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OUTSTANDING ZINC INTERSECTION AT QUARTZ CIRCLE

Recent RC drilling at the Company's Quartz Circle base metal project near Nullagine WA has intersected **52m @ 4.3% Zn**, including **8m @ 8.2% Zn**, **4m @ 5.8% Zn** and **12m @ 5.2% Zn** in drill hole GM 21 from 48m.

This hole, collared about 200m north of the historic Emperor zinc prospect, was drilled beneath a gossan which assayed 2.9% Zn. The gossan was discovered last year during geological mapping which identified a new zone of potential extending northwards for 500m from the Emperor prospect. This zone contains the classic rock assemblage of a volcanic-hosted massive sulphide (VMS) deposit including agglomerate, tourmaline-exhalite, strongly altered rocks and scattered gossan.

This exciting discovery of 52m of continuous zinc mineralization is confirmation of the importance of this new zone. Moreover, the discovery of a hitherto unrecognized and untested gossan so near a prospect which has been intensively drilled over several decades emphasizes the opportunity which still exists to discover a major base metal deposit in this area.

The aeromagnetics and radiometrics survey flown for Graynic in December gave excellent results on the project scale but more detailed targeting is now required. Various geophysical techniques are under consideration to pinpoint targets at the Emperor prospect as well as within the larger Quartz Circle area.

More information can be found in our Quarterly Report for March 2006 and on our website www.graynicmetals.com.au.

Ron Thom
Managing Director
28 April 2006

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