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NAPPERBY – RESOURCE DRILLING UPDATE

- **Resource drilling programme at Napperby in the Northern Territory is scheduled to be completed today with a total of 255 holes having been drilled.**
- **Assay results at +500 ppm U_3O_8 received for the fourth batch of samples from the latest 35 holes continue to confirm the higher grade channels.**
- **Results include the highest grade assay received to date of 1 m at 5,120 ppm (0.51%) U_3O_8 from 5 to 6 m in hole 160.**
- **Best composite results of 4.5 m at 1,516 ppm (0.15%) U_3O_8 was also returned from hole 160 and from hole 162 with 5 m at 514 ppm (0.05%) U_3O_8 from 4 to 9 m.**

The results from the first 155 holes of the 255 hole detailed drilling programme at the Napperby Project to follow up the previously announced successful trenching programme (ASX 27th April 2006) were released to the ASX on 10th July, 24th July and 29th August 2006.

A Piling / Auger Rig drilling large (60 cm) diameter holes to maximum 10 m depth is being used to ensure perfect sample recovery and visual evaluation of the host lithologies and distribution of carnotite mineralisation. The holes are being drilled on 50 x 50 m centres within an area of 1,000 x 600 m.

Assay Results

Assay results from the fourth batch of samples for holes 156 to 190 (35 holes) further substantiate the grade and distribution of carnotite mineralisation found in the trenches and reported for the first 155 holes drilled.

The following table lists composite results for 1 m XRF chemical assays at **200 ppm U_3O_8 cut-off** with depth and intervals noted: -

Hole	From (m)	To (m)	Interval (m)	U_3O_8 (ppm)
157	6	7	1	297
159	4	6	2	391
160	4	8.5	4.5	1,516
161	4	8	4	477
162	4	7	3	787
164	6	7	1	231
165	5	7	2	224
170	4	6	2	599
170	7	8.5	1.5	578
171	7	8	1	313
173	5	8	3	624
174	4	5	1	1,060
176	5	8	3	229
178	4	7	3	427
180	5	7	2	308
181	5	7	2	498
182	4	7	3	348
188	4	7	3	298
189	4	6	2	325
190	5	6	1	239

A full listing of all intersections at 100 ppm U_3O_8 cut-off will be given in the September Quarterly Report.

The following table lists the 1 m composite results for XRF chemical assays averaging over **500 ppm U_3O_8 (at 100 ppm cut-off)** with depth and intervals noted: -

Hole	From (m)	To (m)	Interval (m)	U_3O_8 (ppm)
159	4	5	1	519
160	4	8.5	4.5	1,516
161	4	7	3	574
162	4	8	4	616
170	4	8	4	521
173	5	8	3	624
174	4	5	1	1,060
178	5	7	2	507
181	5	6	1	600
188	4	5	1	525

Synopsis

The results received from 190 of the 255 holes drilled at Napperby within an area of 1,000 x 600 m confirm the existence of near surface higher grade mineralised channels within a broad envelope of lower grade uranium mineralisation as outlined by the previous explorers Uranerz over an area of 14 by 4 km. In addition, the drilling (on 50 x 50 m centres) provides renewed confidence in the continuity of mineralisation as outlined by the 1979 widespaced drill programme (300 x 400 m spacing).

The last batch of approximately 600 samples which will include four twin holes drilled to verify higher grade intersections will be sent to the laboratory on the 15th September. Final results will take up to 4 weeks to be processed owing to a high workload at the laboratory.

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 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.