

NEW ASSAY RESULTS FOR CHANNEL SAMPLING AT MILE 72

- Initial channel sampling of trenches at the Mile 72 Project (EPL 3308) commenced in August 2008. Subsequent legal action and deferment of the renewal of the tenement resulted in these samples being placed in storage.
- High-grade uranium mineralisation confirmed within bedrock. All samples taken from beneath or away from the high-grade gypcrete cap zone.
- Channel samples assay up to **1,158ppm** U_3O_8 and rock samples up to **1,686** U_3O_8 .
- Broad intervals up to **26m** of elevated U_3O_8 values.

1. EXPLORATION AT MILE 72

Exploration is now underway again on Metals Australia ('Metals') Mile 72 uranium project in Namibia (Figure 1). Over 360 samples had been collected from the trenches at Mile 72 prior to the legal action and deferment of the renewal of the tenement. Sampling was halted with only a small portion of the trenches sampled. All samples that had been collected were placed in storage pending the outcome of the legal action. These samples have now been assayed.

This release reports the analytical results of these samples and also gives a preview of the exploration work planned at Mile 72 in the coming months. This new work will follow on from the highly successful sampling programmes of 2008.

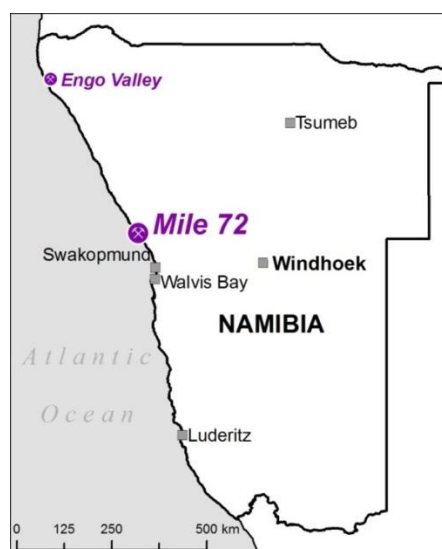


Figure 1 - Location of the Mile 72 uranium project.

2. CHANNEL SAMPLING RESULTS

Uranium mineralisation beneath the high-grade gypcrete cap has been confirmed by channel sampling of trenches at Mile 72.

A total of 321 channel samples were collected from portions of 14 of the trenches at the Mile 72 uranium project. All channel samples were taken over 2m intervals. The samples reported here supplement earlier trench samples reported in 2008, infilling previously unsampled areas or expanding upon previously identified mineralised zones. The trenches covered a 7km strike length of the known mineralisation through the Kudu and Impala prospect areas.

The channel samples returned a number of highly anomalous and potentially economic uranium-bearing intervals. Individual samples assayed up to 1,158ppm U_3O_8 over a 2 metre interval, while continuous sampling returned intervals of up to 24m with values of 190ppm U_3O_8 . This programme has only sampled a very small part of the excavated trenching (Figures 2 & 3).

It is important to note that each of the samples analysed was taken from either below or away from the high-grade gypcrete cap that has previously yielded very high grade results at Mile 72. Samples include a number of rock types, including uraniferous schist and alaskite. The values recorded here show that there is significant uranium beneath the gypcrete cap that must now be tested at depth.

Outstanding results from the programme include:

Trench	U_3O_8 intercept	From		To	
		Easting	Northing	Easting	Northing
3	26 m @ 104 ppm	407157	7580207	407178	7580189
	<i>including 6 m @ 294 ppm</i>	407157	7580207	407162	7580203
	12 m @ 110 ppm	407209	7580158	407216	7580152
	10 m @ 143 ppm	407249	7580106	407254	7580094
	<i>including 4 m @ 240 ppm</i>	407252	7580098	407254	7580094
	2 m @ 252 ppm	406994	7580315	406995	7580314
3A	24 m @ 190 ppm	408410	7579456	408389	7579470
	<i>including 2 m @ 1158 ppm</i>	408400	7579462	408398	7579463
	<i>and 14 m @ 305 ppm</i>	408410	7579456	408396	7579465
	4 m @ 183 ppm	408310	7579524	408306	7579528
4	2 m @ 587 ppm	408507	7579761	408508	7579760
6	8 m @ 153 ppm	409092	7580663	409086	7580668
	8 m @ 236 ppm	408915	7580800	408909	7580804
	6 m @ 355 ppm	408889	7580818	408886	7580821

Each individual assay used in the calculation of these intervals is presented in the appendix.

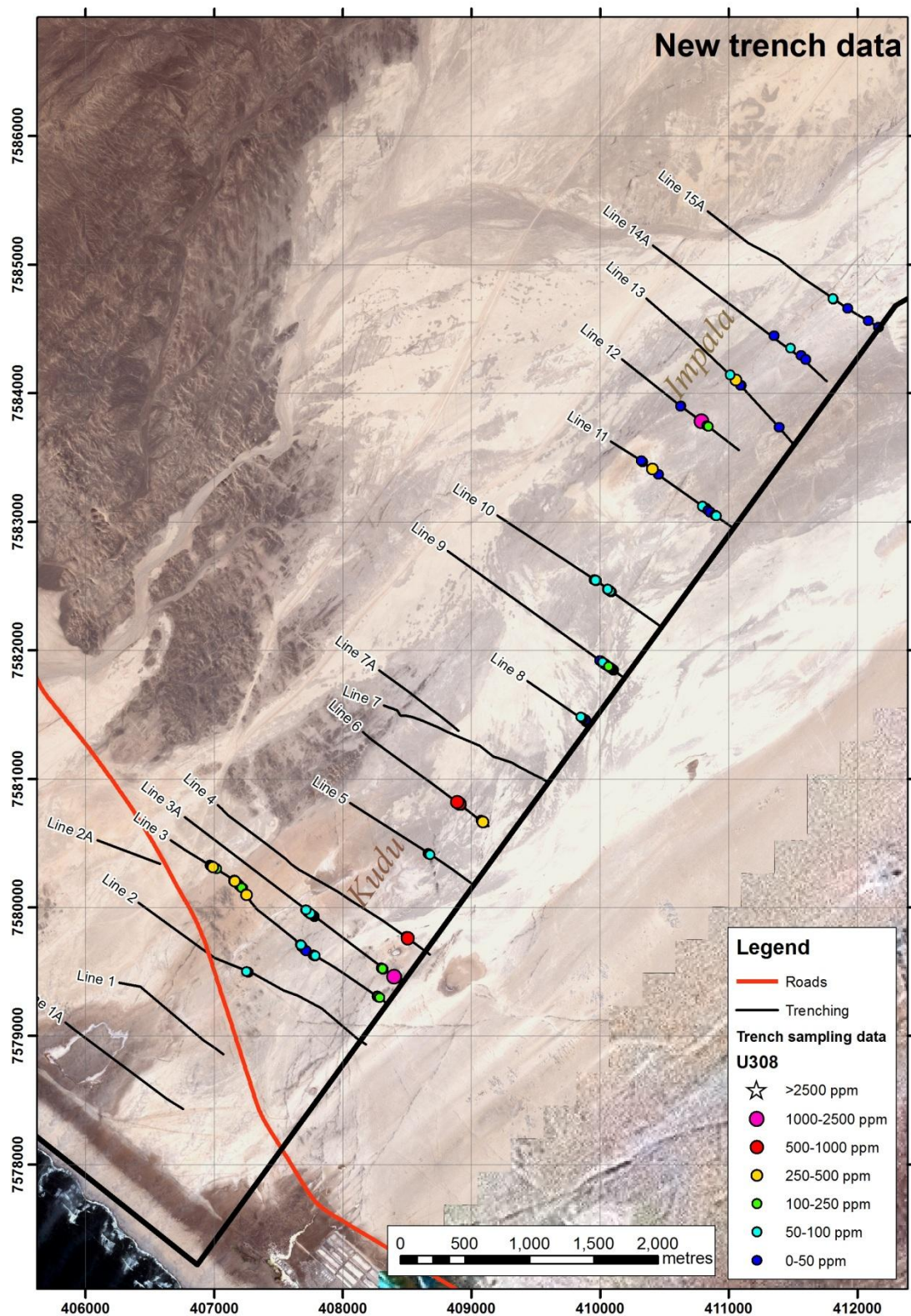


Figure 2 – Recent assay results for channel sampling at Mile 72. A total of 361 samples are plotted, though there is overlap of samples at this scale.

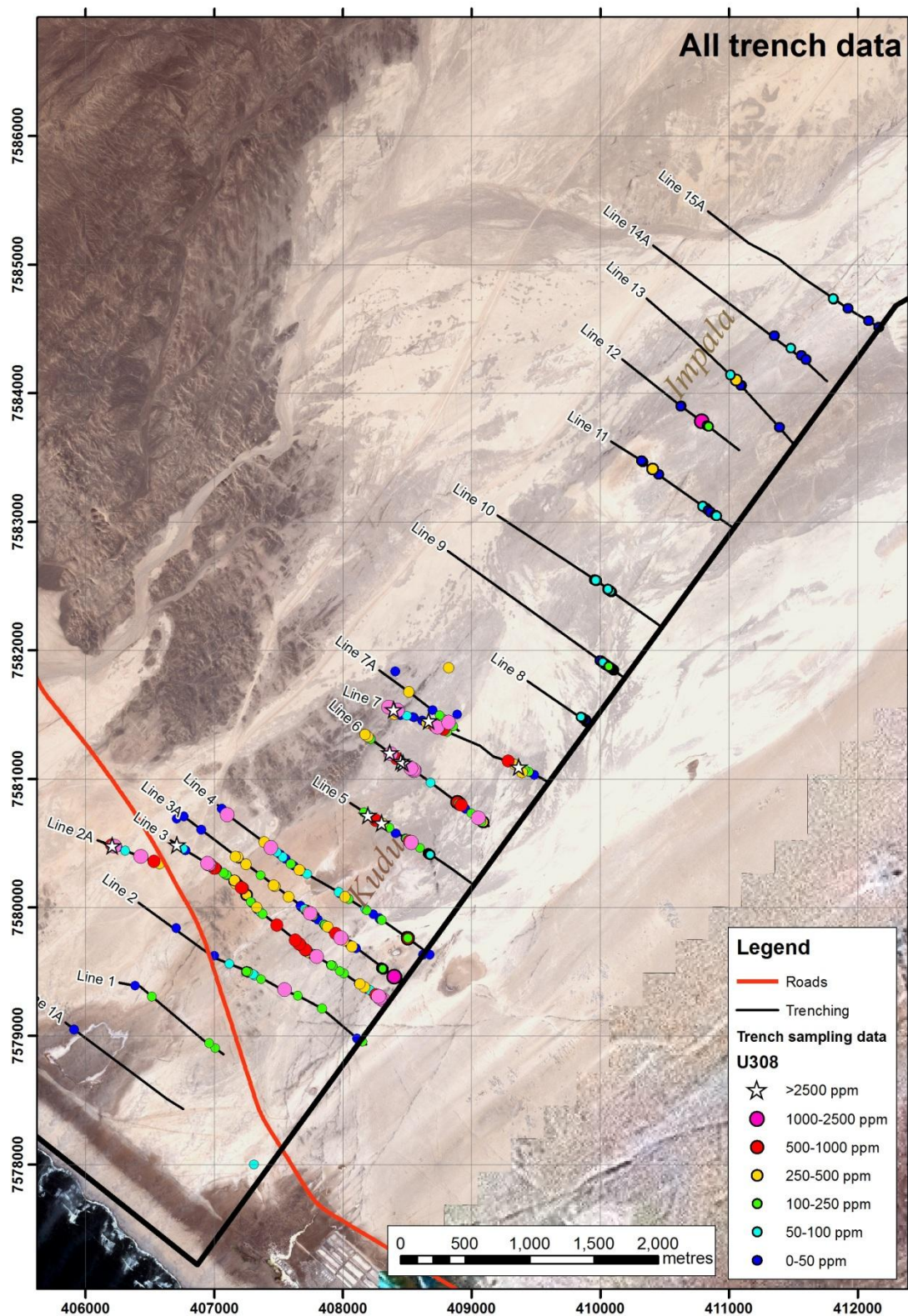


Figure 3 – All assay results for channel sampling at Mile 72.



Figure 4 - The Mile 72 uranium project showing some of the trenching at the Kudu prospect.

The 40 rock samples were largely from the Impala prospect area in the north. These samples were also taken from below the high-grade gypcrete cap and returned a number of highly anomalous and potentially economic uranium-bearing intervals. Individual samples assayed up to 1,686ppm U_3O_8 . Highlights include the following:

<i>Trench</i>	U_3O_8 (ppm)	<i>Location</i>	
		<i>Easting</i>	<i>Northing</i>
11	210	410891	7583052
	371	410407	7583410
12	1,686	410788	7583782
	213	410841	7583741
	361	411055	7584102

Despite the extensive sampling, only a small proportion of the trenches has been analysed. Further analysis will be done directly (as reported here) as well as using other methods to identify subsurface uranium mineralisation, as detailed below.

3. EXPLORATION PROGRAMME

Metals is now recommencing exploration on the ground at Mile 72. This follows the hiatus caused by legal action against the Company and the subsequent Namibian Supreme Court's decision in November 2010 in favour of Metals' ownership of the project. The licence was recently renewed for a 2 year period.

A number of different approaches are now planned to commence in the next month at the project.

Trench sampling will continue. Further systematic channel sampling will assist with definition of the near-surface expression of uranium mineralisation.

The area in which trenching has been utilised is in response to airborne and surface radiometric anomalies showing through in areas of thinner cover. However, much of the tenement has thicker sequences of sand and alluvial cover and consequently will not have allowed the detection of any buried channels, alaskite or other uranium mineralisation that occurs below this cover. In recognition of the fact that there may be further uranium mineralisation within the tenement and that the areas now being explored may just be part of

a larger target, a number of other programmes are also planned to explore the covered areas of the tenement.

Plans are well underway for a radon cup survey to be deployed over the entire area of the tenement that contains sand, alluvium and gypcrete cover, starting during the next month and continuing into the fourth quarter. This work aims to detect any radon gas arising from the natural radiogenic breakdown of buried uranium mineralisation under areas of sand and gravel cover. It is thought that this cover will mostly be less than 10-20m thick, although it is possible that larger and deeper channels may also lie under the alluvial cover.

In order to better understand the depth, type and thickness of these cover areas an electromagnetic (EM) survey is also planned to be completed in conjunction with the radon cup survey. This work aims to determine the thickness of the cover sediments and examine the possibility of buried channels and other features under the sediments.

Results from the radon and EM surveys should be received in October and will then be used to design a follow up programme of further sampling, utilising trenching and drilling on the optimum targets generated.

Metals Australia considers the Mile 72 uranium project to be an exciting opportunity for the company and now looks forward to receiving the results of this active and successful ongoing exploration programme.

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Competent Persons Declaration

The information in this release relating to the geology and exploration results of the projects owned by Metals Australia Ltd is based on information compiled by Mr Kieron Munro, Exploration Manager for Metals Australia and a full time consultant to Metals Australia. Mr Munro is a member of The Australian Institute of Geoscientists, a Recognised Professional Organisation by the Australasian Joint Ore Reserves Committee, who has sufficient experience relevant to the style of mineralisation and types of deposits under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Munro consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Metals Australia Ltd's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Metals Australia Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

APPENDIX – ANALYTICAL RESULTS

This appendix provides a listing of significant intercepts from recently analysed samples at Mile 72. All samples reported here were collected from the trenches at Mile 72 in August 2008, prior to the legal action and deferment of the renewal of the tenement. Sampling was halted with only a small portion of the trenches sampled and the samples placed in storage pending the outcome of the legal action. With renewal of the licence, these samples have now been assayed.

All coordinates are WGS Zone 33S.

<i>Trench</i>	<i>Quoted interval</i>	<i>Sample date</i>	<i>Sample No.</i>	<i>Easting</i>	<i>Northing</i>	<i>U₃O₈ (ppm)</i>
Trench 3	26 m @ 104 ppm (including 6 m @ 294 ppm)	19-Aug-08	515563	407158	7580208	313.6
			515564	407159	7580206	311.3
			515565	407161	7580205	258.2
			515566	407162	7580203	98.4
			515567	407164	7580202	61.3
			515568	407165	7580200	14.7
			515569	407167	7580199	19.5
			515570	407169	7580198	11.2
			515571	407170	7580196	19.5
			515572	407172	7580195	25.9
			515573	407173	7580193	26.5
			515574	407175	7580192	97.9
			515575	407176	7580190	90.8
	12 m @ 110 ppm	19-Aug-08	515583	407209	7580158	140.3
			515584	407211	7580157	212.2
			515585	407212	7580156	53.6
			515586	407214	7580155	61.3
			515587	407215	7580154	115.0
			515588	407217	7580152	79.6
	10 m @ 143 ppm (including 4 m @ 240 ppm)	19-Aug-08	515593	407249	7580106	117.9
			515594	407250	7580103	55.4
			515595	407251	7580101	62.5
			515596	407252	7580099	326.6
			515597	407253	7580096	153.3
	2 m @ 252 ppm	23-Aug-08	515847	406994	7580315	252.3
Trench 3A	24 m @ 190 ppm (including 2 m @ 1158 ppm & 14 m @ 305 ppm)	18-Aug-08	515501	408410	7579456	112.6
			515502	408408	7579457	542.3
			515503	408406	7579459	66.6
			515504	408404	7579460	59.5
			515505	408402	7579461	7.1
			515506	408400	7579462	1157.8
			515507	408399	7579464	187.5
	4 m @ 183 ppm	18-Aug-08	515517	408310	7579525	226.4
			515518	408309	7579527	139.1
			515599	407671	7579710	18.3

Continued overleaf

<i>Trench</i>	<i>Quoted interval</i>	<i>Sample date</i>	<i>Sample No.</i>	<i>Easting*</i>	<i>Northing*</i>	<i>U₃O₈ (ppm)</i>
Trench 4	2 m @ 587 ppm	20-Aug-08	515645	408507	7579761	587.1
Trench 6	8 m @ 153 ppm	20-Aug-08	515662	409093	7580663	185.1
			515663	409091	7580664	13.6
			515664	409090	7580665	280.6
			515665	409088	7580667	134.4
	8 m @ 236 ppm	20-Aug-08	515679	408915	7580800	205.1
			515680	408913	7580801	142.7
			515681	408911	7580803	10.0
			515682	408909	7580804	587.1
	6 m @ 355 ppm	20-Aug-08	515690	408890	7580818	222.8
			515691	408888	7580820	723.9
			515692	408886	7580821	119.1