



ASX / Announcement
26 February 2009

WESTERN METALS SIGNS SALE AGREEMENT RE ACQUISITION OF TANZANIAN GOLD ASSETS

On 17 February 2009, Western Metals Limited (**ASX:WMT**) announced that it had entered into a heads of agreement with Sub Sahara Resources NL (**ASX:SBS**) to acquire SBS's interests in its advanced gold exploration projects in Tanzania ("**Projects**") through the acquisition of a number of Australian and Tanzanian subsidiaries of SBS ("the **Target Companies**").

Today, WMT and SBS executed the formal sale and purchase agreement ("**SPA**") as contemplated in the heads of agreement. Completion is scheduled to occur within the next few days.

The key commercial terms of the acquisition include:

- WMT has now paid a total of A\$250,000 to SBS and on completion of the transaction will pay a further A\$650,000.
- Finalisation of the transaction may see WMT pay SBS a further A\$250,000 by the end of 2009 subject to the final liabilities of the Target Companies being determined.
- WMT will pay SBS A\$5.0m on the commencement of commercial production at the Nyanzaga Gold Project in Tanzania.

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ASX: WMT/WMTO

BACKGROUND TO WESTERN METALS

An emerging resource company developing a portfolio of world class Uranium and Base Metals projects. The company has immediate plans, and the capability, to underpin value and accelerate growth through acquisition and exploration success.

COMPANY PROJECTS

URANIUM

A joint venture with Uranium Resources plc to explore in Tanzania. Western Metals has a 60% interest in the 2,938km² Mtonya JV, a 42.5% interest in an additional 9,589km² of tenements and a further 211km² under a 45% JV. The total licence area under Western Metals' management is 12,738km².

BASE METALS

An agreement with BHP Billiton to explore for base metals in the West Georgetown region of northern Queensland. The agreement provides for Western Metals to achieve 100% ownership with BHP Billiton retaining a claw back provision over the southern tenement (EL14722).

An option to purchase 100% interest in the Snowbird Nickel-Base Metals project in the Northwest Territories of Canada.

WMT has purchased from BHP Billiton a 100% interest in all exploration data relating to the Mid-Continent Nickel project in Minnesota including all regional geophysical, drill hole and analytical data.

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