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FURTHER RESULTS FROM QUEENS GIFT DRILLING

- **Widest intercept of 50 m at 400 ppm U₃O₈ mineralisation recorded to date**

The Directors are pleased to announce that assay results have been received for **RC Hole DQRC_0032** at its 100% owned Queens Gift Prospect (EPM15070) north of Mt Isa. Following a two week rostered break drilling recommenced on the 25th August. The first hole into the 'Northern Anomaly' intersected a wide zone of quartz – haematite breccia rock with associated highly anomalous uranium values from radiometric logging.

Samples from this anomalous zone were submitted to the laboratory at high priority over the rest of the DYL's drill samples awaiting assay. The hole returned **50 m at 400 ppm U₃O₈** from one metre below surface which corresponds to 25 m true width. A 172 m undercut hole has been drilled below DQRC_0032 with assays pending. A 200 m deep scissor hole is planned to test the depth extent of the mineralisation.

A total of **38 holes for 3,639 m** have been drilled to date at Queens Gift. Assay results have previously been reported for the first 14 holes (ASX 9 August 2007). The Company expects that the assay results for holes 15 to 31 will be received shortly.

The results from hole DQRC_0032 when overlain by the surface mapping indicate potential to extend the mineralised zone over 100 m to the northeast below colluvial/alluvial cover. Within the 50 m intercept individual one metre samples peaked at **850 ppm U₃O₈**.

Following the receipt of all assays it is anticipated that the original 39 hole programme for 3,000 m will be increased to 46 holes for 5,000 m.

The Directors are encouraged by the results received to date from the Queens Gift drill programme and believe that its ongoing programmes at the Calton Hills and Miranda Prospects and recently generated targets from its helicopter supported mapping and sampling programme will generate additional targets for further drilling in the 2008 field season.

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Managing Director

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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.