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ASX RELEASE

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KIHABE ZINC / LEAD / SILVER PROJECT, WESTERN NGAMILAND, BOTSWANA

SIGNIFICANT UPGRADE IN METAL RECOVERIES

The Company currently has potential open cut resources at both the Kihabe and Nxuu deposits, situated seven kilometres apart, in north western Botswana, totalling 27.4 million tonnes @ 2.32% zinc equivalent grade (refer to detailed resource statement below).

Further mineralogical and metallurgical tests now completed by ProMet Engineers on the Kihabe Deposit have yielded metal recoveries in excess of 90% for both zinc and lead.

These recoveries have improved on the 64% zinc and 67.5% lead recoveries used in the Project Scoping Study, released to the market in the June 2009 Quarterly Report.

The improved metal recoveries have been achieved by the addition of finer grinding, Controlled Potential Sulphidisation (CPS) within the flotation circuit and atmospheric acid leaching of the zinc flotation tails.

Loss of zinc in the tailings stream had been found to be attributed to the presence of several zinc oxide type minerals. These oxides have been found to be leachable with sulphuric acid at 40 deg C.

Mineralogy of the Nxuu Deposit indicates that it is an oxidised deposit and therefore should be amenable to treatment with the modified Kihabe process flow sheet of differential flotation, acid leaching, solvent extraction and electrowinning.

The modified flow sheet would produce the following products:

- Lead sulphide concentrate
- Zinc sulphide concentrate
- Zinc metal
- Lead compound (form to be assessed)

Further confirmatory test work will be conducted to ensure, on a full scale production basis, the amenability for differential flotation (with CPS) and leaching of both the deposits, to the modified flow sheet.

In the Scoping Study released to the market in the June Quarterly Report, ProMet Engineers estimated, at the level of today's zinc and lead prices, the project would yield a 26.6% IRR @ 30% equity, based on metal recoveries of only 64% zinc and 67.5% lead. **Whilst the process flow sheet will need to be modified to achieve zinc and lead metal recoveries in the 90 percentile range, these higher recoveries at current zinc and lead prices will improve the project viability.**

This section of the report has been approved for release by ProMet Engineers.

KIHABE ZINC / LEAD / SILVER RESOURCES

The Company currently has potential open cut resources at both the Kihabe and Nxuu deposits, situated seven kilometers apart in north western Botswana, totaling 27.4 million tonnes @ 2.32% Zinc equivalent grade (see note), applying a 0.5% zinc equivalent low grade cut, as follows:

Resource Category	Total Tonnes	Kihabe Resource	Nxuu Resource
Indicated	16.4 million	16.4 million	-
Inferred	11.0 million	5.6 million	5.4 million
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Total	27.4 million	22.0 million	5.4 million
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(Note: The zinc equivalent grade was calculated applying the refined metal prices as of 17th July 2008, the date Ravensgate Pty Ltd, geological consultants compiled the Kihabe resource model. On this date zinc was trading @ US\$1,810/t and lead was trading @ US\$1,955/t.)

EXTENSION TO THE NXUU RESOURCE

Further RC drilling recently conducted at the Nxuu deposit, outside of the current resource boundary within which the above 5.4 million tonnes were delineated, has intersected further significant zinc and lead mineralisation, as follows:

Drill Hole #	Northing (m)	Easting (m)	Dip	Az	Results
NXRC019	7,821,952	508,998	90°	0°	6m @ 2.00% Zn/Pb from 9m
NXRC021	7,821,801	509,022	90°	0°	7m @ 4.75% Zn/Pb from 41m
NXRC022	7,821,807	508,778	90°	0°	5m @ 2.39% Zn/Pb from 16m
NXRC023	7,821,632	508,551	90°	0°	1m @ 1.93% Zn/Pb from 12m
NXRC027	7,821,699	508,603	90°	0°	4m @ 1.41% Zn/Pb from 26m
NXRC028	7,821,463	508,622	90°	0°	2m @ 1.68% Zn/Pb from 52m

The above results were obtained from assaying by way of the AXOES/AXMS method.

An updated resource will be calculated and released to the market once completed.

REGIONAL EXPLORATION

Zinc/Lead/Silver mineralisation in both the Kihabe and Nxuu deposits is hosted within a quartz wacke at the contact with the regional dolomite. **Recently drilled holes have discovered two new quartz wackes.** Geochemical sampling is currently being conducted over an identified fold closure, 3 km to the south of the Nxuu deposit. The fold closure is believed to be the contact between this quartz wacke and the regional dolomite and is being sampled in order to determine if this is a potential host for further mineralisation.

The information in this section of the report is based on information approved for release, in the form and context in which it appears, by Mr Giles (Rodney) Dale of GR Dale and Associates. Mr Dale is a Fellow of the Australasian Institute of Mining and Metallurgy, with sufficient experience relevant to the style of mineralisation under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".