29 August 2013

The Manager
ASX Market Announcements Office
Australian Securities Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir

LISTED OPTIONS EXPIRING 30 SEPTEMBER 2013

Attached is a letter which we propose mailing to Optionholders today to advise them of the forthcoming expiry of their options.

Yours faithfully
Norman Grafton
Company Secretary
Metals Australia Ltd

METALS AUSTRALIA LTD

29 August 2013

LISTED OPTIONS EXPIRING 30 SEPTEMBER 2013 (ASX CODE: MLSO)

Dear Optionholder,

As a holder of MLSO listed options which expire on 30 September 2013, the Company is supplying you with this information as required by Listing Rule 6.24 and Paragraph 6.1 of Appendix 6A ('Timetables') of the ASX Listing Rules.

I appreciate that the current price of our fully paid shares is about $0.02, and it remains a matter for each optionholder to determine if they wish to exercise their options. Any investment in Metlas Australia Ltd is an investment in a speculative stock. A personalised conversion form is provided on the rear of this letter for this purpose.

The Company further advises that:

1. The number of 30 September 2013 Options outstanding is 163,665,000.
2. The exercise price is 2 cents ($0.02).
3. The due date for exercise is 30 September 2013.
4. Any Options which are not exercised will lapse and have no value.
5. The Options will cease to be quoted after the close of trading on Monday 23 September 2013.
6. The latest market price of the Company's ordinary shares was 2 cents as at 23 July 2013.
7. During the 3 months prior to this notice the highest market price of ordinary shares was 2.2 cents on 27 August 2013 and the lowest market price was 1.2 cents on several occasions, most recently on 28 June 2013.
8. There is currently no underwriting agreement covering the exercise of these Options

TO EXERCISE YOUR OPTIONS

Please complete the enclosed Application for Exercise of Options form and then forward it together with your cheque, which must be received by 5:00 pm WST on 30 September 2013 to:

ADVANCED SHARE REGISTRY LIMITED
PO Box 1156
Nedlands WA 6909

Telephone: (08) 9389 8033
Fax: (08) 9389 7871

Payments must be made in Australian Dollars only, and cheques should be made payable to Metals Australia Ltd, drawn on an Australian bank and crossed "Not Negotiable."

Yours faithfully,
Norman Grafton
Company Secretary
Metals Australia Ltd

METALS AUSTRALIA LTD

MLSO

ACN 008 982 474
INCORPORATED IN WESTERN AUSTRALIA
APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS

I/ We, Mr/ Mrs/ Miss ______________________________
First Names/ Company Name *Surname/ Australian Company Number*

Address ______________________________

______________________________ Postcode __________

(Please complete full name and address)

Contact Telephone Number __________

The registered holder(s) of the Options hereby exercise my/our Option for: ______________________________
In figures *In words*

Ordinary Fully Paid Shares and enclose application money of 2 cents per share $ __________
(amount payable on exercise)

I/We whose full name(s) and address(es) appear above hereby apply for the number of Shares shown above. I/We agree to be bound by the Constitution of the Company.

Securityholder Reference Number (S.R.N.) Complete this only if you are Issuer Sponsored.

Signature Of Shareholder(s) (All joint holders must sign)		**Companies Only -** Executed in accordance with the Company's Constitution and the Corporations Act.			
Signature	Date	Sole Director and Sole Secretary	Date		
Signature	Date	Director	Date	Secretary	Date
Signature	Date	Director	Date	Director	Date

Note: If signed under Power of Attorney, a Certified Copy of the relevant Power of Attorney document must be exhibited to the Registry. The Attorney declares that he/she has had no notice of revocation of the Power of Attorney.

TERMS AND CONDITIONS

a) Each Option shall entitle the Option holder, when exercised, to one fully paid ordinary share in the Company ("Share").

b) The Options are exercisable wholly or in part at any time prior to 5.00 pm (WST) on 30 September 2013 ("Expiry Date"). The Options not exercised by that date shall lapse.

c) Each Option may be exercised by notice in writing to the Company, together with the payment for the number of shares in respect of which the Options are exercised, at any time before the Expiry Date. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

d) The Option exercise price is $0.02 per Option.

e) An Option does not confer the right to a change in exercise price or a change in the number of the underlying Shares over which the Option can be exercised.

f) Shares issued upon exercise of the Options will be issued following receipt of all the relevant documents and payments and will rank equally in all respects with the then issued Shares.

g) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX. The Company may apply for quotation on ASX of the Options.

h) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options.

i) Subject to the Corporations Act, the Constitution and the Listing Rules, the Options are freely transferable.

j) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 5 Business Days after the issue is announced so as to give Option holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

k) If at any time the issued capital of the Company is reorganised, the rights of an Option holder are to be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

LODGEMENT INSTRUCTIONS

Cheques shall be in Australian currency made payable to Metals Australia Limited and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry, Advanced Share Registry Limited, PO Box 1156, Nedlands Western Australia 6909.

NOTE: OPTIONS NOT EXERCISED BY 30 SEPTEMBER 2013 WILL AUTOMATICALLY EXPIRE.