



ASX RELEASE

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Updated Mineral Resources Exceed Expectations

- 4.9 million tonnes at a grade of 5.4% zinc, 2.0% lead and 14g/t silver at a nominal lower cut of 1% zinc. This resource contains 269,000 tonnes of zinc metal, 97,000 tonnes of lead and 2.3 million ounces of silver. It includes a subset of:
- 2.5 million tonnes at a grade of 7.3% zinc, 1.8% lead and 17g/t silver at a lower cut of 4% to 6% zinc. This resource contains 179,000 tonnes of zinc metal, 45,000 tonnes of lead and 1.4 million ounces of silver

Prairie Downs Metals Limited has updated mineral resources for the Prairie Downs Zinc Project. The new resource statement includes results from drill programs completed during the December 2006 and June 2007 quarters. This is a substantial increase in the previously reported resource of one million tonnes at a grade of 8.3% zinc, 1.7% lead and 22g/t silver. Full details for these JORC compliant resources are provided below.

This resource is considered sufficient to justify development of an initial mining operation processing 250,000 tonnes per year. The only long lead time item for construction is a ball mill and quotes have been received for a suitable mill that is expected to be ordered in September. Prairie Downs Metals has also commenced the procedure to establish an exploratory decline. The objective of the decline is to reduce both mining and processing risk to facilitate project finance.

This recent success in increasing the resource base at Prairie Downs dramatically improves the likelihood of defining a sufficiently large resource to justify increasing the operational size of a mine to a proposed annual throughput of one million tonnes.

Drilling recommenced at Prairie Downs in July and will continue, with a short break, through to December. The objectives are to infill and extend known mineralisation. Initial indications from this drilling are very encouraging with zinc mineralisation continuing to the west and at depth. The first assay results should be available shortly.

Mark Hansen
Managing Director

RESOURCE STATEMENT

All resources reported in the table below are "JORC compliant".

Lode	Category	Zinc Cutoff	Tonnes	Zinc (%)	Lead (%)	Silver (g/t)	Comb. Zn + Pb	Zinc Metal (tonnes)	Lead Metal (tonnes)	Silver Metal (Ounces)
Main	Inferred	1%	301,320	6.5	1.6	19	8.1	19,586	4,821	181,159
Main	Inferred	5%	205,020	7.8	1.7	21	9.5	15,992	3,485	136,445
Main	Indicated	1%	1,351,980	6.9	1.6	19	8.5	93,287	21,632	804,143
Main	Indicated	5%	971,280	8.2	1.6	20	9.8	79,645	15,540	612,057
Zed	Inferred	1%	1,498,200	4.9	3.0	14	7.9	73,412	44,946	669,539
Zed	Inferred	5%	95,550	7.2	4.4	21	11.6	6,880	4,204	63,590
Zed	Indicated	1%	187,800	5.6	3.9	18	9.5	10,517	7,287	110,011
Zed	Indicated	4%	158,700	6.2	4.1	19	10.2	9,760	6,459	97,607
Gabbro	Inferred	1%	924,300	4.6	1.1	8	5.7	42,241	10,445	247,542
Gabbro	Inferred	4%	736,800	6.3	1.4	10	7.6	46,197	10,020	247,310
Gabbro Upper	Indicated	1%	244,800	4.0	1.3	8	5.3	9,792	3,182	61,862
Gabbro Upper	Indicated	5%	63,000	6.8	2.0	11	8.7	4,259	1,229	21,815
Gabbro Lower	Indicated	1%	136,500	4.4	1.0	6	5.4	6,006	1,365	28,087
Gabbro Lower	Indicated	5%	34,050	9.1	1.5	8	10.6	3,099	511	9,196
Gabbro Total	Indicated	1%	381,300	4.1	1.2	7	5.3	15,798	4,547	89,949
Gabbro Total	Indicated	5%	97,050	7.6	1.8	10	9.4	7,357	1,739	31,010
East	Inferred	1%	233,100	6.2	1.7	25	7.9	14,452	3,963	185,110
East	Inferred	6%	196,200	7.1	2.0	29	9.1	13,930	3,924	182,301
Total Inferred 1%	Inferred	1%	2,956,920	5.1	2.2	13	7.2	149,690	64,174	1,283,350
Total Inferred 4-6%	Inferred		1,233,570	6.7	1.8	16	8.5	82,999	21,634	629,646
Total Indicated 1%	Indicated	1%	1,921,080	6.2	1.7	16	8.0	119,601	33,466	1,004,102
Total Indicated 4-6%	Indicated		1,227,030	7.9	1.9	19	9.8	96,762	23,739	740,674
Total 1% Cutoff			4,878,000	5.5	2.0	15	7.5	269,292	97,640	2,287,453
Total 4-6% Cutoff			2,460,600	7.3	1.8	17	9.1	179,761	45,373	1,370,320

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Information in this report that relates to Exploration Results or Mineral Resources is based on information compiled for, and verified by, by Mr Mark Hansen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hansen 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'. Mr Hansen consents to the inclusion in this report of the statements based on his information in the form and context in which it appears.