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PASPALEY DEAL FINALISED/SHARE PLACEMENT

Pursuant to the authorities conferred at the recent general meeting and partially utilising the Company's capacity under the 15% rule, the Company:

- formalised an agreement to purchase mining tenements (in the locality of Borroloola) from Mr Nicholas Paspaley in consideration for the grant of 5,400,000 options exercisable at 60 cents on or before 30 June 2007;

- Argonaut Securities have finalised a placement, to institutional and sophisticated investors under S708 of the Corporations Act, of eight million ordinary fully paid shares at an issue price of $0.55 to raise $4,400,000.

The funds, which will be applied to general working capital, ensure the Company:

- can continue the aggressive pursuit of its exploration campaign on its existing projects; and

- is fully funded to undertake the planned comprehensive reconnaissance exploration programme at the now expanded Borroloola project.

An Appendix 3B will be released as soon as cleared funds are received.

Mal Smartt
Company Secretary
25 August 2006