



31 May 2012

**Ms Elizabeth Harris**  
**Principal Adviser, Listings (Perth)**  
**Australian Securities Exchange Limited**  
**Level 8, Exchange Plaza**  
**2 The Esplanade**  
**Perth WA 6000**

Dear Ms Harris

I refer to your letter of 31 May regarding yesterday's correspondence, and also to our announcement earlier today and advise as follows:

1. The Company considers the information in the Announcement to be material to the Company pursuant to Listing Rule 3.1
2. The Company's March quarterly activities report advised the market that exploration results were expected before the end of May. The basic data on which these results would be interpreted were progressively received in "raw" form over the intervening period. However, the progressive receipt of the "raw" data does not, of itself, provide sufficient information to assess the trenching and drilling programme. The assessment process involves a compilation and validation of the results, plotting, mapping and geological interpretation, all of which then provides the basis for overall assessment of the data obtained. This is not an instantaneous event, but rather a cumulative process, which requires consideration of all the relevant information, its validation, and the subsequent interpretation of the results and then the writing of an Announcement which explains the results.

The last of the data was validated and entered into the database on Tuesday 22 May. Interpretation of the data was begun on 24 May, as the Consultant who was to deal with the matter was ill on 23 May and did not work. Interpretation continued over the next week, with discussions between our Perth and Namibian offices required to resolve technical questions in relation to the results. A draft of the proposed Announcement was completed on 30 May and sent to Kieron Munro, the Company's Exploration Manager, and the Competent Person, for his consent to the final version to be sent to the ASX.

Because of the time difference between Perth and Namibia, Mr Munro's consent was not received until late on 30 May.

By this time, a trading halt had been requested and obtained.

The announcement was released at 9:17am on 31 May.



3. As outlined above, the Company became aware of the information prior to the release of the Announcement and advise as follows:
  - 3.1 The Company did not make an announcement at an earlier time because the interpretation and analysis had not been completed. The Company did not consider that there was a need to request a trading halt at the time.
  - 3.2 It was not possible to release the Announcement at an earlier time because final interpretation, analysis and reporting were not completed until late on 30 May.
4. Not applicable.
5. I confirm that the Company is in compliance with Listing Rule 3.1

Yours sincerely,

.....  
**Norman Grafton**  
**Company Secretary**  
**Metals Australia Ltd**



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31 May 2012

Mr Norman Grafton  
Company Secretary  
Metals Australia Limited  
1<sup>st</sup> Floor  
8 Parliament Place  
West Perth WA 6005

Dear Norman

**Metals Australia Limited ("the Company")**

We refer to:

- the recent change in the price of the Company's securities from a closing price of 2.9 cents on Monday 28 May 2012 to an intra-day high of 4.5 cents on Wednesday 30 May 2012;
- the price query letter sent to the Company by ASX Limited ("ASX") dated 30 May 2012;
- the Company's response to the price query letter also dated 30 May 2012;
- the Trading Halt placed on the Company's securities after market close on 30 May 2012;
- the Company's announcement released to ASX today at 11:12am (EST) titled "Significant Uranium at Mile 72" ("Announcement") which lifted the trading halt on the Company's securities.

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

*"an entity becomes aware of information if a director or executive officer (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity"*

Further, we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Paragraph 18 of Guidance Note 8 states:

*"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."*

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

- 3.1A.1 A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 One or more of the following applies.*
- It would be a breach of a law to disclose the information.*
  - The information concerns an incomplete proposal or negotiation.*
  - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
  - The information is generated for the internal management purposes of the entity.*
  - The information is a trade secret."*

Finally, we would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 34 to 40 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

*"'Confidential' in this context has the sense of 'secret'.*

*...*

*Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts' reports".*

Having regard to the Announcement, the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A:

1. Does the Company consider the information in the Announcement to be material to the Company pursuant to listing rule 3.1?
2. When did the Company become aware of the information in the Announcement? Please include details of the relevant time and circumstances of the Company becoming aware of the information in the Announcement.
3. If the answer to any part of question 1 is "yes" and the Company became aware of the information in the Announcement (or any part of it) prior to the release of the Announcement, please advise the following:
  - 3.1. Please advise why the Company did not make an announcement at an earlier time or request a trading halt at an earlier time?

- 3.2. Why was the information in the Announcement not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1.
4. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the information in the Announcement to be material.
5. Please confirm that the Company is in compliance with listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Please note the ASX reserves its right under listing rule 18.7 to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00pm (WST) today Thursday 31 May 2012**.

Your response should be sent to ASX by facsimile on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

If you have any queries regarding any of the above, please contact me.

Yours sincerely,

*[sent electronically without signature]*

Elizabeth Harris  
**Principal Adviser, Listings (Perth)**