

DRILLING COMMENCES AT MILE 72



Figure 1 – Drilling underway at Mile 72.

Metals Australia is pleased to announce that drilling has commenced on its Mile 72 uranium project in Namibia (Figure 1).

Drilling is now underway in the NE Extension area and will subsequently extend to the Kudu-Impala area and the Central Areas (Figure 2).

The drill programme will comprise lines of shallow, vertical drillholes across the main areas of gravel-covered anomalism highlighted by the 2011 radon cup survey. The lines that have been used previously for sampling will be extended to the northwest for the drill programme. Drill holes will be collared approximately every 20 m. It is expected that most drillholes will be around 4 m depth but, where necessary, depths will be increased to reach weathered basement.

The drilling will penetrate the gravels that overlie and/or contain the numerous radon cup anomalies that are thought to indicate buried uranium mineralisation. Drilling will concentrate on gravel-covered areas in the NE Extension, the Central Areas, and Kudu-Impala.

At the same time as the drilling, sampling of the outcropping weathered rocks and their very shallow cover will continue throughout the Kudu-Impala area. The aim is to infill areas of sparse sampling with either hand-dug or drilled sampling. In particular, this will focus on areas such as those between lines 7 and 9, extensions to lines 5 to 7, and between lines 10 and 11 (Figure 1). This will result in better resolution of the distributions of uranium mineralisation throughout Kudu-Impala.

The results of the drilling programme will be used to achieve two objectives:

1. To define mineralisation in the high-grade surface and near-surface gypcrete cap, with a view to defining an initial JORC compliant uranium resource.
2. To more precisely target deeper drilling to delineate a deeper primary granitoid-hosted mineralisation below the gypcrete cap.

The Company believes that the high grade near-surface gypcrete-hosted mineralisation could well prove to be an economic deposit in its own right. Gypcrete-hosted mineralisation is common throughout an area of approximately 13.8 square kilometres (13,800,000 square metres), which the company believes could be increased by the current trenching and drilling programme. Though the mineralisation is not of consistently high-grade, this area of itself could well host a large shallow economic deposit of a similar style to the Langer Heinrich deposit approximately 125 kilometres to the southeast. Deeper drilling will seek to target a granitoid-hosted deposit of the style of Husab or Rössing beneath the gypcrete cap.

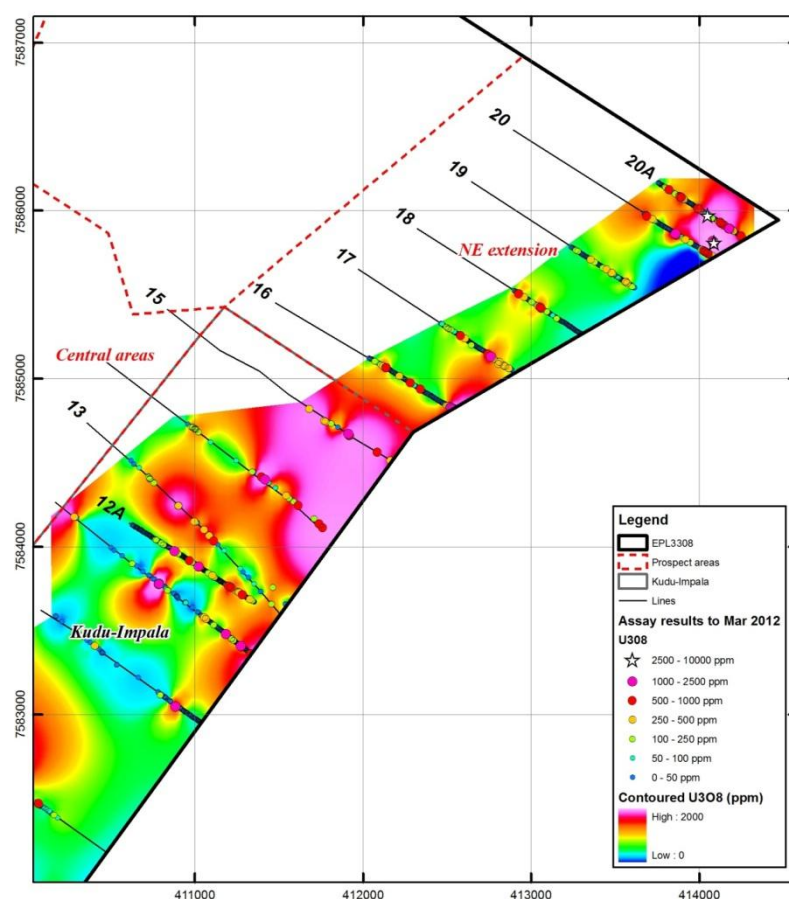


Figure 2 – Close-up of the newly sampled area in the eastern corner of EPL3308. The two new high-grade zones are identified. The southern anomaly shown here was previously sampled but only sparingly, and was not included as part of the previous 6 km strike length. New sampling has now fleshed out the anomaly, showing it to be significantly larger than previously thought.

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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.