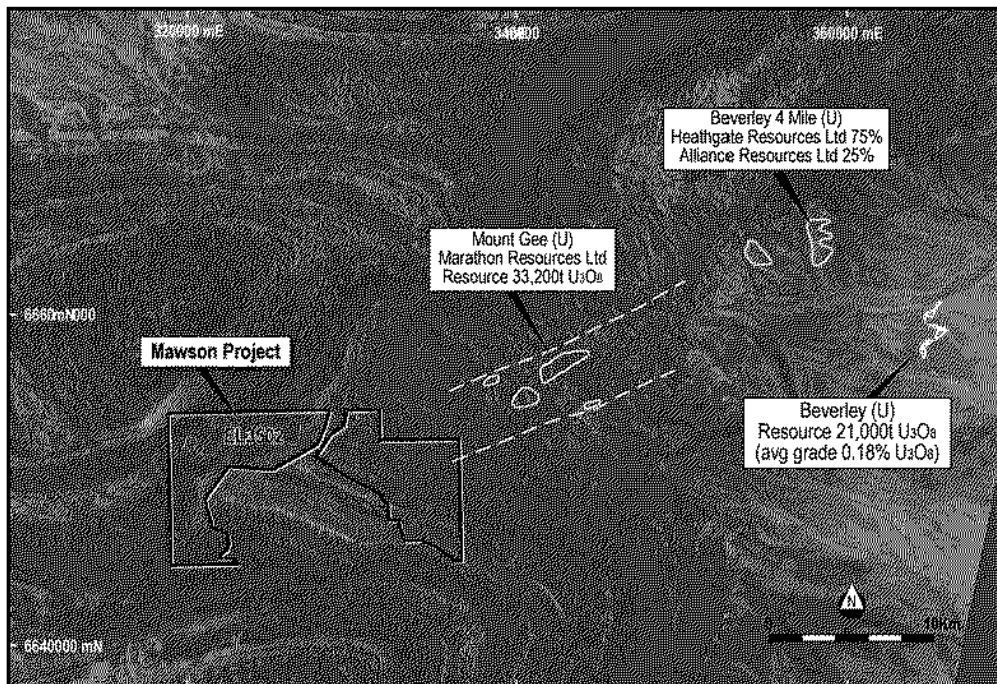




12th December 2006
ASX Release

Field exploration identifies new zone of uranium mineralisation.

Recent geological mapping and rock chip sampling by Scimitar Resources has identified the presence of uranium-bearing pegmatitic granitoids with rock chip samples returning up to **850 ppm U**, within the Company's Mawson Project (EL3502) located approximately 10 km west of the Mount Painter Complex in South Australia. The Mount Painter Complex is host to numerous historic small-scale uranium mines, and more recently Marathon Resources has defined resources of 57 Mt at 600 ppm U_3O_8 for contained 33,200t uranium oxide in the vicinity of Mt Gee approximately 10 km east-northeast of Scimitar's Mawson Project.



Several elongate granitoid bodies reaching up to 160 m thick and extending over 1.4 km strike were mapped along the western part of EL3502. Reconnaissance hand-held scintillometer surveying indicated localised gamma radiation anomalism especially along the north western edge of the granitoid complex. The Umberatana grantoid complex is believed to belong to the Ordovician Mudnawatana granite and granitic breccia suite, host to uranium mineralisation in the adjacent Mt Gee area. This area will be the focus of further field exploration through ground radiometric surveys and detailed mapping and sampling in the next quarter.

The Company is currently completing drilling programs on the Eclipse Project in the Northern territory for near surface calcrete uranium mineralisation and also for sedimentary roll front uranium mineralisation at Glencoe in South Australia. The results of these programs will be released as soon as they are available.

Yours faithfully

Terry Topping
Managing Director

The information in this report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Terry Topping, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Topping is a full-time employee of the Company. Mr Topping has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are 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 Topping consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.