

ASX / Announcement
10 June 2008

WESTERN METALS COMMENCES DRILLING AT WEST GEORGETOWN PROJECT IN QUEENSLAND, AUSTRALIA

Western Metals (ASX:WMT) is pleased to announce that RC drilling / diamond drilling has commenced at its West Georgetown Project in North Queensland. Two of the Falcon™ gravity-magnetic, two of the structural-magnetic and one historical target will be followed up during this drilling campaign. All targets to be drill tested are located within EL 14724.

EL 14724 – Fog Creek Tenement - Western Metals identified 4 high priority targets from the magnetic and Falcon™ gravity data geophysical and geological associations considered to have potential for Broken Hill type silver-lead-zinc or IOCG copper-gold deposits. A detailed structural-magnetic interpretation identified a further 27 targets with potential for gold or copper-gold mineralisation.

The following lists the immediate drill targets.

- WGN_F001 is a gravity anomaly associated with a major N-NE structure within what is considered the most prospective unit for Broken Hill type targets - Daniel Creek Formation.
- WGN_F003 is a gravity anomaly, with a supporting radiometric anomaly and appears to be remanently magnetized. Considered a potential IOCG or Broken Hill type target.
- GN_SM_01 is a structural-magnetic target with an unusual crosscutting alteration-intrusive zone, it appears to be reversely magnetized or strongly demagnetized and straddles a series of E-W faults near Lane Creek Formation - Dead Horse Formation contact.
- GN_SM_19 is a structural-magnetic target located within a complex, strongly deformed, strongly magnetic unit within the Daniel Creek / Dead Horse Formations and is near a granite contact.
- GN_H_01 is a target identified on the basis of results from historical drilling. A hole drilled in the 70's intersected what was logged as native copper and chalcopyrite but was never assayed for copper.

Drilling will continue in the project area during Q2 and Q3 of this year.

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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

An agreement with Uranium Resources plc including the Mtonya Project in Tanzania wherein Western Metals has a 40% interest with the ability to earn 60% by spending up to \$4m. Western Metals also has a 42.5% interest in an additional 10,413 km² of tenements in Tanzania bringing the license area to 13,851 km² with a further 211 km² under a 45% joint venture.

A uranium joint venture with Lynx1 LLC from the United States. The JV holds exploration and mining rights over prospective lands in Colorado and is currently undertaking exploration activities. Western Metals currently holds a 68% interest, with an ability to earn up to 85% by spending up to US\$1.65 million.

BASE METALS

An option to acquire 100% of the advanced Parys Mountain copper-zinc Project on the island of Anglesey in North Wales from Anglesey Mining plc (LSE:AYM), a UK based mining company listed on the London Stock Exchange (<http://www.angleseymining.co.uk>). The total consideration for the project is AUD\$29m including a 120 day due diligence. On signing the formal sale agreement, Western Metals will commence a full feasibility study estimated for completion in 2 years at a cost of \$12 - \$15m.

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 at the completion of an airborne geophysical survey whilst our partner has a claw back provision (on EL14722 only).

An option to purchase 100% interest in the Snowbird Nickel Project in the Northwest Territories of Canada by paying a non-refundable US\$250,000 cash payment following a due diligence period, drilling one exploration drill hole, and paying a further US\$1,250,000 cash payment in 2009. A major mining house retains a 60% back-in right.

WMT has purchased a 100% interest in all exploration data relating to the Mid-Continent Nickel Project in Minnesota including all regional geophysical data, drill hole and analytical data owned by BHP Billiton by payment of US\$300,000.

A joint venture in Peru with a private Peruvian entity, to target a large tonnage Cu-Mo-Au porphyry deposit similar to other giant deposits in the region. Western Metals can own 100% through payments of US\$2.5 million over a four year period.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and/or assessed by Glen Edwards who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Edwards is employed by Western Metals Ltd. Mr. Edwards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Mr. Edwards consents to the inclusion in the report of the matters based on his assessment of the available information in the form and context in which it appears.

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