

4 February 2004

OUTSTANDING DIAMOND DRILLING RESULTS INDICATE POTENTIAL FOR UNDERGROUND MINING AT THE MOUNT GOLD PROJECT

Highlights

- * Best drill results of 1.51 metres at 21.02 g/t gold
 1.23 metres at 10.10 g/t gold
 1.00 metre at 30.50 g/t gold
- * Lode structures containing high grade gold mineralisation show good vertical continuity to at least 300 metres depth on the western flank of The Mount, and extend well to the west of the area previously considered prospective for gold mineralisation.
- * Geotechnical inspection of diamond drill core and the Mount mine suggests that ground conditions are highly favourable for underground mining.

Assay results have been received for diamond drillhole MT DD5, which was drilled from the western side of The Mount towards the east, to 414 metres depth (Figure 1). The drillhole intercepted at least 12 of the mineralised lodes which outcrop at surface, and a number of smaller lodes thought to be cross cutting lodes. The results are provided in Table One. The results for MT DD6, released in January 2004, are attached as Table 2.

The average mined grade from previous mining, within 30 metres of the surface, has been consistently about 9 g/t gold, although drill intercepts within that depth range exhibit high variability within the various lodes. The high grade, but highly variable tenor of the deeper gold mineralisation intersected in the recent diamond drilling appears to be comparable with the near surface mineralisation.

An inspection of the core and the underground workings has been carried out by geotechnical consultants, to evaluate the competence of the rock in the event of underground mining. This review suggests that the rock is highly competent, and would permit simultaneous mining of the close-spaced parallel lodes.

The high grade nature of the gold mineralisation is expected to prove an attractive feed source for local milling facilities providing scope for toll treatment as well as stand-alone processing facility. Metallurgical testwork associated with previous ore treatment has disclosed high recoveries and no metallurgical problems.

Further Work

Infill drilling will continue in February, designed to bring drilling density within the central zone to a level sufficient to enable resource calculation.

Statement of Competence

The geological information in this report is supplied by Mr Charles McCormick, a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), who is defined as a Competent Person under the JORC Code of the AusIMM. Mr McCormick is joint Chief Executive Officer of Austminex.

Kate Hobbs
Executive Director
Austminex Ltd

TABLE 1: Gold Assay Results for MT DD5

Drillhole	Easting (m)	Northing (m)	RL	Azimuth	Dip	From (m)	To (m)	Intercept (m)	Grade (g/t Au)
MT DD5	483.4	-81.3	375.1	89	-51	45.00	45.90	0.90	6.03
<i>incl</i>						45.50	45.90	0.40	11.10
						61.81	63.32	1.51	21.02
<i>incl</i>						62.20	63.00	0.80	36.80
						77.75	78.45	0.70	4.02
						95.00	96.82	1.82	3.57
						123.47	123.47	1.83	2.78
						142.95	143.46	0.51	0.47
						158.95	160.81	1.86	1.28
						162.00	163.00	1.00	1.97
						167.00	167.70	0.70	0.30
						184.68	185.91	1.23	10.10
						200.00	201.42	1.42	1.06
						204.00	205.00	1.00	30.50
						208.00	209.00	1.00	0.45
						231.10	232.17	1.07	0.70
						233.17	233.47	0.30	3.68
<i>incl</i>						304.00	305.45	1.45	1.63
						305.10	305.20	0.10	18.10

Table 2: Previously Reported Assay Results for MT DD6

Drillhole	Easting (m)	Northing (m)	RL	Azimuth	Dip	From (m)	To (m)	Intercept (m)	Grade (g/t Au)
MT DD6	907	-80		270	-50	20.0	21.0	1.0	2.06
						117.0	119.0	2.0	1.77
						130.83	133.54	2.71	25.55
						338.05	340.00	1.95	1.24
						375.0	377.0	2.0	24.75

Investor and Media Enquiries

Kate Hobbs
Chuck McCormick

Executive Director & Joint Chief Executive Officer
Exploration Manager & Joint Chief Executive Officer

Austminex Ltd

45 Ventnor Ave
Perth WA 6005
Phone: 08 9429 8830

207 Egan St
Kalgoorlie WA 6430
Phone: 08 9021 7600

email: kate.hobbs@austminex.com.au
website: www.austminex.com.au

Figure 1: Section Showing MT DD5 and MT DD6 indicating schematic lodes

Note – drillholes are projected onto section

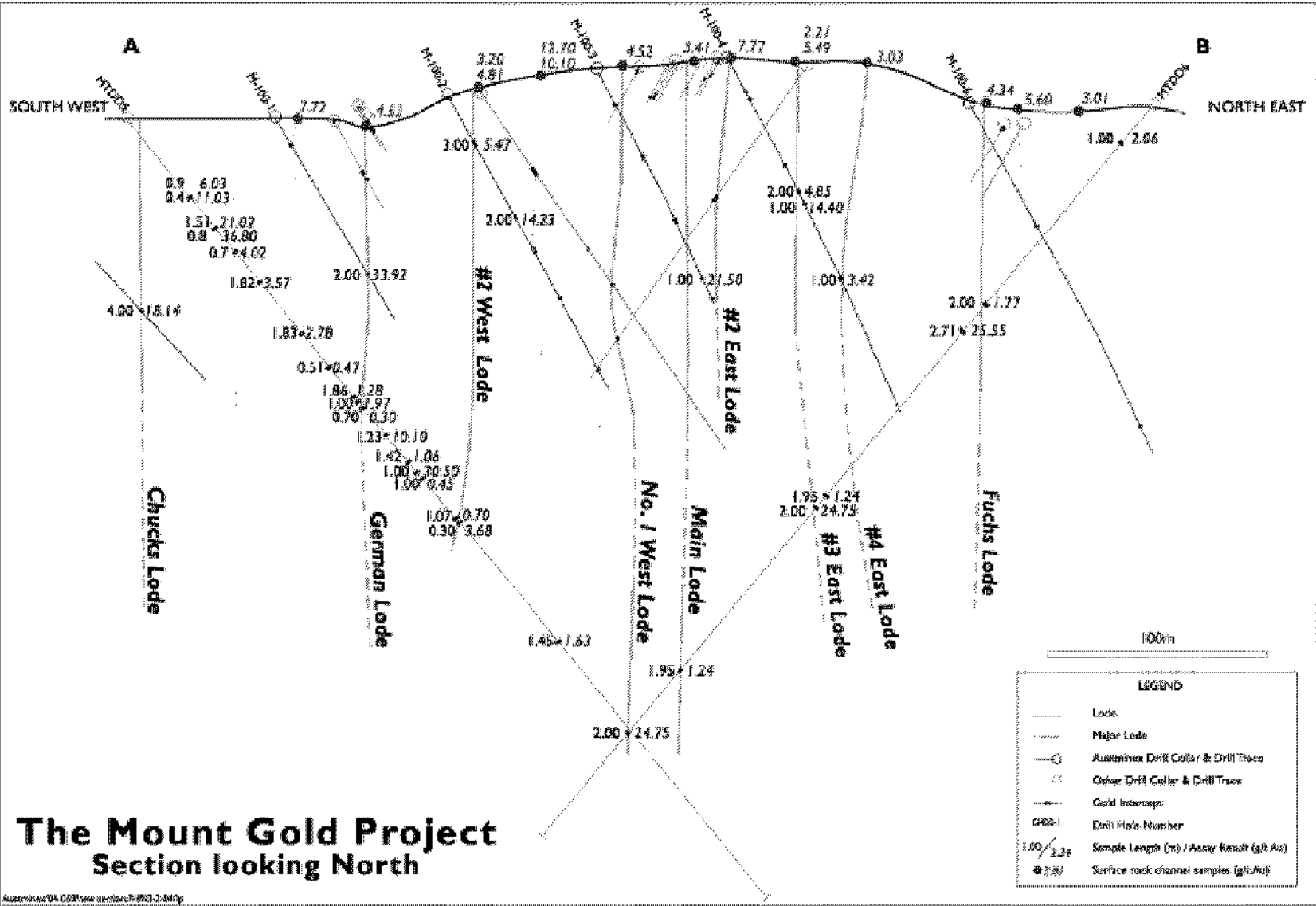


Figure 2: Plan Showing Outcropping Lodes and Austminex Drilling

