

ASX / Announcement
2 March 2009

WESTERN METALS FINALISES ACQUISITION OF TANZANIAN GOLD ASSETS

Western Metals Limited (**ASX:WMT**) has today completed the acquisition of Sub Sahara Resources NL's (**ASX:SBS**) 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").

The key commercial terms of the acquisition are as follows:

- WMT has paid a total of A\$900,000 to SBS following the completion of the transaction.
- 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.

Western Metals will commence the integration of the Projects immediately and will have a work plan finalised before the end of April 2009. WMT will advise the market of its proposed work programme when planning is complete.

The key asset in the Target Companies is the Nyanzaga Gold Project in which SBS currently holds a 49% interest with Barrick Exploration Africa Ltd ("BEAL"). Under the terms of the Nyanzaga Project Joint Venture, WMT is the Project Manager and is entitled to increase its JV interest to 68% by completing a positive bankable feasibility study.

In September 2006, a resource estimate of **4.5 million ounces** was reported for the Tusker deposit (100%), located within the Nyanzaga Gold Project. The resource estimate, summarised below in Table 1, was completed by Cube Consulting Pty Ltd in accordance with the JORC guidelines and was derived from extensive resource definition drilling completed by BEAL.

Category	Tonnes	Gold g/t	Metal (oz)
Indicated	89,560,000	1.20	3,455,000
Inferred	33,710,000	1.00	1,080,000
TOTAL	123,270,000	1.15	4,540,000

Table 1: Tusker Global Resource above 0.4 g/t Gold

Tusker will now be subject to detailed economic evaluation by WMT to determine the feasibility for either a large-scale bulk tonnage gold operation or higher grade, lower volume project. An order of magnitude study is anticipated to commence in March and be completed by May 2009. This study will provide an initial base case for the development opportunity at Tusker.

The Nyanzaga Gold Project also contains approximately 350km² of prospective gold exploration ground within the highly endowed Lake Victoria goldfields. The location of the Nyanzaga project is shown below in Figure 1.

Figure1: Nyanzaga Project Location



Other interests acquired in the transaction include a further 522km² of exploration licences in the Lake Victoria goldfields comprised of:

Nyakafuru JV (Gold)

(60% WMT / 40% Mabangu Mining Limited - a subsidiary of Resolute Mining Limited)

Nyakafuru is a gold exploration project located approximately 150km southwest of Mwanza in the Lake Victoria goldfields. The project area, which totals approximately 165km², is located in the vicinity of Resolute's 100% owned, 1.1 million ounce Nyakafuru resource.

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Kahama JV and Kahama Project (Gold)

Kahama JV (60% WMT / 40% Resolute (Tanzania) Limited - a subsidiary of Resolute Mining Limited and the Kahama Project (100% WMT)

The Kahama gold exploration area covering 356 km² is located approximately 50 kilometres west of Resolute's Golden Pride gold operations and 30 kms south east of Barrick's Buzwagi gold operations.

In addition WMT has acquired a 15% interest in uranium exploration leases as follows:

Madaba-Mkuju JV (Uranium)

(85% Sterling Resources Limited / 15% WMT)

The Madaba-Mkuju uranium project is located in the Karroo basin of southern Tanzania in a similar geological setting to WMT's current uranium exploration assets. The project area covers 15,915km².

In accordance with WMT's existing JV agreement with URA plc, 50% of the WMT interest in this uranium project has been offered for purchase to URA plc. The project is managed by Sterling Resources.

"The portfolio of projects in a world class goldfield, in particular the Nyanzaga project, with its large existing gold resource at Tusker, presents Western Metals with an opportunity to develop into a gold producer in the near term and provides an excellent stepping stone to find further high quality resources" commented Managing Director Mr George Bauk.

The company will also review its current portfolio of projects in light of this transaction to ensure a focused approach and optimum deployment of the Company's financial and technical resources.

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BACKGROUND TO WESTERN METALS

An emerging resource company developing a portfolio of world class Gold, 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

GOLD

Western Metals has a 49% interest in an advanced gold project at the Tusker deposit in the rich Lake Victoria Goldfields of Tanzania in a joint venture with Barrick. This interest can be increased to 68% on the finalisation of a positive bankable feasibility study. The Tusker deposit contains an estimated resource of 4.5 million ounces.

In addition, Western Metals has exposure to total gold exploration holdings of approximately 870km² in a proven gold province in Tanzania, primarily in joint ventures with Barrick and Resolute Mining but also including several 100% owned properties.

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.

Western Metals also holds a 15% interest in the Mdaba-Mkuju exploration project in the southern Tanzania which covers 15,915km². The joint venture is with Sterling Resources who are managers the project.

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.

The following Competent Persons statement relates to the 2006 Tusker resource estimate reported by Sub Sahara. Western Metals is not aware of any further resource estimation released since this work.

The information in this report that relates to Mineral Resources is based on a resource estimate compiled by Ms Jillian Irvin, who is a Member of Australian Institute Geoscientists. The work was completed under the supervision of Mr Patrick (Rick) Adams who is a Member of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Adams is a Director of Cube Consulting. Ms Irvin is a full-time employee of Cube Consulting Pty Ltd. Ms Irvin has sufficient experience which is relevant to gold mineralisation and resource estimation 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'. Ms Irvin consents to the inclusion in this report of the information, in the form and context in which it appears.

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