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AUSTRALIAN EXPLORATION UPDATE

HIGHLIGHTS

MOUNT ISA DISTRICT

- Results from recently completed RC drilling at Slance North West include:
 - 12 m at 1,338 ppm U_3O_8
 - 9 m at 1,017 ppm U_3O_8
 - 16 m at 964 ppm U_3O_8
 - 14 m at 759 ppm U_3O_8
 - 16 m at 505 ppm U_3O_8

EWEN PROJECT (EPM 14916 – North West Queensland JV - Matrix Metals Ltd)

Slance North West Prospect

An RC drill programme was recently completed on the Ewen EPM. Early results from the drilling were announced to the ASX on 21 August and 4 September 2008.

XRF chemical assays are now available for the Slance North West prospect returning significant uranium intercepts over 115 metre strike to 150 metre vertical depth (see Table 1).

The northern section comprises holes DSLRC018 which is undercut by DSLRC033 returning 12 m at 1,338 ppm U_3O_8 from 61 m and 14 m at 759 ppm U_3O_8 from 82 m respectively.

DSLRC021 is drilled 40 metre south of the above section and is undercut to the south by DSLRC034 returning 9 m at 617 ppm U_3O_8 from 80 m and 16 m at 964 ppm U_3O_8 from 90 m respectively.

DSLRC035 is 75 metre south of DSLRC021 and 50 metre south of DSLRC034, is a deep test (150 VD) of the mineralised system intersecting 16 m at 505 U_3O_8 from 174 m. Mineralisation is open to the south and at depth.

The intersections occur within chlorite-albite-carbonate altered pyritic basalt \pm brecciation. This style of mineralisation is typical of the major uranium deposits of the area.

Full results from the Ewen drill programme will be given in September quarterly.

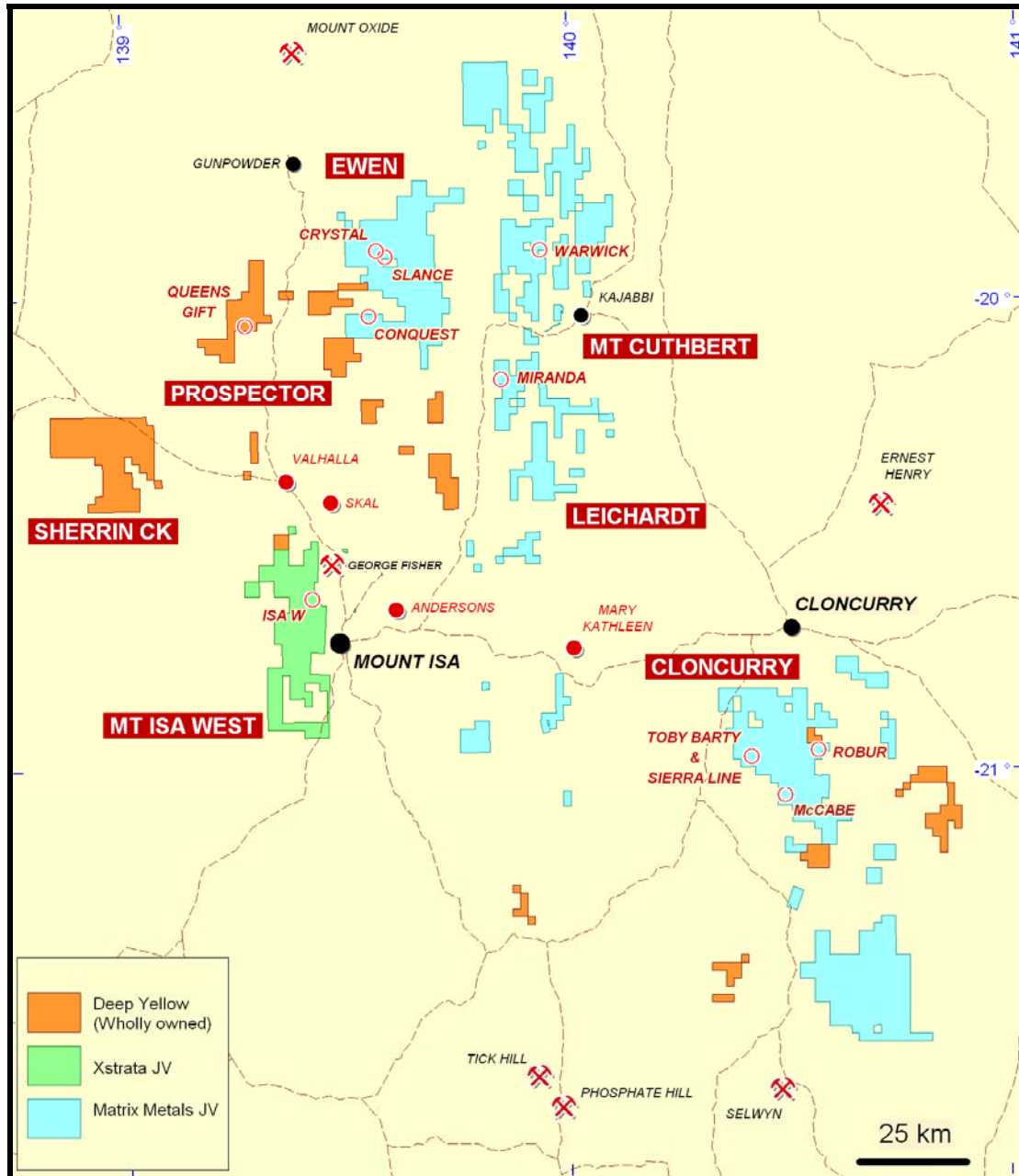


Figure 1: Mt Isa District Projects

Table 1: Slance North West RC Percussion Drill Results

Drillhole	UTM †		Azi (T)	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
	East	North				From	To		
DSLRC018	352220	7798390	270	-60	114	61	73	12	1,338
DSLRC021	352248	7798350	270	-60	120	80	89	9	1,017
DSLRC033	352250	7798390	270	-60	144	82	96	14	759
DSLRC034	352230	7798325	270	-60	156	90	106	16	964
DSLRC035	352250	7798275	270	-60	222	174	190	16	505

† Datum MGA Zone 54/GDA 94 Chemical Assays

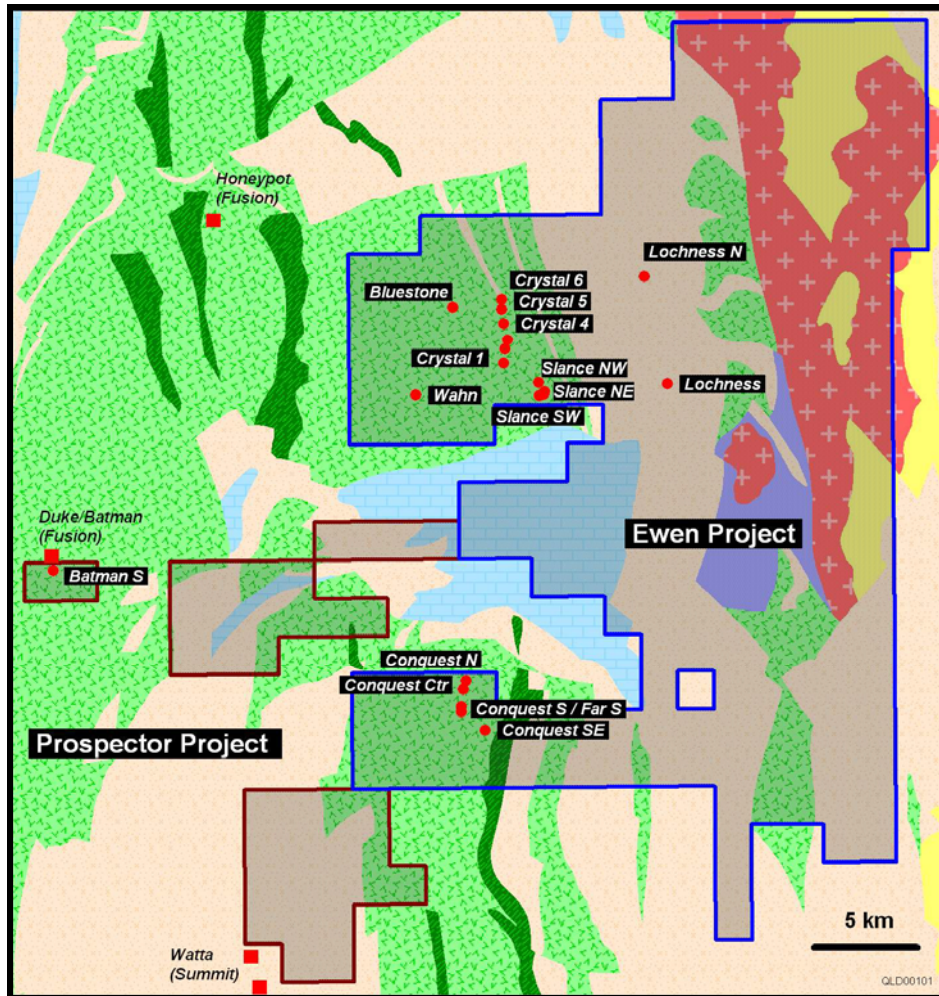


Figure 2: Ewen EPM 14916 Prospect Locations

Isa West Project

The two RC drill rigs that were working on the Ewen Project have been relocated to the Isa West Project (Xstrata JV). Initial results are positive but no eU₃O₈ results from the radiometric logging will be released as this is a new area and disequilibrium factors are unknown. Samples have been dispatched for chemical analyses and those assay results will be released as soon as they become available.

Dr Leon Pretorius
Dr Leon Pretorius
Managing Director

Further Information:

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Leon Pretorius a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 Resources and Ore Reserves'. Dr Pretorius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where eU₃O₈ is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 – slimline gamma ray tool. The probe has been calibrated at the Pelindaba Calibration facility in South Africa with calibration certification provided by Geotron Systems (Pty) Ltd a geophysical consultancy based in South Africa. All eU₃O₈ results reported are affected by issues pertaining to possible disequilibrium and uranium mobility which should be taken into account when interpreting those pending confirmatory chemical analyses.