
ANNOUNCEMENT
September 21st 2005

**Principal Controls on Mineralisation Identified,
Pinafore and Native Youth Reefs**

Independent geological work carried out by SRK Consulting on historical production data and recent drilling at the Pinafore and Native Youth Reefs has successfully identified the likely structural controls on the distribution of ore beneath the old workings.

SRK have also examined the trends in the production grades and concluded that there is no reason to suppose that the gold grades of the Pinafore and Native Youth Reefs decrease down dip from the mined material. This is an important step forward in the delineation of a potential resource at the Lefroy Goldfield, and allows for extrapolation of mineralised gold-lodes within the identified trends down dip from the historically mined gold lodes.

The Pinafore and Native Youth Reefs are two of the larger known mineralised structures at the Lefroy Goldfield, which hosts some 30 individual gold reefs. The reefs were mined prior to 1900 for approximately 55,000 and 26,000oz of gold respectively at grades frequently ranging around 30-60g/t. Both the Pinafore and Native Youth Reefs were historically mined from a strike length of over 400 metres, to approximately 130 metres vertical depth. Drilling completed by the Company confirmed that ore zones are open at depth, and continue at promising grades and ore-zone thicknesses.

A review of the methodology applied to other lode-style deposits in Australia has been completed, which determined that successful resource estimation work must be supported by a clear understanding of the geological factors controlling ore-zone mineralisation. The style of mineralisation at the Lefroy Goldfield has many similarities to both the Bendigo and Ballarat Goldfields in Victoria, where this methodology and been highly successful in delineating substantial resources.

The Company believes that the work completed by SRK has significantly advanced the project and upgrades the exploration potential of the Goldfield. This work will also assist in drill target selection and prioritisation for the next drilling field season.

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by John Canaris who is a Member of the Australian Institute of Geoscientists. John Canaris is a full-time employee of the Company. John Canaris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". John Canaris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears