



# Western Metals

WESTERN METALS LIMITED

ABN 69 009 150 618

## ASX RELEASE

# ASX ANNOUNCEMENT

22<sup>nd</sup> October 2007

## Tanzanian Field Program Extends Uranium Discovery Area

- **Drilling and Trenching at Mtonya project continue to discover uranium mineralisation over 7 kilometre trend**
- **Trenching shows high grade uranium over 1.4 kilometre strike at Grandfather prospect including:**
  - **1.2 metres at 7,723 ppm U<sub>3</sub>O<sub>8</sub>**
  - **0.8 metres at 1,035 ppm U<sub>3</sub>O<sub>8</sub>**
- **First drilling at Moysten prospect finds high grade uranium including:**
  - **3 metres at 863 ppm U<sub>3</sub>O<sub>8</sub> from 46 metres**
  - **3 metres at 750 ppm U<sub>3</sub>O<sub>8</sub> from 47 metres**
  - **2 metres at 355 ppm U<sub>3</sub>O<sub>8</sub> from 32 metres**
- **Drilling at Para and Henri prospects continue to return mineralisation**
- **Drilling has recommenced on the project and will continue throughout October**
- **Helicopter supported reconnaissance will commence to assist in regional evaluation**
- **Western Metals plans to spend \$A3.5 million on exploration in Tanzania over the next 15 months.**

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### Directors/Officers

<b>Chris Greig</b>	Non Exec Chairman
<b>George Bauk</b>	Managing Director
<b>Geoff Chapman</b>	Executive Director
<b>Peter Smith</b>	Executive Director
<b>Marc Cardaci</b>	Non Exec Director
<b>Morgan Ball</b>	Company Secretary

**Issued Capital**                      620 million

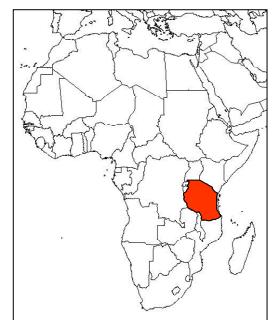
**Share Price**                              15.5 cents

**Market Capitalisation**              \$96 million

**Cash at Bank**                            \$33 million

**Stock Exchange**                        ASX

**Symbol**                                    WMT & WMT0





The Board of Western Metals is pleased to announce the first assay results from the August field programme in Tanzania. The programme included 2,545 metre reverse circulation drilling and extensive trenching at the Mtonya uranium exploration project.

Results have been received for the first 23 holes out of the 40 hole programme. In addition trench results have been received for 5 of 15 trenches excavated during August.

Trenching of the Grandfather prospect has delivered high grade surface mineralisation over a strike of 1.4 kilometres. Further trenching is planned to explore this new high grade area.

Broad spaced drilling has now tested the Para, Henri and Moysten anomalies with the latest results continuing to identify widespread sub-surface uranium mineralisation for all the prospects.

Managing Director Mr. Bauk said, "The results from the Mtonya area continue to provide great encouragement for the potential to host a significant uranium deposit. Western Metals is committed to ongoing aggressive exploration of its holdings in southern Tanzania with an anticipated exploration expenditure of \$A3.5 million over the next 15 months. This is approximately 50% of the company's exploration plans over that period. "

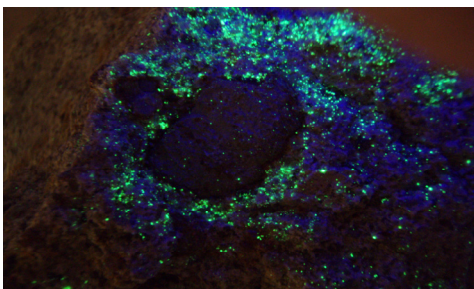
Field work including drilling and trenching recommenced on the project in early October and will continue for the remainder of the month. Helicopter supported reconnaissance will commence later in October to evaluate new anomalies in the Mtonya, Ruhuhu and South Selous project areas.

### August Trenching Results

Five trenches at Grandfather were excavated to evaluate high surface scintillometer readings and an anomalous surface grab samples (4.64%  $U_3O_8$ , 0.20%  $U_3O_8$ ). The trenches ranged from Trench 23 (T23) in the north east to Trench 28 (T28) **1.4 kilometres** to the south east along the strike of the Grandfather anomaly. This anomaly was defined by high resolution airborne and surface radiometric surveys completed by Western Metals in June 2007. The trench locations (T23 to T28) are shown on Diagram 1 and a summary of intervals are contained in Table 2.

Vertical channel sampling at 2 metre intervals was conducted along the trenches. The channels were cut vertically and sampled to geological boundaries. The trenches were generally dug up to 1.2 metres in depth.

The results received to date show high grade uranium mineralisation in all trenches with T25 giving a peak interval of **1.2 metres at 7,723 ppm  $U_3O_8$  including 0.4 metres at 2.13%  $U_3O_8$** . Results are pending for several samples in these trenches.



Visual uranium mineralisation was identified in several of the trenches. Photograph 1 shows the distribution of uranium minerals highlighted by ultraviolet light in a hand specimen in a 5cm field of view.

Photo 1: Grandfather uranium minerals (green) under UV light



## Drilling Results

The drilling programme conducted in August totalled 2,545 metres of RC drilling comprising 40 holes. Drill hole depths were limited to approximately 50 metres. Holes were focused on testing the Para, Moysten and Henri prospects.

Diagram 1 shows the drill hole collar locations for all of the drilling to the end of August in the area. The hole locations are coloured by maximum  $U_3O_8$  grade. This has been overlain on airborne radiometric survey uranium data clipped to the top 2% data range.

The August drilling has shown high grades from Para to the south through to the Moysten anomaly 3 kilometers to the north.

Drilling at Moysten was a single traverse of wide spaced holes across the radiometric anomaly. **Seven of the nine holes drilled returned  $U_3O_8$  values in excess of 100 ppm with three containing intervals greater than 300ppm  $U_3O_8$ .** The peak interval achieved at Moysten was **3 metres at 863 ppm  $U_3O_8$**  from 41 metres depth.

Further broad spaced drilling at Para and Henri extended the area of mineralisation around the initial anomalies discovered by Western Metals June field programme.

The drilling on the project area has been of a broad spaced reconnaissance design to achieve enough data coverage for identification of high grade zones and controls on mineralisation. Drilling depths have been limited to approximately 50 metres to ensure the maximum areal coverage in each campaign. There is still potential below 50 metres depth for mineralisation.

## Future Programme

Drilling recommenced in the area in early October. The drilling will continue reconnaissance spaced testing of the area and also undertake some deeper holes to provide stratigraphic information and to test for deeper mineralised zones.

In addition to the drilling, field crews are undertaking further trenching, sampling and mapping on the Grandfather, Moysten and Para anomalies.

A helicopter supported reconnaissance crew is being deployed to evaluate further radiometric anomalies within the Mtonya and Ruhuhu project areas.

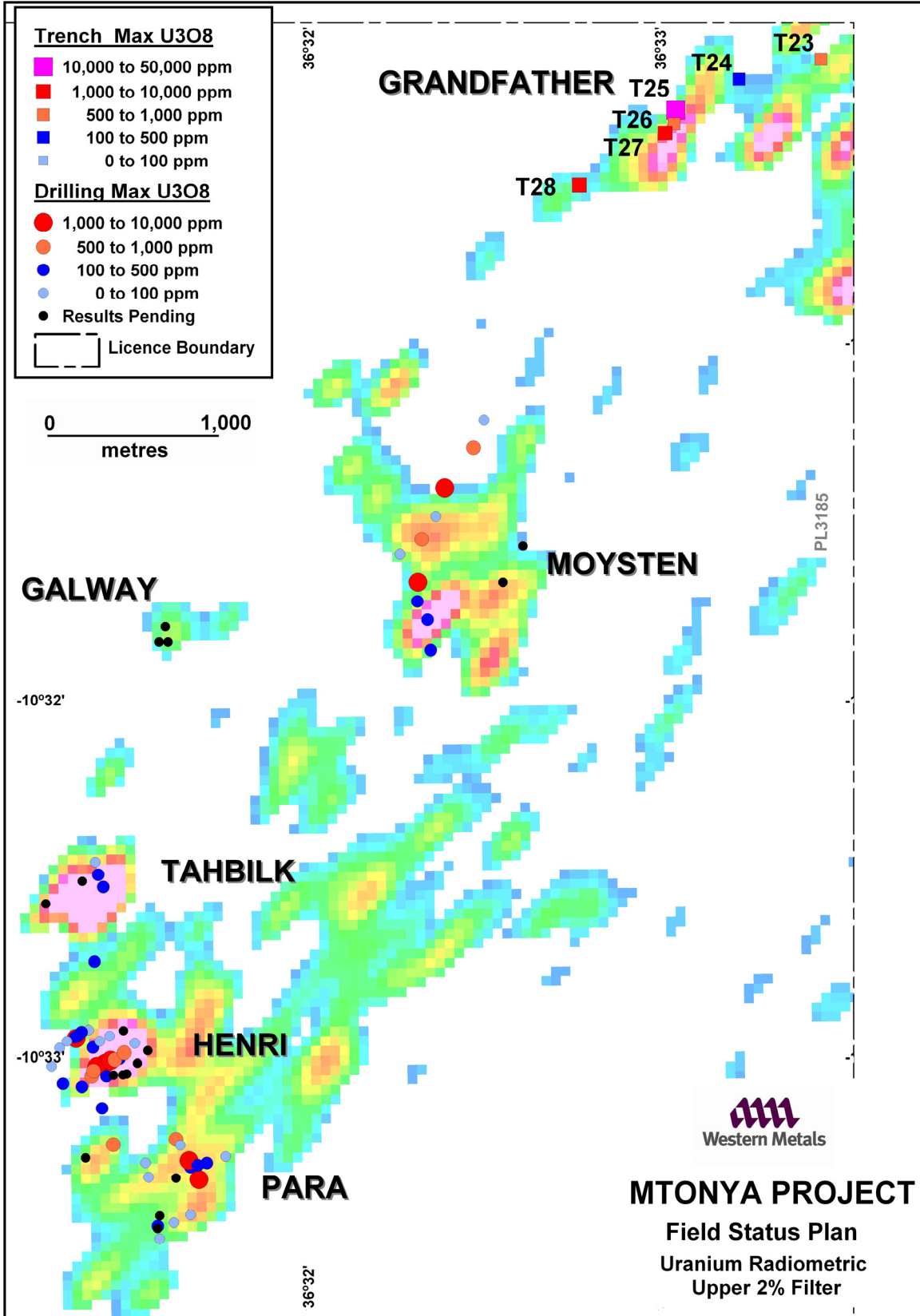
For further information [www.westernmetals.com.au](http://www.westernmetals.com.au)

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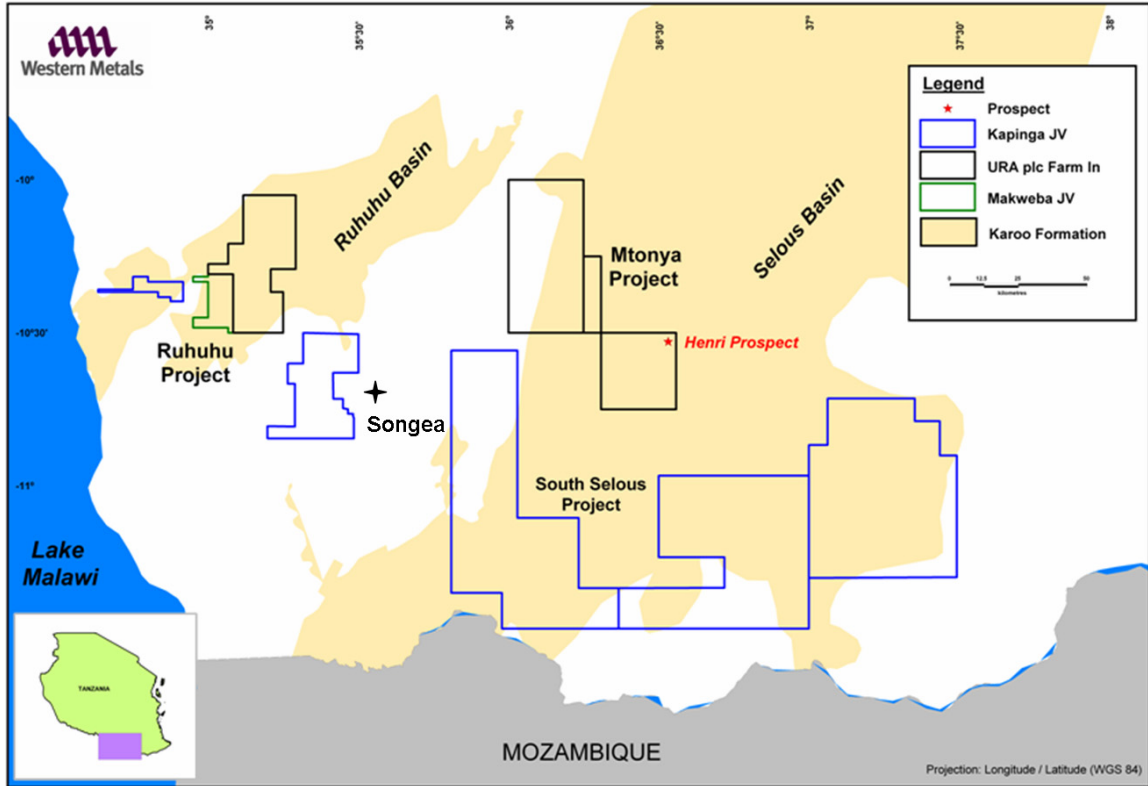
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Diagram 1: Field Status Plan October 2007



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**Diagram 2: Project Location Map**



**Table 1: Drill Results Significant Intersections > 100ppm U<sub>3</sub>O<sub>8</sub>**

Hole ID	Prospect	Collar Co-ordinates (WGS84)		Intersection		
		Longitude (Deg. E)	Latitude (Deg. N)	From (metres)	Length (metres)	U <sub>3</sub> O <sub>8</sub> (ppm)
MRC033	Para	36.52717	-10.5539	9	2	375
				41	3	183
MRC037	Para	36.52819	-10.5551	41	2	215
MRC038	Para	36.52419	-10.5541	10	1	960
				34	1	120
				39	6	287
MRC039	Henri	36.52325	-10.5507	16	3	447
				31	2	130
				37	6	178
MRC043	Moysten	36.54125	-10.5216	32	2	355
MRC044	Moysten	36.53989	-10.5235	46	3	863
MRC046	Moysten	36.5388	-10.5259	14	1	110
				25	1	100
				31	4	210
MRC048	Moysten	36.53859	-10.5288	19	3	100
MRC049	Moysten	36.53907	-10.5296	8	1	150
				25	1	130
				33	1	120
MRC050	Moysten	36.53922	-10.5311	42	1	140
MRC051	Moysten	36.53862	-10.5279	47	3	750
MRC052	Henri	36.52323	-10.5496	10	1	220

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Table 2: Grandfather Prospect Trench Results >100 ppm U<sub>3</sub>O<sub>8</sub>

Trench ID	Channel Number	Trench Co-ordinates (WGS84)		Interval		
		Longitude (Deg. E)	Latitude (Deg. N)	From (metres)	Length (metres)	U <sub>3</sub> O <sub>8</sub> (ppm)
T23	3	36.5577	-10.5035	0	1.2	485
T24	2	36.5538	10.5044	0.4	0.4	110
	4			0.6	0.6	110
T25	0	36.5508	10.5058	0.4	0.8	325
	2			0	1.2	370
	6			0	1.2	7,723
<b>Including</b>				0.8	0.4	21,321
	8			0	1.1	160
	10			0	1	145
T26	4			0	1	135
	6			0	1.2	440
	8			0	1.2	323
	10	36.5507	10.5065	0	0.8	180
T27	4	36.5503	10.5069	0.4	0.8	230
	7			0	0.8	1,035
	8			0	1.2	130
T28	4	36.5463	10.5093	0	1.2	747
<b>Including</b>				0.8	0.4	1,650
	6			0	1.2	370

Notes on Tables:

All drilling vertical.

Samples have been collected by riffle splitting dry intervals and representative tube sampling of wet intervals. Samples have been analysed by ICP using laboratory method ME-ICP61s by ALS Chemex laboratory Perth Australia. Samples greater than 10,000 ppm U<sub>3</sub>O<sub>8</sub> have been analysed by XRF using method ME-XRF10s. Certified reference standards and blanks have been included by Western Metals in addition to laboratory control standards. All results are in U<sub>3</sub>O<sub>8</sub> ppm with analysis method accuracy quoted at ± 10 ppm U<sub>3</sub>O<sub>8</sub>. Co-ordinates are WGS84 and have been measured by hand held GPS.

All intersection lengths are estimated to be true width of mineralisation based on local geological observation.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and/or assessed by Mr. Geoff Chapman who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Chapman is a full time employee of Western Metals Ltd. Mr. Chapman 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' (The JORC Code). Mr. Chapman consents to the inclusion in the report of the matters based on his assessment of the available information in the form and context in which it appears.*

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## BACKGROUND TO WESTERN METALS

An explorer developing a portfolio of world class Uranium and Base Metals/Gold projects. With immediate plans, and the capability, to underpin value and accelerate growth through acquisition.

### STRATEGY

The corporate strategy is to underpin value and accelerate growth through:

- Continued aggressive exploration of current world class projects through to resource and beyond
- Addition of new greenfields exploration targets in high value commodities
- Acquisition of substantial advanced development projects and / or cash producing assets.

### PROJECTS

- The company has an agreement with Uranium Resources plc including the Mtonya Project in Tanzania wherein Western Metals has a 40% interest with the ability to earn 60% by spending up to \$4m. Western Metals also has a 42.5% interest in an additional 10,413 km<sup>2</sup> of tenements in Tanzania bringing the license area to 13,851 km<sup>2</sup> with a further 211 km<sup>2</sup> under a 45% joint venture. June 2007 drilling results have identified sub surface uranium mineralisation including 7m @ 1233ppm U<sub>3</sub>O<sub>8</sub>.
- Western Metals has a USA uranium JV with USA group Lynx1 LLC. The JV holds exploration and mining rights over prospective lands in Colorado and will be undertaking exploration activities during 2007. Western Metals currently holds a 60% interest, with an ability to earn up to 80% by spending up to USD\$1.4 million.
- The company has entered into a JV in Peru with a private Peruvian entity, to target a large tonnage Cu-Mo-Au porphyry deposit similar to other giant deposits in the region. Western Metals can own 100% through payments of USD\$2.5 million over a four year period.
- Western Metals has an agreement with a major mining house to explore for base metals in the West Georgetown area in Northern Queensland. The agreement provides for Western Metals to achieve 100% ownership at the completion of an airborne geophysical survey whilst our JV partner has a claw back provision. The tenement area also hosts gold and uranium potential.
- Western Metals has a 60% interest in the Queen Hill tin deposit in Zeehan, Tasmania in a JV with Gippsland Limited. This includes a resource of 7.3 Mt at 0.69% Sn. Prime Corporate Finance has been appointed to manage the sale of the asset for Western Metals.