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18 December 2006

The Companies Announcement Office
Australian Stock Exchange Limited
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sirs

ENTITLEMENT ISSUE CLOSED

The Directors are pleased to advise that on 13 December 2006 the Company's Non Renounceable Entitlement Issue closed with 92.9% of the eligible entitlement taken up.

The Company has received total acceptances for shares to be issued under the Entitlement Issue of 120,201,563 ordinary shares at an issue price of 12 cents per share raising \$14,424,187.56.

To acknowledge the level of support shown to date, the Directors have resolved to place the shortfall of 9,186,163 shares with major shareholder Paladin Resources Limited, this brings the total amount raised to \$15,526,527.12.

The Directors are very pleased with the level of support received from all shareholders. The Issue was not underwritten. The allotment, issue and dispatch of shares will now take place on Tuesday 19 December 2006.

Yours faithfully

MARK PITTS
Company Secretary