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NEWS RELEASE

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**AUGUST METAL CORP: DRILLING AT LAS LAJAS GOLD PROJECT, MEXICO
INTERSECTS 5.0 METERS GRADING 2.0 G/T GOLD INCLUDING 1.6 METERS GRADING
5.11 G/T GOLD.**

(Vancouver) August Metals Corp. (AGP:TSXV) is pleased to provide drill core results for the phase one drill program at the Las Lajas gold project in southern Sonora State, Mexico. A total of 18 holes (2,754 meters) were drilled to test a number of targets defined and untested by previous operators, and targets generated by the recently completed mechanical trenching program on the 16,311 hectare Las Lajas gold project (see Company news release dated May 16, 2011). See the company website for maps and NI 43-101

Five holes (LJ 11-01 – LJ11-05) were oriented to test the Peluchin West area where trenching had discovered three new mineralized trends (A, B and C) in oxidized greenschist locally intruded by felsic dykes. The best result from this area was in hole LJ11-04 which returned 3.05 meters grading 2.31 g/t gold.

Five holes (LJ11-06 – LJ11-10) were drilled to test the El Terco, a gold-rich silicified zone, hosted in greenschist intercalated with, and underlain by, limestone that trends north-northeast and dips moderately west-northwest. Mineralization has been partially exposed over an area 600 meters long and 200 meters wide by numerous shallow artisanal mines and a 30 meter deep shaft. The best result of the five widely spaced holes at El Terco was 1.4 meters grading 2.22 g/t gold in hole LJ11-07.

Two holes (LJ11-11 – LJ11-12) were drilled to investigate the Las Avispas, a zone of easterly trending intermediate sulphidation epithermal quartz veins and breccias that outcrop discontinuously over a 1.3 kilometer-long strike length. The veins and breccias are hosted in thinly bedded limestones and intercalated schists that strike easterly and dip moderately to the north. The best result from this zone was in hole LJ11-12 which returned 1.15 meters grading 1.185 g/t gold.

Two holes (LJ11-13 & LJ11-18) were drilled to test the El Peluchin area where mineralization occurs in grey quartz veins hosted in muscovite schist. The two holes targeted the down dip extension of the historic El Peluchin open-cut and its extension to the northwest. Results from the drilling included 1.6 meters grading 2.10 g/t gold in hole LJ11-13 and 5.0 meters grading 2.0 g/t gold, including 1.6 meters grading 5.11 g/t gold in hole LJ11-18.

One hole (LJ11-14) was drilled at El Triunfo where mineralization consists of copper-rich chrysocolla and chalcocite hosted in foliation parallel fractures in green schist west of a monzodiorite porphyry. As well, three holes (LJ11-15 – LJ11-17) were drilled to investigate the Peluchin Northwest extension, an area underlain by green schists with minor intercalated limestones that are intruded by a granodiorite stock. No significant results were obtained from these four holes.

PHASE 1 DRILL RESULTS, LAS LAJAS, NAVOJOA, SONORA, MEXICO

Hole ID		From (m)	To (m)	Intercept Length (m)	Au (g/t)	Ag (g/t)
LJ11-01		No Significant Results				
LJ11-02		No Significant Results				
LJ11-03		1	3.2	2.2	0.308	6.4
LJ11-04		129.35	132.4	3.05	2.31	
	includes	129.35	131.15	1.8	3.73	
LJ11-05		No Significant Results				
LJ11-06		44.25	47	2.75	0.496	2.78
LJ11-07		31.6	33	1.4	2.22	
LJ11-08		No Significant Results				
LJ11-09		No Significant Results				
LJ11-10		49.9	51.85	1.95	0.68	
LJ11-11		No Significant Results				
LJ11-12		40.2	41.35	1.15	1.185	14.3
LJ11-13		28.7	33.35	4.65	0.908	6.84
	includes	31.75	33.35	1.6	2.1	
LJ11-14		No Significant Results				
LJ11-15		No Significant Results				
LJ11-16		102.2	103.4	1.2	0.915	13.3
LJ11-17		No Significant Results				
LJ11-18		28.6	29.4	0.8	1.075	
		116.4	121.4	5	2	2.72
	includes	116.4	118	1.6	5.11	3.4

The 2011 phase one drill program at Las Lajas provided a preliminary widely spaced investigation of a number of gold targets defined and untested by previous operators, and targets generated by programs of soil geochemical sampling and mechanical trenching conducted by August Metals Corp and Minera Goldzone. Gold mineralization occurs in poorly understood, structurally complex zones often associated with felsic dykes and alkalic stocks. August Metals is retaining a consulting structural geologist to assist the company in interpreting the results of the 2011 trenching and diamond drilling programs, and make recommendations to test the

widespread gold mineralization at Las Lajas for both high grade structurally controlled and bulk tonnage gold deposits.

This news release was reviewed by Michelle Robinson, M.A.Sc., P.Eng., August Metal Corp.'s independent Qualified Person as defined by NI 43-101. In compliance with National Instrument 43-101 protocol, all drill core samples were sawn in half at the secure site, and one-half core samples were numbered and bagged generally over intercepts of 1-2 meters in core length. The remaining half of the core was saved and securely stored in plastic trays at a secure site. The samples were labeled, sealed in plastic bags and then collected in grain sacks. Blind standard and blank samples were inserted at random in the sample stream. From the field, the samples were shipped by courier to ALS Chemex de Mexico S.A. de C.V. in Hermosillo for preparation. The samples were weighed, logged, crushed, pulverized then fine crushed. The samples were then split with a riffle splitter and pulverized to 85 percent less than 75 microns. Prepared pulps were then sent to Chemex's main lab in Vancouver, B.C., Canada, for analysis. Gold was determined using a fire assay of a 50 gram pulp with an AA finish (AU-AA24). Base metals and silver were determined using ICP-AES methods on a 0.5 gram pulp dissolved in hot aqua regia (ME-ICP41). Chemex's quality control system complies with the requirements for the International Standard ISO 9001:2000 by monitoring analytical accuracy and precision with the insertion and analysis of blanks, reference standards and duplicate samples.

Reza Mohammed BSc., President
August Metal Corp.

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