

MAJOR NEW PROJECT AREA ACQUIRED IN THE PILBARA REGION

23 August 2007

SUMMARY

- Brumby signs Goldsworthy Option and Joint Venture Agreement with Independence Group NL (IGO) and Western Australian Resources Limited (WAR).
- The Goldsworthy Platinum, Gold, Copper Project is located in the Pardoo region of Western Australia and adds to Brumby's already significant land holding in the Pilbara region.
- IGO exploration has identified PGE anomalism with 30m @220ppb PGE + gold and 0.15% copper from 60 – 90m (EOH) intersected.

Major New Project Area Acquired in the Pilbara Region, WA

The Directors of Brumby Resources Limited (Brumby) are pleased to announce that the Company has significantly added to its Project land holding in the Pilbara Region with the signing of an Option and Joint Venture Agreement with Independence Group NL (IGO) and Western Australian Resources Limited (WAR).

The Company has entered into the Agreement on the Goldsworthy Platinum, Gold, Copper Project located in the Pardoo Region, WA. The Project consists of two granted Exploration Licenses E45/2538 and E45/2539 which are located approximately 130 kms north-east of Port Hedland. Please refer to the location map, figure 1.

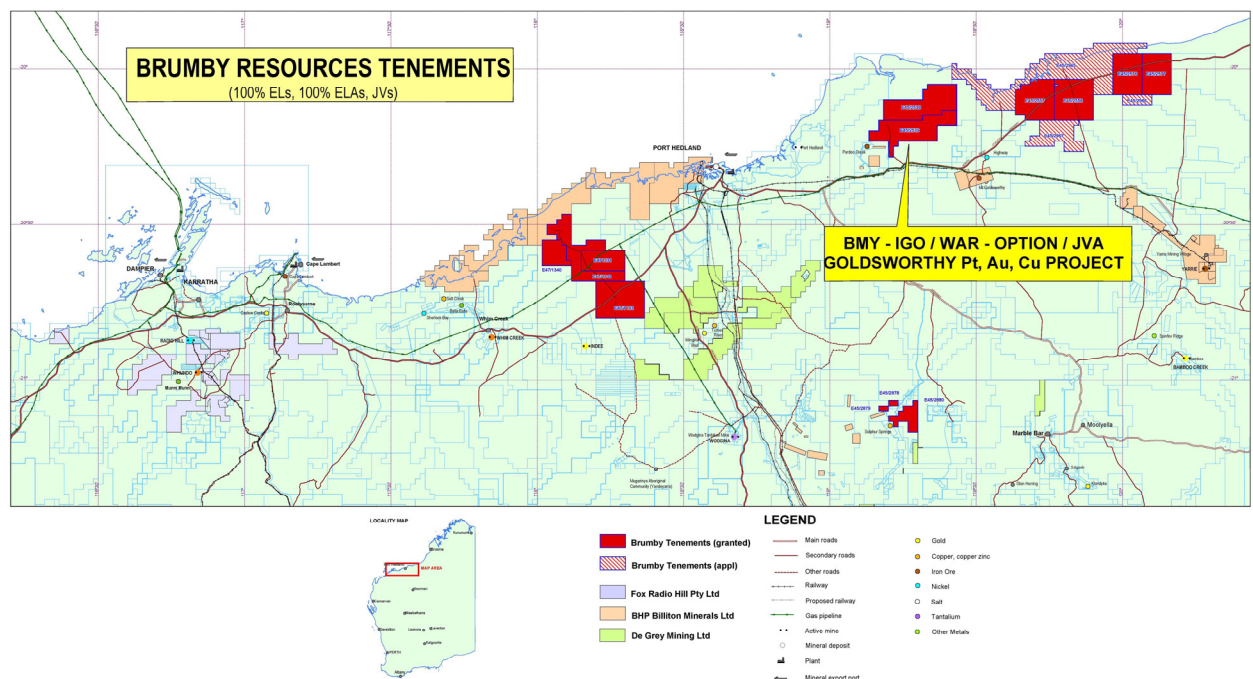


Figure 1- Pilbara Tenement Holding

Certain regional aeromagnetic and gravity anomalies located within the Goldsworthy tenements were considered by IGO to be prospective for iron ore. IGO/WAR further enhanced these regional anomalies by detailed ground magnetic and gravity surveys prior to drill testing in late 2006. Reverse circulation drill hole (DGRC016) intersected anomalous platinum group elements, gold and copper values whilst drill testing one of several circular gravity anomalies:

- 30m@ 220ppb PGE + Au, 0.15% Cu from 60-90m (EOH) beneath 60 metres of cover.

Modelling of the gravity, magnetics and drilling data indicated that the hole just pierced the modelled pipe like mafic intrusive. Refer to figure 2.

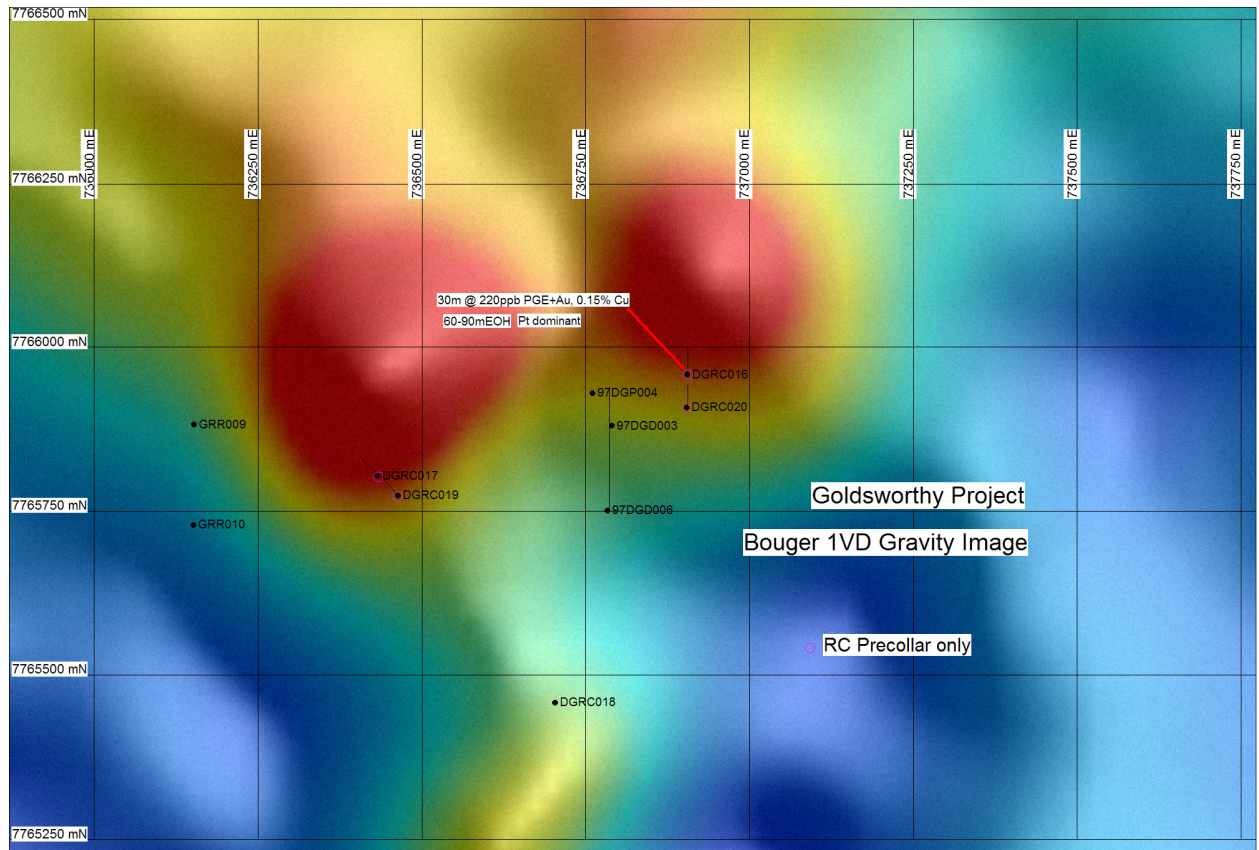


Figure 2 - Gravity PGE Target

Brumby as part of the Agreement will undertake a follow up reverse circulation drill programme to better test the identified mafic intrusive. IGO has the necessary statutory approvals in place to enable this programme to be commenced once a drilling contractor can be contracted for the work.

The terms of the Agreement which excludes any rights to iron ore is as follows. IGO and WAR have granted Brumby an exclusive right to explore the Project for a period of 6 months, during which time Brumby must spend no less than \$150,000 on exploration, including the completion of 2 reverse circulation drill holes to test the identified mafic intrusive. Brumby may not withdraw from the Project during the Option Period, which may be extended by up to 3 months or more should Brumby be unable to reasonably complete the programme.

At any time during the Option Period, Brumby may elect to enter into a joint venture ("JV") over the Project. If it does so, Brumby may earn up to a 60% interest in the Project by spending an amount equal to two times the minimum expenditure required by the Department of Industry and Resources for a period of 3.5 years (including the initial \$150,000 expenditure).

Brumby can elect to earn a further 15% interest in the Project by the expenditure of a further \$2 million over a further 3 year period.

Brumby has issued 343,750 fully paid shares to WAR. The ASX 3B, Application for Quotation of Shares, accompanies this release.

Should Brumby enter into a JV on the Project, WAR will transfer its interest in the Project to IGO and Brumby will issue a further 687,500 fully paid shares to WAR, (or the equivalent number of shares to equate to a value of \$110,000 if Brumby's share price is below 16 cents when it elects to enter into a JV). WAR will receive a 1% gross smelter royalty on any minerals mined from the Project.

The Project adds to Brumby's very large and strategic land holding in the Pilbara Region and significantly enhances the multi commodity potential of our exploration focus and overall strategic objectives.

Geoff M Jones
Managing Director

About Brumby

Brumby Resources Limited is a Perth based multi-commodity greenfields exploration Company listed on the Australian Stock Exchange (ASX).

The Company's primary focus is to conduct exploration programmes for base metals and gold over its extensive ground holding in Western Australia and the Northern Territory. The aim is to refine targets, explore and evaluate the Company's projects in a cost effective and timely manner, and to identify and develop new mineral deposits that significantly enhance the value of these projects for all shareholders. Brumby is managed by a highly experienced team of mining individuals with expertise in mineral exploration, development, financing and operations.

For further information please refer to our website www.brumbyresources.com.au or contact me.

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ASX Code - BMY

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

BRUMBY RESOURCES LIMITED

ABN

84 118 522 124

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|-----------------------------------|
| 1 | +Class of +securities issued or to be issued | Shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 343,750 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary fully paid shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes.	
5	Issue price or consideration	16 cents per share.	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The shares have been issued as consideration for entering into an Option and Joint Venture Agreement with Independence Group NL (IGO) and Western Australian Resources Limited (WAR), the Project consisting of two granted Exploration Licenses E45/2538 and E45/2539.	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	23 August 2007.	
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		26,067,917	Ordinary fully paid shares.
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		5,942,499	Ordinary fully paid shares.
		11,850,000	Unlisted options.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not Applicable	

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Questions 35 to 37 - Not Applicable

Entities that have ticked box 34(b)

Questions 38 to 42 - Not Applicable

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: **23 August 2007**
(Company secretary)

Print name: **Kim Hogg**

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+ See chapter 19 for defined terms.