



AUSTRAL AFRICA RESOURCES LIMITED

Formerly New World Alloys Limited

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31st January 2008

Manager of Company Announcements
ASX Limited
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By E-Lodgement

QUARTERLY REPORT FOR THE QUARTER ENDED 31st DECEMBER 2007

AUSTRAL AFRICA RESOURCES LIMITED (formerly NEW WORLD ALLOYS LIMITED (ASX: AAF) (the "company") is pleased to advise shareholders of the following key activities during the quarter.

The name change from New World Alloys Limited to Austral Africa Resources Limited came into effect in January 2008. The new ASX code is AAF. The Company also changed its registered office to 129 Edward Street, Perth WA 6000.

The process of due diligence and preparation of documents for Sino-Asia's introduction to AIM has taken longer than hoped, and the latest information is that operations in DRC are not as robust in terms of cashflow as anticipated.

During time taken to bring the company to AIM, the operations in Lubambashi have been operating up to two furnaces on a toll treatment basis as well as treating ore on a proprietary basis.

Unfortunately the business atmosphere in Katanga province has changed and Chinese operators have taken over a number of furnace smelting operations and have monopolised the ore supply from artisanal miners. Coke prices have increased dramatically and the supply has become unreliable. Both these matters changed the dynamics of the business model.

Accordingly, Sino-Asia have decided to continue operations on a toll treatment or rental basis whilst it reconsiders its business model. The use of electric arc furnaces are being considered as a viable alternative to the coke problem. EAF's can treat a variety of ores and are not as restricted to grade problems. A reliable power source has been negotiated which makes this alternative not only viable but attractive. In the meantime whilst these alternatives are being considered, Sino-Asia have put their AIM listing on hold pending a review of market conditions.

The Company is actively seeking new mineral exploration opportunities as well as considering its many options in DRC and other parts of Africa.

For and on behalf of the Board.



Lindsay A Colless
Chairman.