11 September 2012

KIHABE – NXUU Zn/Pb PROJECT WESTERN NGAMILAND, BOTSWANA

PROJECT UPDATE – GENERATION OF NEW STRONG Zn/Pb GEOCHEMICAL SOIL ANOMALY 1.5KM SOUTH OF KIHABE RESOURCE

Geochemical soil sampling currently being conducted on the Company's Kihabe – Nxuu Zn/Pb project in Western Ngamiland, Botswana, has generated a strong Zn/Pb anomaly about 1.5km south of the Company's Kihabe resource.

The north-east trending geochemical soil anomaly currently has a strike length of around 1km, running parallel with the Kihabe resource (refer diagram attached). This new geochemical anomaly may represent a parallel repeat of the Kihabe synclinal fold structure in this SEDEX style mineralised area.

Values of up to 236ppm Zn and 117ppm Pb have been returned from samples tested with the Company's on-site XRF machine, adjacent to an area where background values of zero ppm have been returned from the same on-site XRF machine.

Further geochemical soil sampling will be conducted in this area, south of the Kihabe resource, once current bush-fires have burned-out. Soil sampling will be extended north-east to join up with a previously sampled area which resulted in delineation of the geochemical anomaly over what has now been drilled to produce the Nxuu resource, 7km to the east of the Kihabe resource.

All soil geochemical samples have been collected from around 10cm below surface, every 50m along north/south lines, 100m apart. The samples are sieved down to – 0.4mm, packeted and then analysed on site under stable and stationery conditions with the Company's XRF machine. Quality control samples will be sent to an independent laboratory for analysis by conventional methods.

The information in this release that relates to exploration results, together with any related assessments and interpretations, is based on information approved for release by Mr. Giles Rodney Dale of GR Dale and Associates. Mr. Dale is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Dale has sufficient experience which is 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". Mr. Dale consents to the inclusion in this release of matters based on this information in the form and context to which it appears.

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KIHABE- NXUU RESOURCE STATEMENT

Deposit	External Cut %	Indicated M Tonnes %	Inferred M Tonnes %	Total M Tonnes %
Kihabe	1.5%	11.4 @ 2.90%*	3.0 @ 2.60%*	14.4 @ 2.84%*
Nxuu	0.3%	-	10.9 @ 3.20%*	10.9 @ 3.20%*
		11.4 @ 2.90%*	**13.9 @ 3.07%***	**25.3 @ 3.00%***

***Zinc Equivalent Grade**

Kihabe resource calculated on metal prices as at 17 July 2008:	Zn US$1,810/t	Pb US$1,955/t	Ag US$18.75/oz
Grades applied:	Zn 1.75%	Pb 0.76%	Ag 6.93 g/t
Nxuu resource calculated on zinc and lead at US$ par			
Grades applied:	Zn 1.8%	Pb 1.4%	

The information in the resource statement that relates to the Kihabe Resource is compiled by Byron Dumpleton, B.Sc., a member of the Australasian Institute of Geoscientists. The information that relates to the Nxuu Resource is compiled by Mr Ben Mosigi, M.Sc., (Leicester University – UK), B.Sc., (University of New Brunswick – Canada), Diploma Mining Tech (Haileybury School of Mines – Canada), a member of the Geological Society of South Africa.

Mr Dumpleton is an independent qualified person and Mr Mosigi is a Technical Director of the Company. Both Mr Dumpleton and Mr Mosigi have sufficient experience relevant to the style of mineralisation under consideration and to the activity to which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Mineral Resources and Ore Reserves". Both Mr Dumpleton and Mr Mosigi consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

KIHABE-NXUU METAL RECOVERIES

Independent metallurgical testwork has confirmed the metal recoveries shown in the table below. Accordingly the Company believes these recoveries are achievable. Zinc recovered from acid leaching oxide zones will enable Zn metal to be recovered on site from electro-winning.

DEPOSIT	Zone	Time	Zinc	Lead	Silver
Kihabe					
Oxide Zone					
Acid leaching @40°C 30 kg/t acid	Oxide *	24 hrs	96.9%	91.9%	n/a
Sulphide Zone					
Rougher flot	Sulphide	90 seconds	91.9%	84.8%	94%
	Sulphide	15.5 mins	93.8%	88.1%	96.4%
Nxuu					
All Oxide					
Acid leaching @25°C 30 kg/t acid	Oxide *	12 hrs	93%	93%	n/a

** Note: Zn mineralisation in the oxidised zones is hosted within Smithosonite and Baileychlore and independent test work has confirmed both of these are amenable to acid leaching.*

LME[1] AND SFE[2] ZINC/LEAD/SILVER STOCKS AND PRICES

(as at 7 September 2012)

METAL	Stocks/Ton		Price/Ton (US$)	Price/oz (US$)
	LME	SFE	LME	
Zinc	942,200	299,782	1941	
Lead	303,450	15,590	2061	
Silver	n/a	n/a	-	33.69

[1]London Metal Exchange – Source LME

[2] Shanghai Futures Exchange – Source Bloomberg