

The Board has been advised by RSG Global and by underground mining contractor Barminco that the drilling density in parts of the Sand George resource is less than optimal and that further drilling is needed to increase the level of confidence in the resource estimates.

Consequently, the Board has decided to undertake additional infill drilling based on both RSG and Barminco recommendations. A drilling program is currently being planned and a diamond drill rig has been booked to commence in late October.

RSG Global's advice is a result of the initial part of a Pre-feasibility Study on the Sand George deposit and, in view of their recommendations, the Board has decided to temporarily suspend the Pre-feasibility Study until the infill drilling program has been completed.

Barminco advised that their investment criteria have not been met in relation to a joint venture on the Sand George deposit but have indicated that they would review their position on the project after further definition drilling.

C J Reed
DIRECTOR

