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METALS
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The Manager
Company Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Quarterly Activities Report for the period ended 31 March 2011

1. NAMIBIAN URANIUM PROJECTS

The Mile 72 & Engo Valley uranium projects have the potential to host near surface, pedogenic and syngenetic uranium deposits. Prior to Metals' involvement, the projects had little or no exploration undertaken on them in the past twenty years. Metals has focused on systematically exploring the Mile 72 uranium project.

High-grade uranium mineralisation occurs at Mile 72, with sampling regularly producing results in excess of 1,000 ppm U_3O_8 . Two styles of uranium mineralisation are identified:

- Gypcrete-hosted oxide mineralisation at surface, with up to **23,113 ppm (2.31%) U_3O_8** .
- Alaskite-hosted primary mineralisation beneath, with up to **2,000 ppm (0.20%) U_3O_8** .



Following legal action over the past 2 years, the Supreme Court of Namibia unanimously ruled that Metals is the true holder of prospecting rights for uranium on EPLs 3306 and 3308.

The Company now looks forward to the renewal of the two tenements by the Ministry of Mines and Energy and the commencement of an aggressive exploration programme to be focused on Mile 72.

2. WESTERN AUSTRALIAN BASE METAL PROJECTS

Metals currently holds an interest in two base metals projects in Western Australia.

The Manindi zinc project is located in the Murchison District and is being explored by Metals with a view to expanding the existing resources and examining the project's copper potential.

The Sherlock Bay base metal project is located in the Pilbara region and is being managed and explored by Australasian Resources Ltd (ARH). The project surrounds ARH's Sherlock Bay nickel deposit.



2.1. Manindi Zinc Project (Murchison District)

Manindi is a volcanogenic massive sulphide (VMS) zinc deposit hosted by Archaean greenstones of the Murchison district, WA. Strong similarities are drawn with Golden Grove, Teutonic Bore-Jaguar, and other like deposits of the Yilgarn Craton and the Canadian Abitibi province.

The deposit comprises a folded and faulted series of copper-bearing sphalerite-rich bodies near the contact of a mafic intrusive and a felsic volcanoclastic sequence. Metals has previously delineated a JORC resource of:

1,354,129 tonnes @ 6.04% Zinc, 0.25% Copper, 3.4 gpt Silver & 0.25 gpt Gold

The resource is divided into the following categories (at a 1% Zinc cut-off):

Measured	497,171 tonnes @ 7.32% Zinc
Indicated	438,131 tonnes @ 6.38% Zinc
Inferred	418,827 tonnes @ 4.14% Zinc

An ongoing detailed review of the project is focusing on two main facets - extensions to known zinc mineralisation and the copper potential of the deposit and its surrounds. Copper is commonly an important constituent of volcanogenic massive sulphide deposits. A number of copper anomalies at and around the deposit are being studied to assess their potential and their implications for the size and style of the Manindi VMS system.

2.2. Marmion Uranium Project (Eastern Goldfields)

A decision was made to surrender the Marmion uranium project during the quarter. The project, located to the northeast of the town of Menzies in the Eastern Goldfields, was deemed to be superfluous to the Company's requirements. With confidence that the Mile 72 uranium project is about to be renewed, it is unlikely that Marmion could have received either the financial or logistical attention required once the Company's uranium exploration efforts are again focused on Namibia.

2.3. Sherlock Bay Extended Base Metal Project (Pilbara)

The Sherlock Bay Extended project is comprised of two Exploration Licences (E47/1769 and E47/1770). These licences surround the main Sherlock Bay nickel deposit, which is wholly owned by Australasian Resources Ltd ('ARH'). The project is prospective for nickel, copper, silver and gold mineralisation.

The project is a joint venture between ARH (70% interest) and Metals (30% interest). ARH are the managers of the project, with Metals being 'free-carried' through to the completion of a bankable feasibility study and the decision to commence commercial mining.

ARH made the decision, based on the results of exploration throughout the life of the tenement, to surrender the final 25% of E47/1227 during the quarter. From the remaining licences, the results of the biogeochemical sampling programme have been returned and will be assessed by the company's external expert shortly.

3. VICTORIAN GOLD PROJECTS

Metals has been granted tenure over four historical gold mining areas in western Victoria, namely the South Arnaud (EL 5242), Wedderburn (EL 5243), Scarsdale (EL 5244), and Moyston (EL 5245) projects. The tenure allows for low impact gold exploration over a number of historical gold mining areas that have not been adequately explored utilising modern exploration methods.



Over 450 gold prospects, mines and occurrences are documented within the four licence areas. Combined production from reef and vein gold deposits is over 59,000 ounces, at average grades in excess of 16 gpt gold. A similar amount of gold was also recovered from alluvial deposits in the licence areas.

Further reconnaissance of historic mine sites has been undertaken during the quarter. On the South Arnaud licence, more detailed investigation has been undertaken at quartz blows near Stuart Mill and the Greenock mine. Fieldwork has identified exposed deep leads which may be a host to gold mineralisation. On the Wedderburn licence, research has delineated two areas that will be the focus of a soil sampling programme in the next quarter. On the Moyston and Scarsdale licences, various historic mine sites and workings have been investigated in detail to determine controls on mineralisation. Ongoing research of historical data is proving valuable in assessing prospects for further exploration work.

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4. PROJECT GENERATION

The Company is continuing to seek out and evaluate high quality exploration opportunities to add to the Company's project portfolio. Various gold and uranium projects, both in Australia and

Namibia, have been the subject of ongoing evaluation over the last six months, with particular in-depth assessment continuing on a series of uranium plays in Namibia.

For further information please contact:
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Or consult our website:

www.metalsaustralia.com.au

Competent Persons Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Timothy Putt of Exploration and Mining Information Systems, who is a member of The Australasian Institute of Geoscientists and the Society of Economic Geologists. Mr. Putt has sufficient experience that is relevant to the various styles of mineralisation and types of deposit under consideration, and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Timothy Putt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Metals Australia Ltd's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Metals Australia Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.