



(Formerly New World Alloys Limited)

ABN 36 060 774 227

129 Edward Street, Perth, 6000 Western Australia

P O Box 8475, Perth Business Centre, 6849, Western Australia

Telephone (618) 9227 8404 Facsimile (618) 9227 8178

Email: info@australafrica.com.au Website: [http:// www.australafrica.com.au](http://www.australafrica.com.au)

31 March 2010

Manager Announcements
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir,

AUSTRAL AFRICA RESOURCES LIMITED – SHARE PLACEMENT

Austral Africa Resources Limited (**Company** or **AAF**) is pleased to advise that a placement of 900,000,000 ordinary shares at an issue price of \$0.001 per share to raise \$900,000 (less costs) has been arranged. The placement will be in two tranches, 450,000,000 shares in accordance with the 15% facility as permitted by ASX listing rules and the balance to be subject to shareholder approval.

The placement is being made to clients of KSLCORP Pty Ltd for a placement fee of 5%. No director or their associates may participate in the issues.

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.

The new shares to be issued pursuant to the first tranche of the placement and Appendix 3B application for listing will be lodged upon receipt and clearance of all relevant application monies.

AAF also advises that it is the intention of the Company to seek shareholder approval for the consolidation of the Company's issued capital (totalling 4,042,418,348 shares after completion of the two part placement issue) on a one for 100 basis.

A general meeting to deal with these matters will be called in due course.

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

A handwritten signature in black ink, appearing to be 'L A Colless', is located below the typed name.

L A Colless
Director