



ALCASTON MINING N. L.

A.C.N. 006 710 774

8 September 2006

ASX ANNOUNCEMENT

EXPLORATION UPDATE – FURTHER ENCOURAGING RESULTS FROM FIJI AND VANUATU

- A recent aeromagnetic and radiometric survey conducted by Alcaston over the Sabeto project in Fiji has outlined significant geophysical anomalies, including a major anomaly extending directly along strike from Emperor Mines' 0.45Moz Tuvatu gold deposit.
- Additional mapping and rock chip sampling completed at Sabeto has outlined further mineralisation at several prospects with significant gold, copper and silver assay results.
- At the Webe Creek project in Vanuatu diamond drilling is now proceeding steadily following lengthy delays due to unseasonal wet weather. The exciting gold target areas are currently being tested.
- Mapping and rock chip sampling at Webe Creek has extended the known length of the La Fete epithermal vein. Additional significant gold and silver assay results were obtained.

The Directors of Alcaston Mining NL ("Alcaston") are pleased to announce encouraging results from a recent aeromagnetic and radiometric geophysical survey at the Sabeto project, in Fiji and from recent rock chip sampling and mapping completed at both Sabeto and at Webe Creek, in Vanuatu.

Sabeto Project, Fiji

Data has just been received for a detailed 1,858 line km helicopter-borne magnetic and radiometric survey completed by Alcaston at Sabeto in July. The geophysical survey has outlined several exciting new target areas, including a major potassium radiometric anomaly ("Tuvatu North") which extends north directly along strike from Emperor Mines' Tuvatu gold deposit (450,000 ounces grading 8.5 g/t gold) into Alcaston's ground. The potassium anomaly is believed to be related to hydrothermal alteration associated with mineralisation. Coincident with the radiometric anomaly is a magnetic low anomaly which is also thought to be related to alteration. Within Alcaston's ground, the potassium anomaly has dimensions of **1.2 km x 0.9 km**. Very little previous exploration has been conducted in the anomalous area. A line of soil samples collected by a previous explorer in the southern portion of the area returned highly anomalous assay results of **8.5 g/t, 1.59 g/t and 0.54 g/t gold**. These significant results have not been subject to any detailed follow-up exploration.

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Potassium radiometric anomalies are also found associated with all previously known gold and gold/copper prospects at Sabeto, confirming the importance of this geophysical technique for targeting mineralisation. There is a strong anomaly associated with the Banana Creek prospect which hosts many gold-bearing epithermal quartz veins. Two additional significant potassium radiometric anomalies were outlined to the east of the Banana Creek prospect, in an area which has seen little previous exploration, providing new gold target areas.

Follow-up detailed mapping and rock chip sampling (169 samples) was recently completed at Kingston Mine, Golden Ridge, Blasting Rock, and Nasiti Ridge prospects at Sabeto. Encouraging results were received from several areas. Additional significant copper and gold mineralisation associated with intrusive dykes were discovered at Kingston Mine. New rock chip results include **4.5 m @ 2.1 g/t gold, 0.4% copper; 4.8 m @ 2.9 g/t gold, 0.63% copper; and 1.5 m @ 2.0 g/t gold, 0.5% copper**. At Nasiti Ridge (500 m east of Kingston Mine), historically known for copper mineralisation, random grab rock chip samples taken over an area of 100 m x 150 m, returned results up to **6.2 g/t gold, 5.5 g/t silver, 2.1% copper; and 9.3 g/t gold, 14.4 g/t silver and 4.25% copper**. At Blasting Rock (which lies at the northern end of the Tuvatu North potassium anomaly) a grab rock chip sample returned **9.2 g/t gold, 17.7 g/t silver and 4.9% copper** from the portal of an old adit. Hydrothermal-altered carbonate float at the headwaters of the Nasarangga Creek, 400 m north along strike from the Kingston Mine prospect, returned **9.9 g/t gold** in a grab sample.

Tuvatu North has become Alcaston's priority target area at Sabeto and currently, tenders are being organised for a diamond drilling program to test the new potassium anomaly and to test the potential bulk tonnage copper-gold targets at Kingston Mine. The drilling is planned to commence in October. There is excellent all-weather gravel road access to both target areas so drilling can continue into the wet season.

Webe Creek Project, Vanuatu

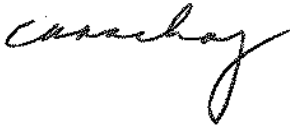
At Alcaston's Webe Creek project in Vanuatu diamond drilling is now progressing steadily following a number of lengthy delays due to unseasonal wet weather. Drilling is currently underway on the exciting gold target areas and should be completed by the first week of October. Once the program is finished there is a possibility that the drilling rig will then be shipped directly to Fiji for the planned drilling at Sabeto.

Recent mapping and rock chip sampling (13 samples) at Webe Creek has returned encouraging results. The La Fete epithermal quartz vein has now been mapped over a strike length of 300 m, with widths up to 2 m. New rock chip results include **0.95 g/t gold and 271 g/t silver (8.7 oz/t)**. Previous sampling has returned gold assays of up to **13.2 g/t gold**. Drill testing of the La Fete vein is expected within 2 weeks.

Should you require any further information, please do not hesitate to contact this office.

Yours faithfully

ALCASTON MINING NL

A handwritten signature in black ink, appearing to read 'C Mackay', with a stylized, flowing script.

CRAIG MACKAY
Exploration Director

The information in this report, insofar as it relates to exploration results, is based on information compiled by Mr Craig Mackay. Mr Mackay is a member of the Australasian Institute of Mining and Metallurgy and 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 Mackay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Alcaston drilling at Webe Creek in Vanuatu



Newly constructed access road at Webe Creek in Vanuatu. Unseasonal rain has hampered the drilling program.

**Sabeto Soil Samples
Gold (ppm)**

- 0.5 to 8.5 (14)
- 0.1 to 0.5 (126)
- 0.05 to 0.1 (166)
- 0.02 to 0.05 (343)
- <0.02 (683)

New Target Areas

Golden Ridge Prospect

Blasting Rock Prospect

**"Tuvatu North Prospect"
Priority Target Area
(Tuvatu Strike Extensions)**

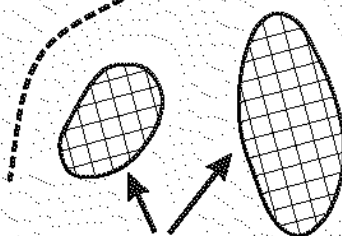
Nasiri Ridge Prospect

Banana Creek Prospect

Kingston Mine Prospect

SPL 141/2 Alcaston/Mincor

SPL 1296/1283 Emperor



**TUVATU
GOLD RESOURCE
(0.45 Moz @ 8.5g/t)**

**Sabeto Gold Project (Fiji)
Potassium Radiometric Anomalies
Gold-in-Soil Assays
Gold Target Areas**

0 500m

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