

27 November 2006

The Manager - Companies
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs,

HIGH GRADE INTERCEPTS CONFIRMED AT THE MANINDI ZINC PROJECT

HIGHLIGHTS

- **Resampling of Reverse Circulation (RC) drilling confirms several high-grade intercepts, due to previous assays being based upon composite samples.**
- **Drill hole MNRC 014 at Warabi (Zone A) was resampled with a result of:**
13m @ 19.82% Zinc/ 0.60% Copper from 48 metres
This intercept included:
2m @ 41.4% Zinc from 49 metres

Metals Australia Ltd is pleased to announce the resampling of the RC drilling programme conducted by the company at Warabi (Zone A) & Mulgara (Zone B) in June, 2006. This resampling was undertaken in preparation for revised resource calculations, which will be undertaken following the upcoming round of diamond drilling. Previous assays were based upon composite samples.

Six RC drill holes were resampled within the Warabi & Mulgara area, with the aim of the programme to confirm the earlier composite sampling and to better delineate the intervals

over which 'ore grade' assays were generated. The results of the drill hole resampling are detailed below:

1. WARABI (ZONE A)

The current JORC compliant resource at Warabi, utilising a 1% Zinc cut-off grade, is:

119,350 t @ 8.42% Zn

Two drill holes were resampled from Warabi.

MNRC 008

This drill hole was emplaced to the north of the established resource position at Warabi, to test a surface EM target. The hole extended the known resource by over 25 metres to the north. The original drill intercept was reported as:

MNRC 008 44-49 m 5m @ 11.8% Zn/ 0.74% Cu

Subsequent resample over one metre intervals has confirmed this result as:

MNRC 008 (Resample) 44-49 m 5m @ 13.3% Zn/ 0.78% Cu/ 12.6 ppm Ag

MNRC 014

This drill hole was designed to test the depth extensions of previously identified, high-grade zinc mineralisation. The drill hole successfully intersected the following reported mineralisation:

MNRC 014 48-61 m 13m @ 19.94% Zn/ 0.58% Cu

Subsequent resample over one metre intervals has confirmed this result as:

MNRC 014 (Resample) 48-61 m 13m @ 19.82% Zn/ 0.60% Cu/ 12 ppm Ag

However the ore body is showing high-grade zonation and the above intercept includes the following high-grade zinc intercept:

MNRC 014 (Resample) 49-51 m . 2m @ 41.40% Zn/ 0.11% Cu/ 4 ppm Ag

And slightly deeper within the drill hole, a zinc-copper rich intercept of:

MNRC 014 (Resample) 54-58 m 4m @ 14.49% Zn/ 1.22% Cu/ 23.25 ppm Ag

Infill diamond drilling will be undertaken at this prospect as a part of the upcoming drilling programme.

2. MULGARA (ZONE B)

The current JORC compliant resource at Mulgara, utilising a 1% Zinc cut-off grade, is:

218,240 t @ 7.77% Zn

A total of four drill holes were resampled at Mulgara. Two of the drill holes MNRC 012 & 013, tested the main lode, while the other two holes tested the hanging wall lode.

MNRC 012

This drill hole was designed to test the shallow northern extensions of Mulgara, as defined through drilling and surface EM. The hole confirmed the presence of high-grade mineralisation at a relatively shallow level (around 30 metres below surface). The original drill intercept was reported as:

MNRC 012 23-39 m 16m @ 7.40% Zn including 10m @ 10.2% Zn

Subsequent resample over one metre intervals has confirmed this result as:

MNRC 012 (Resample) 23-39 m 16m @ 7.49% Zn/ 0.41% Cu/ 8.19 ppm Ag
Including 29-39 m 10m @ 9.37% Zn/ 0.46% Cu/ 9.8 ppm Ag

MNRC 013

This drill hole was designed to test the depth extensions of previously identified, high-grade zinc mineralisation. The drill hole successfully intersected the following reported mineralisation:

MNRC 013 89-92 m 3m @ 16.90% Zn

Subsequent resample over one metre intervals has confirmed this result as:

MNRC 013 (Resample) 89-92 m 3m @ 15.13% Zn/ 0.67% Cu/ 10 ppm Ag

Extensional & infill diamond drilling will be undertaken at this prospect as a part of the upcoming drilling programme.

A programme of diamond drilling is currently being planned to test the target zones delineated at Warabi, Mulgara, Kowari & Kultarr, and should commence in either December 2006 or January 2007, subject to drill rig availability. Please see attached Warabi & Mulgara long section for drill hole locations.

Yours faithfully
Metals Australia Limited
Norman Grafton
Company Secretary

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Timothy Putt of Exploration and Mining Information Systems, who is a member of The Australasian Institute of Geoscientists. Mr. Putt has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Resource and Ore Reserves". Timothy Putt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

