

METEX RESOURCES LIMITED

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18 September 2006

The Manager
Centralised Company Announcement Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir,

APPLICATION TO SECURE NOVAZZA URANIUM PROJECT IN ITALY

Metex Resources Ltd (ASX:MEE) is pleased to announce that its energy initiative, including an expanding focus on uranium and production of gas and liquids from in situ coal gasification **has been considerably enhanced by the application for an exploration permit to cover the Novazza uranium project in the Lombardia Region of Northern Italy (Figure 1)**, approximately 85km northeast of Milan. The application was lodged recently and is for a 100% interest.

Uranium was discovered in this area of Italy in the 1960's, and exploration and development evaluation culminated in the completion of detailed studies undertaken by **Agip S.p.A (Agip)**, a company of the ENI Group (the energy arm of the Italian Government) in the period 1975-79. Exploration activities included surface diamond drilling and underground mining development to confirm the presence and extent of mineralization by way of crosscuts and drives. The detail of the work completed is of a standard that there is a reasonable prospect of economic extraction of minerals contained based on the current uranium and base metal prices, together with estimates of volume of ore and grade determined to date, and consequently a JORC compliant resource estimate can be calculated. At this stage, until all data has been translated and assessed it is estimated there exists an **inferred resource of:**

870,000 tonnes @ 0.15% U₃O₈ for 1.3Kt or 2.86 million pounds (lb) of U₃O₈.

The current U₃O₈ price is US\$52.0/lb or approximately A\$69/lb.

The resource remains open along strike and at depth. The primary uranium mineral is pitchblende, and is associated with zinc mineralization in the form of sphalerite. Mineralisation is hosted by a felsic volcanic sequence including tuffs and volcanic pyroclastics and is volcanogenic in origin (ie associated with magmatically derived massive sulphides). It is most likely that this style of mineralization will be responsive to a range of ground based geophysical techniques.

The tenement covers 291 hectares in the Valgoglio area, in the province of Bergamo. Current land use includes forestry and agriculture. Apart from Novazza, a number of other uranium localities have been identified (Figure 2).

A detailed work program, including converting all historical data to electronic format will proceed immediately, and be followed by initial field work in early 2007 following winter in the northern hemisphere.



Figure 1. General location of the Novazza uranium project, Lombardia Region, Italy.

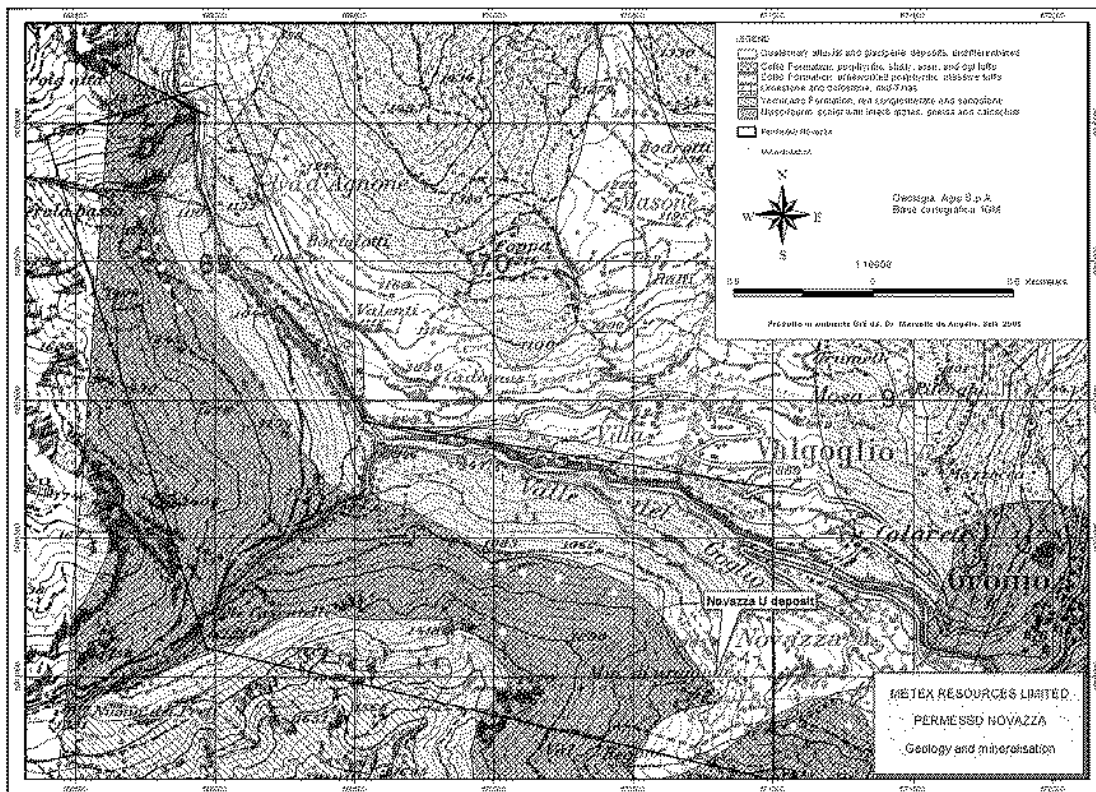


Figure 2. Geological plan of the Novazza uranium project (uranium occurrences as yellow dots).

A Related Media Release is attached herto.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'I.W. Walker', with a long horizontal flourish extending to the right.

I.W.Walker
Managing Director

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr I.W. Walker, Managing Director Metex Resources Ltd who is a member of the Australian Institute of Geoscientists. Mr Walker has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 Resources and Ore Reserves". Mr Walker consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

METEX SECURES ADVANCED URANIUM PROJECT IN ITALY TO UNDERPIN ENERGY INITIATIVE

NOVAZZA PROJECT INCLUDES JORC COMPLIANT RESOURCE OF 2.86 MILLION POUNDS OF U₃O₈

Metex Resources Limited (ASX: MEE) has significantly expanded its recently announced energy initiative, today announcing that it has applied for tenure over **an advanced uranium project** in northern Italy including a JORC compliant resource with significant growth and development potential.

The **Novazza Uranium Project**, located in the Lombardia region 85 km northeast of Milan, is expected to become the cornerstone of Metex's energy interests, which also include the recently announced joint venture with the CSIRO to jointly develop an innovative process for the gasification of underground coal deposits for power generation. Metex's diversified portfolio also includes gold interests in the Laverton region of Western Australia.

Metex said today (Monday) it had lodged an application to secure a 100% interest in the Novazza Project, which includes a JORC compliant inferred resource of **870,000 tonnes at 0.15% U₃O₈ for 1,300 tonnes or 2.86 million pounds (lb) of U₃O₈**. At current uranium prices of A\$69/lb, this resource has an in-situ value of **almost A\$200 million**.

Metex's Managing Director, Mr Ian Walker, said the unique opportunity to secure the Novazza Project had arisen following an extensive international search for a cornerstone asset for the Company's newly launched energy division.

"This is a very exciting project which, importantly, has an existing uranium resource located relatively close to one of Europe's major industrialized regions," Mr Walker said. "We believe that it has the potential to be advanced relatively quickly and emerge as a potential production asset for Metex in the international uranium industry."

The tenement covers 291 hectares in the Valgoglio area in the province of Bergamo, north of the industrial centre of Milan. Uranium was first discovered in the area in the 1960s, and exploration and development evaluation culminating in a series of detailed studies undertaken by Agip S.p.A., a division of the ENI Group (the energy arm of the Italian Government), in the period 1975-79.

These studies included surface diamond drilling and underground mining development to confirm the presence and extent of uranium mineralization by way of cross-cuts and drives. The primary uranium mineral at Novazza is pitchblende, which is associated with zinc mineralization in the form of sphalerite.

Mr Walker said the detail of the historic work completed was of a sufficient standard for the Company to conclude that there is a reasonable prospect for economic development of the Novazza Project and extraction of the minerals at current uranium and base metal prices.

"The most important feature of the project is that the resource remains completely open both along strike and at depth and there are a number of other uranium localities which have been identified in the area," he said. "We believe it represents an outstanding opportunity for Metex and we will be focusing considerable effort and resources on an intensive exploration program to extend the existing resource."

"Our objective is to commence a detailed work program, including as a first step converting all historical data to electronic format prior to commencing initial field work

and exploration activity in early 2007 following the northern hemisphere winter,” Mr Walker added.

Mr Walker said the Company’s decision to invest in new energy initiatives was premised on a strong long-term outlook for alternative energy sources. “The outlook for uranium is particularly strong, with a global supply deficit accounting for the substantial price increase from US\$10/lb to over US\$50/lb in the past two years,” he said.

- ENDS -

Released by:
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