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Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**MARENICA PROJECT - NAMIBIA  
INITIAL INFERRED RESOURCE CONTAINING 15 MILLION POUNDS U<sub>3</sub>O<sub>8</sub>**

**HIGHLIGHTS**

- Initial Inferred Mineral Resource estimated for Mineralised Areas 1, 2 and 3 covering 11 sq km and reported in accordance with the JORC code.
- Inferred Mineral Resource containing 15 million pounds U<sub>3</sub>O<sub>8</sub> in 32 million tonnes averaging 213 ppm to a depth of 40 metres at a cut-off grade of 110ppm U<sub>3</sub>O<sub>8</sub>.
- Potential for a further 2-5 million pounds U<sub>3</sub>O<sub>8</sub> in these areas.
- Estimates consistent with the Company's previously reported target for these areas.
- Resource covers a very small area of the Marenica palaeo-drainage system.
- Drilling planned over a 28 sq km immediately south and east of resource area with the aim of significantly increasing the initial resource.
- Drilling of other targets within the broader project area (706 sq km) currently underway.

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**MARENICA MINERAL RESOURCE  
INITIAL INFERRED RESOURCE CONTAINING 15 MILLION POUNDS U<sub>3</sub>O<sub>8</sub>**

West Australian Metals is pleased to announce the estimation of an initial mineral resource estimate reported in accordance with the JORC Code (2004) for the Marenica Uranium Project by independent geological consultants Hellman and Schofield Pty Ltd.

**The Inferred Mineral Resource contains 32 million tonnes at 213 ppm U<sub>3</sub>O<sub>8</sub> using a cut-off grade of 110 ppm U<sub>3</sub>O<sub>8</sub> for 15 million pounds of contained U<sub>3</sub>O<sub>8</sub> to a depth of 40 metres**

The resource estimate is contained within Mineralised Areas 1, 2 and 3 (Figure 1) with additional resource potential present in these and other areas (see below). The reported resource areas occupy a very small portion (around 11 sq km) of the Marenica palaeo-drainage system. Secondary uranium mineralisation in the form of carnotite is present in the resource areas both in sub-cropping fractured bedrock and shallow palaeo-channel sediments.

Inferred resource estimates for a range of cut-off grades are presented in Table 1. A 100ppm U<sub>3</sub>O<sub>8</sub> cut-off was used by UraMin/Areva in the nearby palaeo-channel hosted Trekkopje deposit where trial mining and processing is underway. Figure 2 shows the location of the Marenica deposit in relative to other Namibian uranium projects.

**Table 1: Inferred Resource Estimates**

| <b>Cut-Off<br/>U<sub>3</sub>O<sub>8</sub> ppm</b> | <b>Tonnes<br/>Millions</b> | <b>Grade<br/>U<sub>3</sub>O<sub>8</sub> ppm</b> | <b>Contained U<sub>3</sub>O<sub>8</sub><br/>Millions Pounds</b> |
|---|----------------------------|---|---|
| 80  | 56                         | 157   | 19.4  |
| 90  | 45                         | 174   | 17.3  |
| 100   | 38                         | 196   | 16.4  |
| 110   | 32                         | 213   | 15.0  |
| 120   | 26                         | 224   | 12.8  |
| 130   | 23                         | 242   | 12.3  |
| 140   | 20                         | 260   | 11.5  |
| 150   | 17                         | 281   | 10.5  |

Note: Small errors due to rounding in compilation of resource estimates. Pounds U<sub>3</sub>O<sub>8</sub> are based on contained metal in the ground and take no account of mining or metallurgical recoveries or other economic parameters. West Australian Metals believes that a cut-off grade of 110 ppm may be appropriate for this deposit on the basis of uranium prices and type of operation being contemplated. Cut-off grades may change as work on the deposit proceeds.

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In addition to the mineral resource estimates presented in Table 1, broad spaced sampling suggests the presence of additional mineralisation within Areas 1 to 3 with potential for a further 8-12 million tonnes at an average grade of 140-180ppm  $U_3O_8$  (2-5 million pounds  $U_3O_8$ ). This exploration potential has insufficient sampling to define a Mineral Resource. Tonnage and grade estimates of this material are conceptual in nature and it is uncertain that further drilling will convert any of this exploration potential to a Mineral Resource.

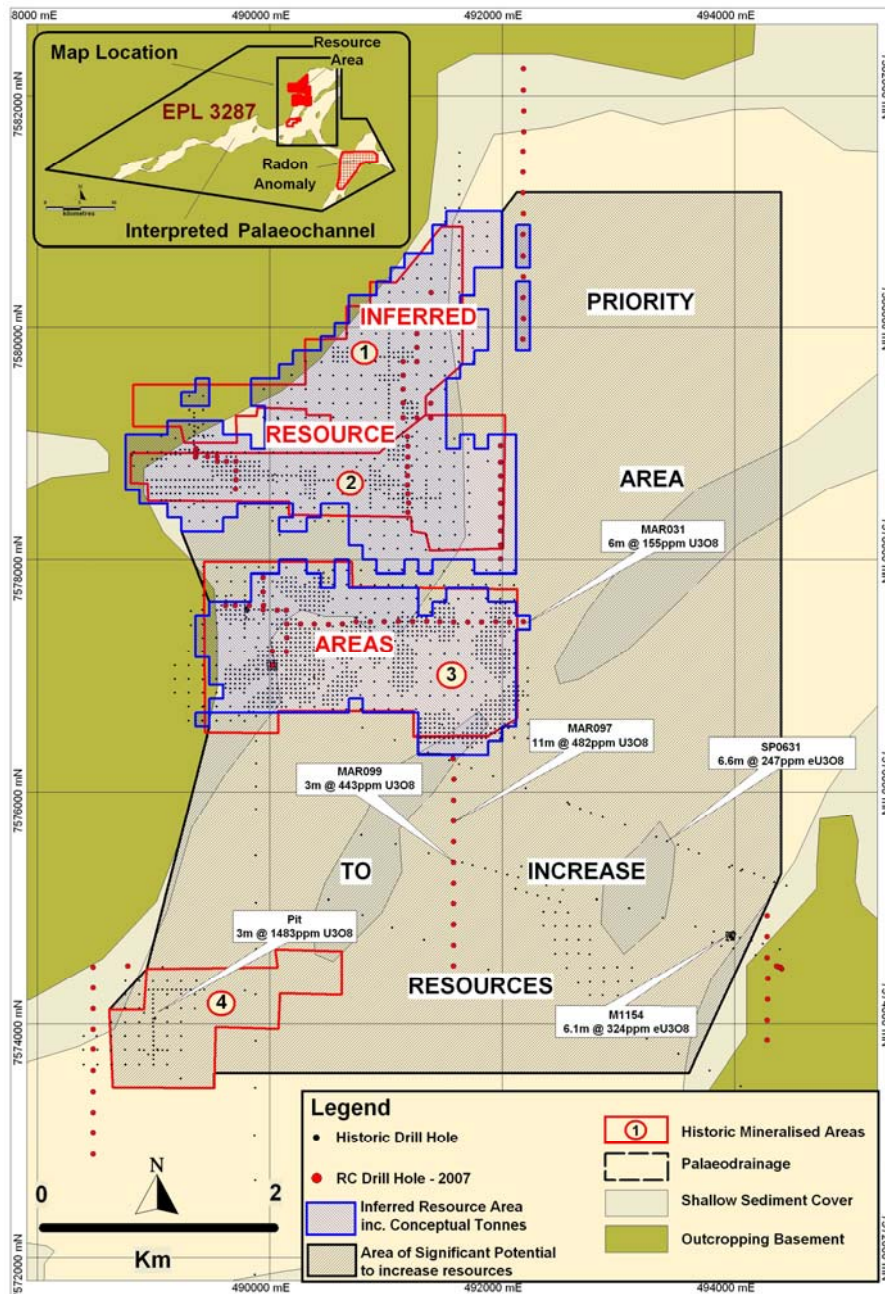
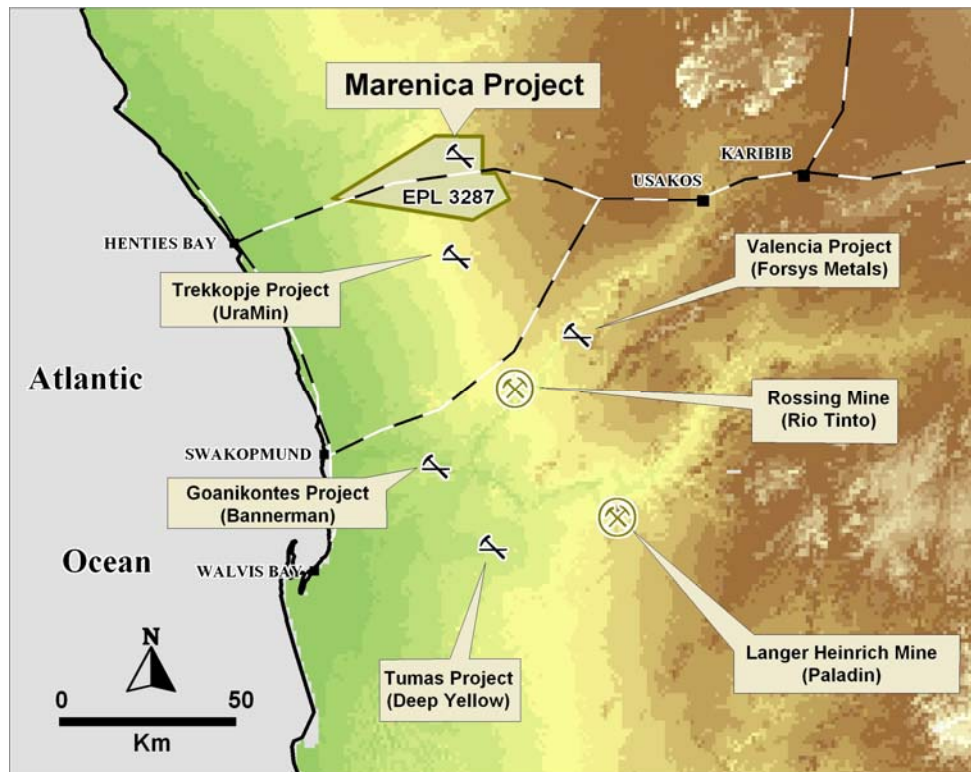


Figure 1: Location of Resource Areas and Priority Area to Increase Resources



**Figure 2: Location of Marenica Project and Other Uranium Projects, Central-West Namibia**

The resource estimate by Hellman and Schofield was based on data provided by West Australian Metals and included information from re-logging of old drill holes using a spectral gamma probe, assays and spectral probing of recent RC drilling, and historic Gold Fields radiometric drill hole logging using a total count probe. The database used includes 13,537 metres of radiometric probing of old Gold Fields and new West Australian Metals drill holes with readings over 10 cm intervals; 1,853 metres of radiometric probe data from old Gold Fields plans and 2,125 laboratory assays of one metre interval samples from West Australian Metals RC drilling.

A comparison of intervals with both radiometric probing and chemical assays suggest that radiometric probing may be overestimating  $U_3O_8$  grades by around 20%. As a result, the grade estimated from the probe was reduced by 20% for the data set used in the estimation of mineral resources.

Resources were estimated by Multiple Indicator Kriging (MIK) with panel dimensions of 120mE x 120mN x 4mRL and included a block support correction to estimate the resource recoverable by an open pit mining scenario with mining selectivity of 5mE x 5mN x 2mRL and grade control sampling at 5mE x 5mN x 1mRL. A density factor of 2.3 tonnes per cubic metre was used based on a similar density factor used for resource estimation of the nearby palaeo-channel hosted Trekkopje deposit and for Langer Heinrich.

The drilling at Marenica (both old and new) intersected some mineralisation deeper than 40 metres - above which depth the mineral resources have been estimated. The excluding of these deeper intervals has negligible impact on the resource estimates shown in Table 1.

Further work has been recommended by Hellman and Schofield to increase the robustness of the Inferred Resource estimates and to upgrade resource confidence to the Indicated category. This work includes:

1. Studies into the apparent grade bias shown by recent radiometric probing including further comparisons with chemical assays and review of conversion factors.
2. Further re-probing of accessible old drill holes with additional drilling in some areas particularly in Mineralised Areas 1 and 2 where only some Gold Fields logging data is available due to the collapse of old holes that has prevented re-probing.
3. Bulk density determinations on a representative suite of core samples, excavated pits and/or by down hole density probing.
4. Implementation of QA/QC protocols, including a check assay programme, on future sampling and laboratory assaying programs to ensure quality of data.

Additional drilling is planned to be conducted in Areas 1 to 3 with the objective of adding further resources in these areas. More importantly, drilling in the near term will aim at demonstrating the potential to significantly expand the initial mineral resource outside Areas 1 to 3. This will be underpinned by initially focusing drilling on a 28 sq km area

immediately south and east of Areas 1 to 3 where some wide spaced drill holes have reported significant mineralisation. This programme will be undertaken in conjunction with the drill testing of more 'green-fields' targets in palaeo-channel and hard rock environments currently underway.

The Company is pleased to have achieved the mineral resource estimate for Marenica reported in accordance with the JORC code in a relatively short time, and is optimistic in substantially growing this resource in 2008.

Yours faithfully,



Leon Reisgys  
Technical Director and Acting CEO

*Information in this report that relates to Mineral Resources reflects information compiled by Jonathon Abbott and Arnold van der Heyden of Hellman and Schofield. Mr Abbott has more than five years experience in the field of Exploration Results and is a competent person in terms of JORC standards for Exploration Results and of resource estimation in general. Mr van der Heyden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is reporting on as a Competent Person as defined in the 2004 Edition of "The Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Mr Abbott and Mr van der Heyden consent to the inclusion in this report of the matters based on the information compiled by him, in the form and context in which it appears.*

*Information in this report that relates to exploration results, data and cut-off grades reflects information compiled by Leon Reisgys FAusIMM, Technical Director of West Australian Metals Ltd. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is reporting on as a Competent Person as defined in the 2004 Edition of "The Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Mr Reisgys consents to the inclusion in this report of the matters based on the information compiled by him, in the form and context in which it appears.*