers south of Block 1 in Northeastern Kenya and covers three separate rift basins; the Anza, Mandera-Lugh and Mochesa Basins.

The LOI:

Under the terms of the LOI, Raytec and Lion have agreed to enter into a business combination pursuant to which Raytec, or a subsidiary of Raytec, will acquire all of the 23,865,000 common shares issued and outstanding in the capital of Lion, in consideration for the issuance of 28,399,350 common shares in the capital of Raytec to Lion. In conjunction with the transaction, it is proposed that Mr. Minaz (“**Mike**”) Devji, President and CEO of Lion, become a Director of Raytec, and then be appointed as Chairman of the Board of Directors of Raytec.

Raytec president, Brian Thurston, stated: “We are very pleased to announce this strategic partnership with Lion. Raytec is focused on becoming a significant player in the developing oil and gas industry in East and Central Africa. Raytec’ Board members have laid out a critical path to achieve this goal, the first part of which was the recently announced Farm-In agreement with Africa Oil Corp. In this second step, Lion, with its fully staffed offices in Nairobi, Kenya, has the

infrastructure in place to allow Raytec to continue building an Africa based portfolio of oil and gas assets.”

Raytec and Lion expect to complete their respective due diligence investigations, meet the conditions, and execute a definitive agreement shortly. The transaction is subject to TSX Venture Exchange (the “Exchange”) acceptance, as well as approvals from the appropriate regulatory authorities of the Republic of Kenya. A finders fee will be payable in accordance with Exchange policies.

About Lion:

Lion Petroleum Corp., a privately held oil and gas exploration company based in Vancouver, British Columbia, is active in the acquisition and development of oil and gas concessions in Eastern and Central Africa through an extensive network including its directors, officers and advisors.

About Raytec:

Raytec Metals Corp. is a well-financed, Canadian exploration company with a vision to become a significant player in the developing oil and gas industry in East and Central Africa. Recently the Company signed an agreement with Africa Oil Corp. that gives Raytec the right to earn an interest in five highly prospective petroleum blocks located in the Republic of Kenya and in Puntland, Somalia. The Company also holds 14.76% interest in Encanto Potash Corp., a junior potash exploration company, and has invested \$6.5 million into a joint-venture to increase its holdings to approximately 29%. Raytec holds a 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 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

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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 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 LOI and interests and shares 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 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.