



(Formerly New World Alloys Limited)

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30 April 2010

Manager, Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

Dear Sir/Madam

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2010

Corporate

Tanganyika Uranium Corp

As announced on 23 March 2010, conditions precedent for Austral Africa Resources Limited's (**Company** or **AAF**) acquisition of Tanganyika Uranium Corp (**TUC**) were all achieved allowing the transaction to be completed. At that time 1,335,805,760 ordinary fully paid shares in the capital of AAF were issued in consideration for acquisition of 95% of TUC. Subsequent to the end of the quarter a further 6,400,000 shares were issued to acquire the outstanding shares in TUC and consequently the Company now holds 100%.

Through TUC, the Company has tenure covering two regional uranium exploration plays in Tanzania. The southern area known as the "Madaba-Mkuju" covers an area of approximately 950km² and has targeted sandstone roll-front style uranium mineralisation whilst the area located in the north of the country known as the "Eastern Rift", covers an area of 2,420km² and has targeted calcrete-style uranium mineralization. Additional applications cover extensions to the above granted tenure.

Directors

Following the acquisition of TUC, Messrs Louis Coetzee and Peter Munachen have been appointed to the Board. Mr Coetzee has taken on the positions of Chairman and Acting Chief Executive Officer and Mr Munachen has been appointed as Chief Financial Officer.

Capital raising

On 31 March 2010, the Company announced that a placement had been arranged with KSLCORP Pty Ltd to raise \$900,000 (less costs) by the issue of 900,000,000 ordinary shares at an issue price of \$0.001 per. The first tranche of 450,000,000 shares was allotted and issued on 7 April 2010 in accordance with the 15% facility as permitted by ASX listing rules. The balance is subject to shareholder approval to be sought at a general meeting to be convened shortly.

The cash raised will be utilised to fund expenditures on the Company's mineral exploration concessions in Democratic Republic of Congo and on the newly acquired Tanganyika properties, to supplement working capital and to cover the costs of the issues.

Consolidation

The Company also advised of its intention to seek shareholder approval for the consolidation of issued capital (totalling 4,042,418,348 shares after completion of the two part placement issue) on a one for 100 basis.

Operations

Democratic Republic of Congo

Previously the processing operations of the Company's Congolese copper smelting plant were suspended due to prevailing economic conditions. The Company has been in discussions with interested parties in relation to divestment of these operations.

AAF holds eight mineral exploration concessions in the Katanga province in the Democratic Republic of Congo (DRC). The Company is in continuing talks with third parties regarding exploration activities on selected concessions. These talks are still in preliminary stages and full details will be provided as and when formal agreement is reached.

Tanzania

The Company is assembling an exploration team and formulating a program and budget for the exploration of the recently acquired granted tenements in the Madaba-Mkuju and Eastern Rift uranium projects.

Yours faithfully,
for **AUSTRAL AFRICA RESOURCES LIMITED**

[signed]

L L Coetzee
Chairman and CEO

Figure 1: Madaba-Mkuju Project Location Map

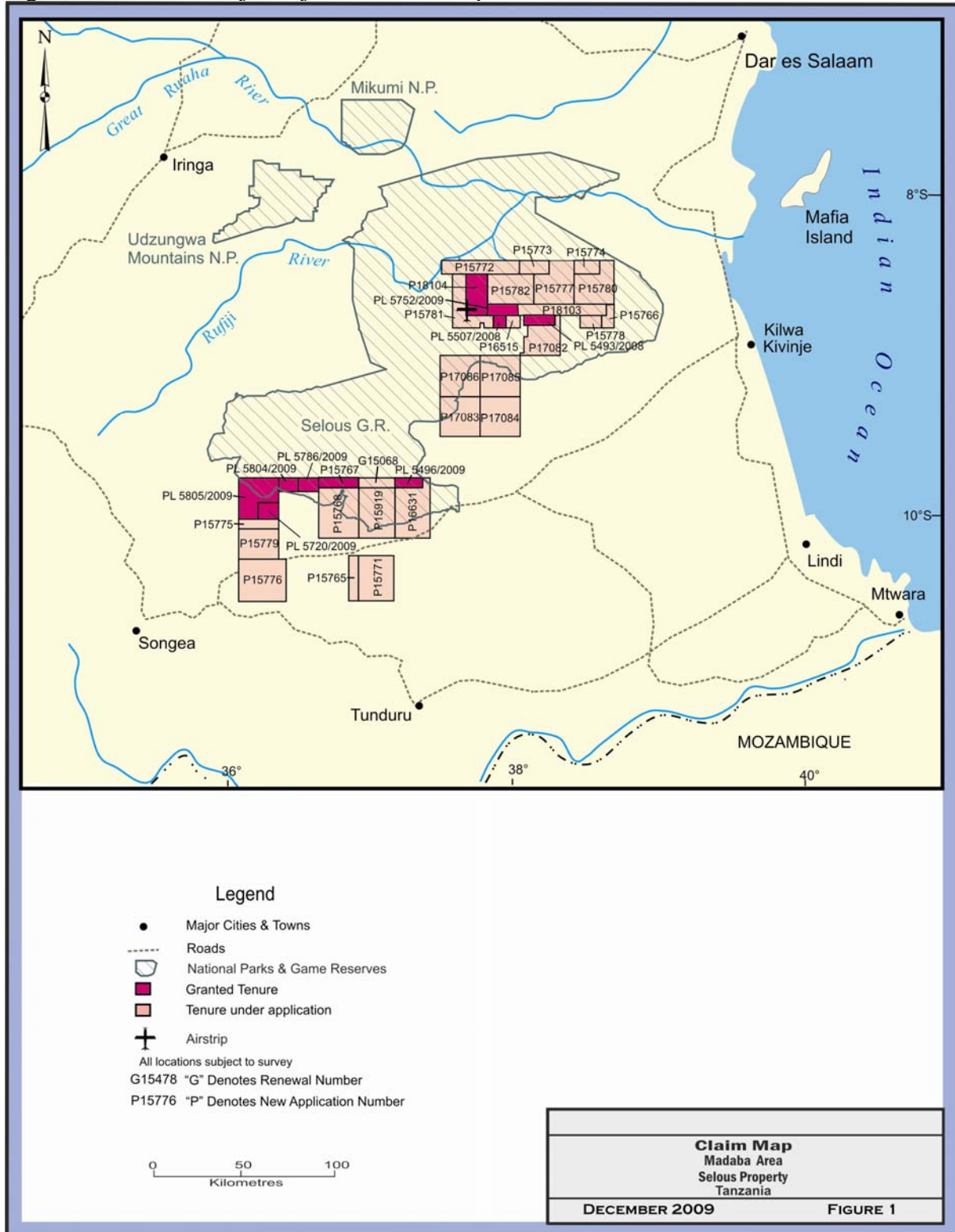


Figure 2: Eastern Rift Project Location Map

