



KANGAROO METALS LIMITED

ABN: 38 120 284 040
ACN: 120 284 040
Street Address: Suite 4/ 213 Balcatta Rd,
BALCATTWA WA 6021

24 August 2007

The Australian Stock Exchange
ASX Company Announcements Office
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir

RIGHTS ISSUE CLOSED OVERSUBSCRIBED

Kangaroo Metals Limited (ASX: KML), a diversified exploration and mining company with projects in North Queensland, is pleased to announce that its one for two non-renounceable rights issue dated 20 July 2007 was strongly supported by shareholders and, including shortfall applications, has closed oversubscribed. The Prospectus was for a non-renounceable rights issue of up to 24,393,751 one cent options expiring 19 August 2009, exercisable at 20 cents each (KMLO).

Entitlement applications for a total of 17,638,677 options have been received from holders of ordinary fully paid shares.

The Directors are presently in the process of considering shortfall applications (which exceed the available allocation) and expect this matter to be completed shortly.

Quotation is sought for the 17,638,677 options which were allotted on 24 August 2007.

These securities have been allocated to the issuer sponsored sub-register.

The issued capital of the Company following allotment is:

Quoted Ordinary Fully Paid Shares	33,090,001
Not quoted and in Escrow to 30 October 2007	6,750,000
Not quoted and in Escrow to 19 April 2009	8,947,500
Options Expiring 19 August 2009	17,638,677

The distribution of holders of 19 August 2009 options is:

1 - 1,000	4
1,001 - 5,000	91
5,001 - 10,000	39
10,001 - 100,000	100
100,001 and over	25

Following allotment, the top 20 holders (listed below) of the 19 August 2009 options hold 81.41% of that class of options.

TOP 20 OPTIONHOLDERS :

George Papamihail	3,223,750
Westgreen Investment Pty Ltd <Beamish Family A/C>	2,500,000
Stellar Group Incorporated	1,251,250
Neil David Irvine	1,250,000
ANZ Nominees Limited <Cash Income A/C>	750,005
Western Oak Nominees Pty Ltd	750,000
Capalt Investments Pty Ltd	503,750
Jevain Pty Ltd <P Melanko Family A/C>	503,750
Melior Pty Ltd <WF & H Shire Family A/C>	500,000
Robert Richter <Robert Richter Superfund A/C>	500,000
Lynn Palm	498,750
Arodam Pty Ltd <The Arodam A/C>	315,000
William Hallam & Gabriella Hallam <Hallam Family A/C>	300,000
Intrepid Bay Pty Ltd <The O'Neil Super Fund A/C>	271,348
Brett Murray & Sue-Ellen Curtis	250,000
Intrepid Bay Pty Ltd <O'Neil Family A/C>	250,000
David Jennings	200,000
Futurity Investments Pty Ltd <The Futurity Family A/C>	150,000
Horizon Constructions Pty Ltd	150,000
Bistona Pty Ltd <J Radici Family A/C>	125,000
Wilfred Murray Russell	117,500

Kangaroo Metals Limited would like to thank shareholders taking up their entitlement for their support, in particular those shareholders who applied for shortfall options.

The company and its projects continue to progress at a rapid rate through an exciting period of the company's growth.

Dr Brett Teale
Managing Director