

3 June 2010
ASX Release

**Update: Jillewarra Copper Gold Project (RMP earning 51% from CAZ)
Russian Potash Project**

JILLEWARRA COPPER GOLD PROJECT

The North Murchison Goldfields have recently had a resurgence in polymetallic exploration with the discoveries of the Doolgunna Project (Sandfire Resources NL) and the Austin Project (Silver Swan Group).

Red Emperor is pleased to announce that the Company is commencing a geochemistry program in conjunction with a drilling program within the next month after interpretation of prior exploration activities including geochemistry and soil sampling has identified drill targets to test the gossan and the margins of the ultramafic unit.

Field reconnaissance by the vendors Cazaly Resources Limited ("Cazaly", ASX Code:CAZ) highlighted the prospectivity of the ultramafic-basalt horizon between Rafters Run and Hewitt's Find. The prospective contact zone strikes for over 6km within the Project Area but has received limited drill testing. Exploration in the Rafters Run area has previously focused on nickel and the IP anomalies require further investigation, however the potential for copper – gold mineralisation has not been evaluated.

Mullock samples were previously collected from prospecting shafts in the area (Rafters Run prospect) and returned significant results of up to 10.8% Cu. The mineralisation was hosted in a sheared ultramafics unit at the interpreted contact within a basalt unit.

The current geochemical program will target amenable areas along the mineralisation trends already identified, involving the collection of approximately 950 samples.

In conjunction with Cazaly, the Company has scheduled 1,000 metres of RC drilling, covering 14 drillholes. The prospective ultramafic-basalt contact zone strikes for over 6km within the Project Area and has received limited historical drill testing.

The proposed geochemical program, combined with the proposed 1,000m of RC drilling, provides an excellent opportunity to explore a large portion of the tenements in areas that have already provided indications of mineralisation. The Company has recently received heritage and environmental approvals for such programs.

RUSSIAN POTASH PROJECT

The Directors advise that in relation to the proposed acquisition of a controlling interest in a Russian potash project, details of which were announced to ASX on 20 May 2009 (the **Project**), the Company has been advised by its Russian partners that the acquisition date is once again facing a delay. The Russian entity with which Red Emperor has a conditional agreement to acquire the Project remains confident it can ultimately achieve its objective of instituting an acquisition process that is commercially acceptable to and within a timeframe acceptable to the Company.

The Russian entity has indicated that their discussions with relevant government departments have not yet led to a commercially viable outcome, in particular in relation to the pricing of the Project. Red Emperor remains committed to the agreement to acquire the Project should the Russian entity achieve its aim of delivering an acquisition process at a commercial price.

RUSSIAN TIMBER PROJECT

As announced to ASX on 19 June 2008, the Company has entered into a Memorandum of Understanding with Russian partners whereby the partners will provide the Company with the opportunity to acquire a 100% interest in a license to harvest a timber resource in Russia.

The Company has been advised by the Russian partners that they are no longer in a position to procure this license for the Company.

OTHER PROJECTS WITH RUSSIAN PARTNERS

The Company and its Russian Partners continue to source and review additional and alternative resource projects, including mineral resources, for attractive opportunities to add shareholder value. The Company is currently reviewing several prospective projects. The Company looks forward to updating the market on these exploration projects in the future.

For further information please visit the Company's website www.red-emperor.com

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