



ACN 008 982 474

METALS
AUSTRALIA LTD

1st Floor, 8 Parliament Place West Perth WA 6005
PO Box 1618 West Perth WA 6872
Tel: (08) 9481-7833
Fax: (08) 9481-7835
Email: mls@metalsaustralia.com.au
Website: www.metalsaustralia.com.au

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The Manager
Company Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

URANIFEROUS ALASKITES IN TRENCHING AT MILE 72, NAMIBIA

Metals Australia Ltd ('Metals') is pleased to announce the following in regard to the Mile 72 uranium project in Namibia:

- **Trenching confirms the presence of primary uraniferous alaskites, increasing the overall potential of the project.**
- **An extensive trenching programme has now been completed across the Mile 72 project area.**
- **Two phases of trenching have been completed:**
Phase 1. – 500 metre spaced trenches across Kudu and 1,000 m spaced trenches across the Impala prospect.

Phase 2. – Infill trenches at 250 metre spacing across the central portion of the Kudu prospect.

- **Initial radiometric testing of the trenching lines confirms an increase in the level of radioactivity with depth.**
- **Preliminary rock chip and channel sampling has been completed within the Mile 72 trenches, with sampling continuing.**



The Mile 72 uranium project (100% MLS) is located on the central coast of Namibia, south west Africa. The project lies approximately 115 kilometres to the northwest of RTZ's Rossing uranium mine and adjacent to the small Mile 72 uranium discovery made in the 1970s, which is outside the tenement boundary (see Figure 1).

A 'first-pass' trenching programme has now been completed across the Kudu and Impala prospect areas at Mile 72. A veneer of surficial aeolian sand and alluvial gravels of varying thickness covers much of the Mile 72 project area. This cover largely masks the radiometric and geochemical signature of the subsurface uranium mineralisation.

The trenching programme was designed to penetrate this shallow cover to expose the underlying geology, specifically the extent of the uraniumiferous alaskites previously observed sub-cropping through the project area.

1. TRENCHING AT MILE 72

Metals have now completed two phases of mechanical trenching at the Mile 72 uranium project. This trenching was designed to expose the underlying bedrock geology to allow mapping and modelling, as well as sampling of the primary host rocks for uranium mineralisation.

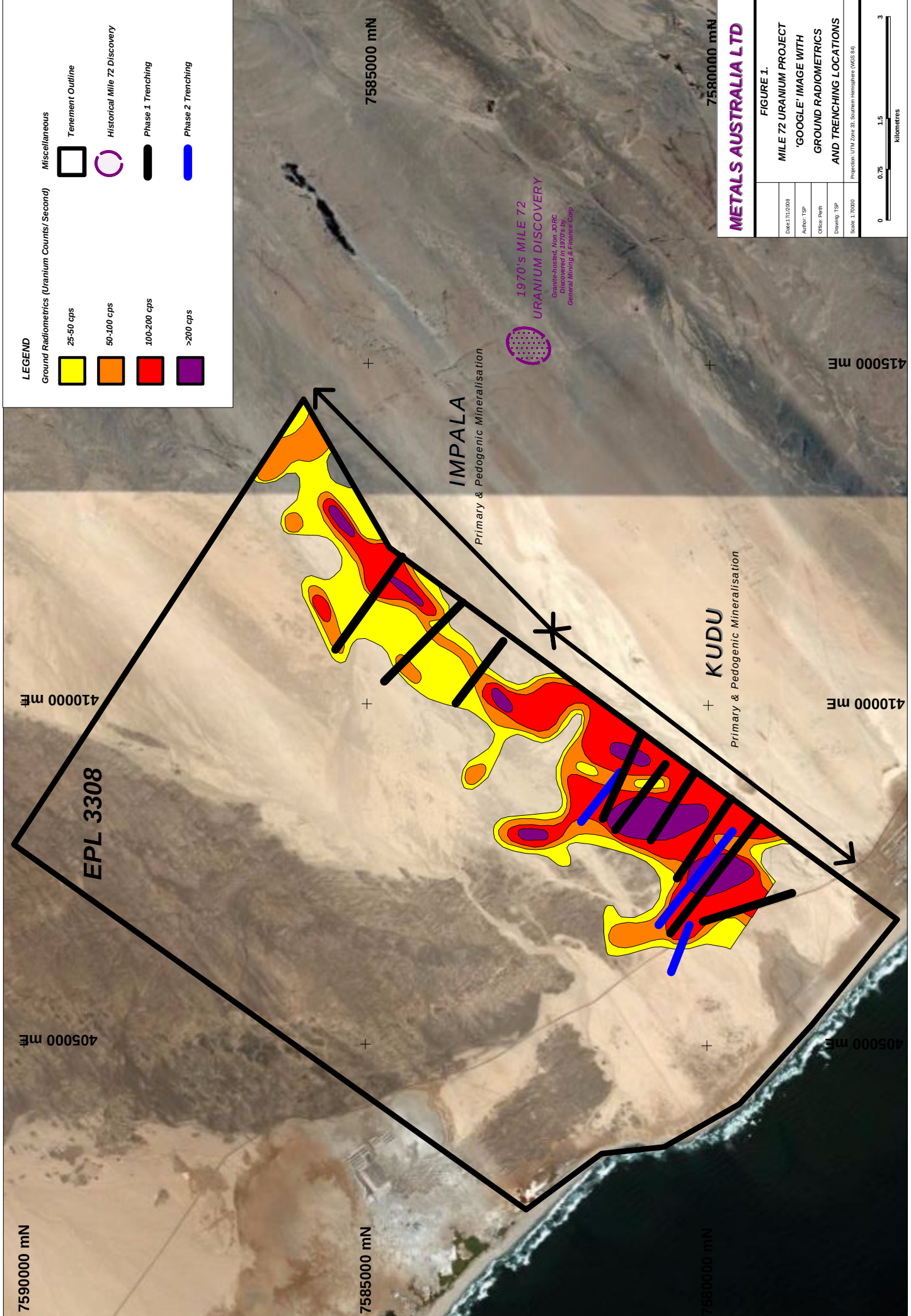
The trenching was carried out as follows:

1. PHASE 1

The first phase of trenching was undertaken across the entire project area, testing both the Kudu and Impala prospect areas. The trenching was undertaken on 500 metre spacing through the Kudu prospect and 1,000 metre spacing through the Impala prospect.

Trenching was undertaken to bedrock (or as far as the digger could penetrate) with the trenches varying from around 0.5 to 2 metres in depth on average.

The trenching at Kudu showed a variable cover of sand and gravels, that tended to be less than a metre thick. The underlying stratigraphy is a package of schistose sediments that have been variably intruded by a sequence of felsic intrusives, which vary in nature from leucogranites and alaskites to pegmatites. A number of these intrusive units show a strong radiometric response.



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FIGURE 1.

MILE 72 URANIUM PROJECT

'GOOGLE' IMAGE WITH

GROUND RADIOMETRICS

AND TRENCHING LOCATIONS

Date: 1/10/2018
Author: TGP
Office: Perth
Drawing: TGP
Scale: 1:70000
Projection: UTM Zone 33, Southern Hemisphere (WGS 84)



A view across the Kudu Prospect toward the Atlantic Ocean, showing trench lines 3, 3A & 4.

Trenching at Impala showed an increase in cover over the prospect area, as compared to Kudu. The trenching showed that the cover sequence of gravels and sands thickens in the northern tenement area. This cover sequence is up to several metres thick, effectively blanketing the underlying stratigraphy and causing a subdued radiometric response. The Impala prospect will require drill testing to establish the primary source of the radiometric and geochemical anomalies.

2. PHASE 2

A second phase of trenching was undertaken at Kudu to close the spacing between some of the Phase 1 trenches to approximately 250 metres, and test other several other areas of known anomalism. The second phase of trenching has established 'geological continuity' between the main Kudu the trench lines, and allowed facilitated sampling.



Trench 3A at the Kudu Prospect.



UNAM mapping & sampling team at Kudu.

The infill trenching continued to intersect favorable mineralised lithologies, including alaskites, and shows highly anomalous radiometric values. Sampling of these trenches continues.

2. GEOLOGICAL MAPPING & MODELLING AT KUDU

A team of geologists from the University of Namibia (UNAM) has been mapping and sampling the trenches in detail over the past few weeks. The team from the UNAM have been contracted to assist in the exploration of the Mile 72 uranium project due to their expertise in alaskite-hosted uranium mineralisation in southern Africa.

The preliminary mapping shows the basement geology to be a package of schistose sediments that has been variably intruded by a sequence of felsic intrusives including, leucogranites, alaskites and pegmatites. These intrusives have been mapped over significant intervals and show **highly anomalous levels of radioactivity**. Sampling has thus far only been undertaken in areas where scintillometer readings exceeded 500 counts/second, however further sampling is now underway.

The trench mapping is currently being compiled and merged with the outcrop geology and geophysical data to assist in the geological modelling the project area to allow better targeting for the upcoming drilling programme.

3. CONTINUING EXPLORATION

Radiometric and geochemical sampling of the existing trenches is continuing at Mile 72 with the initial phase of exploration having also included both rock chipping and channel sampling mineralised intervals.

It is envisaged that a further phase of trenching will be undertaken at Kudu to further close up the trench spacing, in addition to which a drill programme is currently being planned for the quarter.

Yours faithfully,

Norman Grafton
Company Secretary
Metals Australia Ltd

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Alex Clemen of Clemen & Associates Pty Ltd who is a member of the Australian Institute of Mining & Metallurgy. Mr Clemen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Alex Clemen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information please contact:
Tim Putt - Exploration Manager

Phone (08) 9481 7833

Or consult our website:

www.metalsaustralia.com.au