



XState Resources Limited

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29 June 2007

**ASX LIMITED**

Dear Sir / Madam

**ELLE JOINT VENTURE – ARIZONA - USA**

Attached is a copy of a release made by Liberty Star Uranium, XState's joint venture partner in Arizona, USA.

The announcement makes reference to exploration activity over the XState joint venture area of mutual interest.

**“Liberty Star Uranium Announces Start of Comprehensive Geochemical Sampling of its 352 Uranium Pipe Targets – XState JV Given First Priority”**

27 June 2007

Tuscon, Arizona – 27 June 2007 – Liberty Star Uranium & Metals Corp. (the “Company”), (OTCBB: LBSU and Frankfurt: LBV) is pleased to announce it has commenced an aggressive geochemical sampling program of all of its uranium breccia pipe targets (Pipes) to evaluate and prioritise drill testing of the best Pipes first. The objective is to collect 13,000 soil samples oriented as crosses across each Pipe target. These samples are to be assayed by a certified analytical laboratory for sixty-three elements. Computer analysis will show which Pipes have the strongest geochemical metal pattern indicating uranium mineralization at depth. For those Pipes that show the best geochemical signatures a geochemical sample grid will be collected to closely define the anomaly and thus the throat of the breccia zone. The XState Joint Venture Pipes and Area of Mutual Interest (AMI) will be the first priority in this sampling campaign.

The methodology, patterned after USGS (US Geological Survey) geochemical surveys reported in the mid 1980s and early 1990s, has been undergoing refinement for about six months by the Company. The perfected program started the first part of June with training and shakedown and now three 2-person field crews are collecting samples and an average of seven people are in the field.

In addition to geochemical sampling, each Pipe is being mapped for geology, rock alteration, and indications of previous sulphide minerals in the rock related to mineralization known as “leached capping”. All of this data including that for the geochemical mapping is located and recorded by our Pocket PC, GPS equipped data collectors. Information is downloaded each evening and transmitted to our main office for map plotting and interpretation. This approach provides speed and accuracy previously unattainable.

At this time 50 pipes have geochemical crosses collected and samples are in route to the certified geochemical lab. Approximately 200 samples are projected for collection each day. Twenty-two Pipes have undergone detailed geologic, alteration and leached capping mapping while eighteen have preliminary geologic mapping. All of the Pipes in the XState AMI have been sampled and detailed sampling is underway on the Elle and Hermina Pipes and surrounding area”.

Yours faithfully

**XSTATE RESOURCES LIMITED**

A handwritten signature in black ink, appearing to read "D McArthur". The signature is written in a cursive, flowing style.

**DAVID McARTHUR**

Director