
ANNOUNCEMENT
June 27, 2006

**Further Spectacular Grades Intersected at Pinafore Reef,
Lefroy Goldfield, NE Tasmania**

Targeted RC drilling at the Pinafore Reef, within the Company's 100% owned Lefroy Goldfield, has intersected a spectacular zone of gold mineralisation at shallow depths.

High-grade gold-bearing quartz-sulphide veining was intersected up-dip of the previously mined stoped material. Drill hole LFC087 ended in weak mineralisation and potentially remains open at depth down-hole. Significant results from LFC087 include:

RC DRILL HOLE LFC087 HIGHLIGHTS

Hole ID	*Easting	*Northing	Dip/ Azimuth	From	To	Interval	Au g/t**
LFC087	498450	5451180	-59/000	71	98	27	4.27
Including				84	86	2	28.21

*Coordinates in GDA 94, UTM Zone 55

**Cut off grade 1.00g/t, max 2m consecutive internal dilution

**Analysis by repeat fire assay

This drill hole is part of an exploration programme currently in progress that is assessing the near-surface "open pittable" resource potential of the Pinafore Reef, and does not fall within the previously reported JORC compliant Inferred Resource of 225,000oz Au (ASX Announcement November 7, 2005).

SUMMARY OF DRILL RESULTS

Drill hole LFC087 was stepped north from previous drilling to test the up-dip continuity of gold mineralisation of the Pinafore lode. The drilling intersected a core zone of high-grade quartz-sulphide veining surrounded by a broader zone of gold-associated disseminated sulphide. Further interpretation of these results is ongoing.

BACKGROUND

The Pinafore Reef is one of the largest historically mined reefs in the Lefroy Goldfield. It was mined circa 1900 for approximately 60,000oz of gold at grades averaging approximately 25g/t. Drilling targets in 2005 focussed on selecting high-grade lode-style gold-bearing zones below historic workings. These targets were all within the 4 kilometre mineralised corridor which makes up the Lefroy Goldfield.

Drilling returned spectacular grades below historically mined stopes at the Pinafore and Native Youth Reefs (summarised in ASX Announcement November 7, 2005).

DRILLING COMMENCED

The Company is also pleased to announce that deep drilling of the Pinafore Reef has commenced with drill hole LFD100 currently being collared. The programme will initially consist of 2 drill holes (RC and DD) aimed at intersecting the lode at depths between 450 and 500 metres below surface.

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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.