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NAPPERBY – URANIUM MINERALISATION UPDATE

- **Ongoing resource drilling at Napperby in the Northern Territory continues to return highly encouraging positive chemical assay results.**
- **Results include the highest grade assay received to date of 1 m at 4,320 ppm (0.43%) U₃O₈ from 4 to 5 m in hole 132.**
- **Best composite result of 4 m at 1,121 ppm (0.11%) U₃O₈ from 3 to 7 m was returned from hole 77**
- **Numerous one metre intersections have returned XRF chemical assay values of over 1,000 ppm (0.1%) U₃O₈ for drill holes 69 to 155.**
- **Assay results received for the first 155 of 190 holes drilled to date give confidence in the continuity of mineralisation between the original wide spaced holes drilled by Uranerz in 1979 and their polygonal resource estimation methods (not JORC compliant).**

The results from the first 68 holes of the 250-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 and 24th July 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 third batch of samples from holes 69 to 155 (87 holes) further substantiate the grade and distribution of carnotite mineralisation found in the trenches and reported for the first 68 holes drilled.

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The following table lists composite results for 1 m XRF chemical assays at **200 ppm U₃O₈ cut-off** with depth and intervals noted: -

Hole	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)
69	4	6	2	632
70	3	5	2	524
71	4	6	2	915
72	4	7	3	301
73	5	6	1	246
74	5	6	1	232
75	4	8	4	1,004
76	4	5	1	276
77	3	7	4	1,121
78	3	6	3	507
79	3	5	2	814
80	3	5	2	663
81	3	5	2	372
82	5	6	1	650
83	4	7	3	611
84	3	6	3	280
86	7	8	1	202
87	4	7	3	337
90	4	8	4	350
91	3	7	4	330
92	5	6	1	204
93	3	5	2	1,172
93	6	8	2	439
96	4	5	1	394
96	6	7	1	251
97	4	6	2	283
98	5	6	1	368
99	5	6	1	209
100	5	7	2	286
102	4	5	1	412
108	3	5	2	773
110	4	6	2	277
111	4	6	2	417
112	5	6	1	219
113	4	6	2	440
114	4	6	2	215
116	4	6	2	1,575
116	7	8	1	347

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Hole	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)
117	4	7	3	246
119	3	5	2	851
120	4	6	2	519
122	7	8	1	256
130	4	6	2	349
132	2	3	1	4,320
133	5	7	2	214
134	4	5	1	1,635
135	7	8	1	206
136	7	8	1	211
137	6	7	1	320
138	4	7	3	282
139	4	6	2	284
142	3	6	3	487
145	2	4	2	815
146	2	5	3	1,019
147	5	8	3	250
148	6	8	2	568
149	2	5	3	1,109
150	3	7	4	848

A full listing of all intersections at 100 ppm U₃O₈ 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 U₃O₈ (at 100 ppm cut-off)** with depth and intervals noted: -

Hole	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)
69	4	6	2	632
70	3	5	2	524
71	4	6	2	915
75	4	8	4	1,004
77	3	7	4	1,121
78	3	6	3	507
79	3	6	3	581
80	3	6	3	500
82	4	5	1	650
83	4	7	3	611
91	3	4	1	555

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93	3	5	2	1,172
93	6	7	1	527
108	3	6	3	567
111	4	5	1	520
113	4	5	1	662
116	4	9	5	751
119	3	7	4	500
120	4	6	2	519
132	4	6	2	2,242
134	4	5	1	1,635
143	3	5	2	625
145	2	5	3	585
146	2	8	6	583
148	6	7	1	568
149	3	7	4	877
150	2	8	6	603

Synopsis

The Directors conclude that these results further confirm the existence of a near surface higher grade mineralised channel within the broad envelope of low-grade uranium mineralisation outlined by the previous explorers Uranerz over an area of 14 by 4 km at Napperby.

Further Information:

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29 August 2006

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.