
Exhibition high grade gold zone extended

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New high grade diamond drill assay results from stepout diamond drill holes in the Reward area at Hill End, New South Wales, have extended the strike length of the high grade Exhibition area by a further 110 metres to 300 metres. Assay results from diamond drill holes HHD29 and HHD31 include 103g/tAu over 0.3 metre in the Phillipson's vein, and 34.4 g/tAu over 1.0 metre in the Paxton's vein set, respectively.

The Paxton's intersection in HHD31 is located 50 metres south of the recent intersection in HHD30 of 106g/tAu over 1.4 metre and is 76m metres south of the NRI05 intersection of 208g/tAu over 0.9 metre. The Paxton's vein set and the higher Steven's vein set can combine to a true width of up to 20 metres.

Assay results from HHD31 also included 6.87g/tAu over 0.2 metres in Steven's vein, and 57.7g/tAu over 0.2 metres in the Mica vein. Further assay results are pending for the remainder of the hole.

The Phillipson's 103g/tAu intersection in HHD29 is 40 metres north of the 74.7g/tAu intersection in HHD27 and is located about 50 metres below the Paxton's vein set. HHD29 also intersected 34g/t Au over 0.2 metres in the Steven's vein and 16.7g/t Au over 0.2 metres in the Mica vein.

HHD32 is the final hole in the current Reward program and is testing the southern extension of the Reward area mineralisation in the Cornelian area. The hole has been completed with visible gold observed in a number of vein sets. The diamond drill rig will move to drill the Red Hill, Germantown and Scandinavian areas.

A reverse circulation drill rig is also due to arrive at Hill End during January 2007 to continue the Red Hill resource extension drilling, which was interrupted in May 2005. The RC rig will then proceed to reconnaissance drilling a further two kilometres of strike length of outcropping gold mineralisation to the north of Red Hill in the Valentine, Emily and Old Company areas. Drilling will also test below the currently defined mineralisation and across strike for parallel mineralised corridors and will identify suitable locations for future plant and infrastructure.

During the next quarter an updated interpretation and resource estimate for the Exhibition and Cornelian high grade areas, and the Reward area, will be completed. The Red Hill resource estimate update and an application for a mining lease over the Red Hill area will begin.

Preparation for mining and sampling of the Exhibition high grade area has commenced with mining, processing and hydrological studies underway. Snowden Mining Consultants, Gekko Systems and Mancala mining contractors are assisting. Following sampling and test processing, the Exhibition high grade area target potential is expected to be of the order of 100,000 tonnes at 20 – 30g/t with potential for expansion along strike and at depth.

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It has been noted that the Reward diamond core assay results may have been significantly understated due to a combination of the ALS Chemex screen fire assay protocol and laboratory procedure. Recent samples with observed visible gold have been assayed with the more reliable, though expensive, amalgam assay technique. It is expected that future assaying of samples from Hill End will be by the 'Leachwell' assay technique with SGS in Townsville, Queensland.

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and is a full-time geological contractor for the company. Mr Bruce is Fellow of the Australasian Institute of Mining and Metallurgy. Both Mr Quayle and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Quayle and Mr Bruce consent to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

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Attached: - Reward Current Drilling High Grade Vein Sets

