



METALS FINANCE LIMITED

SPECIALISTS IN METAL RECOVERY

The Manager
Company Announcements Office
Australian Securities Exchange

26 October 2010

Dear Sir/Madam,

RE : JOINT VENTURE WITH BROKEN HILL PROSPECTING LIMITED

On 26th August, 2010 Metals Finance Limited entered into a Heads of Agreement with Broken Hill Prospecting Limited (BPL) with the purpose of jointly undertaking a pre feasibility study into the potential to process and treat tailings and waste ore remaining from extensive past mining activities in the Broken Hill Region, of New South Wales.

Through this agreement Metals Finance has gained a partner whose executives and consultants have over 20 years experienced in the Broken Hill region, at limited cost to the Company. The programme will commence with a comprehensive review of all potential available targets in the region and will be followed up through pre-feasibility and feasibility studies on selected targets. If warranted through the feasibility studies the projects will be developed jointly by BPL and Metals Finance.

BPL is intending shortly to issue a Prospectus for an IPO raising of up to \$5 million, in order to fund the detailed exploration of hard rock targets on tenements already held in the Broken Hill region. A portion of the funds raised will be utilised to pursue activities under the joint venture between BPL and Metals Finance. The Company has provided, at the request of BPL, its consent to be named in the Prospectus to be issued by BPL in respect to its proposed initial public offer.

Yours faithfully,

P.A.Treasure
Chief Executive Officer