



## **WESTERN METALS DIVESTS INTEREST IN ZEEHAN TIN DEPOSIT**

Western Metals Limited is pleased to announce that it has finalised an agreement with Stellar Resources Limited ("Stellar") for the sale of Western Metals' 60% interest in the Zeehan tin deposit in western Tasmania.

The divestment arrangement will allow Western Metals to realise value from an asset that does not fit its strategy and allow it to focus on its core projects, whilst adding value to Stellar as an emerging tin company.

Western Metals Managing Director, Mr George Bauk, said the agreement was a win-win result for both companies.

"For Western Metals we have realised value through the sale of a non-core asset by moving Zeehan to a home with a better fit," Mr Bauk said.

### **Background Information**

Western Metals has held a 60% interest in the Queen Hill tin deposit in Zeehan, Tasmania in a JV with Gippsland Limited.

Prime Corporate Finance was appointed to manage the sale of the asset for Western Metals.

### **Commercial Terms**

Stellar will acquire Western Metals' entire 60% share of Zeehan, for which Stellar will pay Western Metals A\$300,000 and shares in Stellar worth A\$878,000 for a total sale package of A\$1.178 million. Western Metals will report an accounting profit of ~ A\$1 million on this transaction.

Western Metals has implemented a strategy of acquiring high value exploration assets that have the potential for large discoveries that can achieve the company's growth targets

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**ASX:** WMT/WMTO

## BACKGROUND TO WESTERN METALS

An explorer developing a portfolio of world class Uranium and Base Metals/Gold projects. We have immediate plans, and the capability, to underpin value and accelerate growth through acquisition.

### STRATEGY

The corporate strategy is to underpin value and accelerate growth through:

- Continued aggressive exploration of current world class projects through to resource and beyond;
- Addition of new greenfields exploration targets in high value commodities; and
- Acquisition of substantial advanced development projects and / or cash producing assets.

### COMPANY PROJECTS

- 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 km<sup>2</sup> of tenements in Tanzania bringing the license area to 13,851 km<sup>2</sup> with a further 211 km<sup>2</sup> under a 45% joint venture. 2007 drilling results have identified sub surface uranium mineralisation including 7m @ 1,233ppm U<sub>3</sub>O<sub>8</sub>.
- A uranium project 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 60% interest, with an ability to earn up to 85% by spending up to US\$1.6 million.
- 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.
- An agreement with a major mining house 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. The tenement area also hosts gold and uranium potential.
- An option to purchase 100% interest in the Snowbird 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 which, if declined, will leave WMT holding a 100% interest in the property, whilst our partner will retain a 2% NSR and off-take rights.

*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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