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## ASX RELEASE

22 October 2011

### RARE EARTH/METALS - ELEVATED ASSAY VALUES

GRANT OF EXCLUSIVE PROSPECTING LICENCE – NAMIBIA (MTB 85%)

On 21 October 2010, the Company received documentation from The Ministry of Mines and Energy, Namibia, for the grant of Exclusive Prospecting Licence No. 4320, (EPL 4320) within the Company's Tsumkwe diamond exploration project, in north east Namibia.

EPL 4320 was granted in respect of Base and Rare Metals, Precious Metals and Precious Stones groups of Minerals.

Work previously conducted by the Company in 2001, in its search for kimberlites, revealed that a number of percussion drill holes drilled by the Company in this area, yielded elevated **lanthanum** (La), **cerium** (Ce) and **neodymium** (Nd) values, when submitted for assaying.

Particularly, three holes, RR011, RR012 and RR013, were drilled into a significant magnetic anomaly of some 600m diameter, generated through a close spaced aero-magnetic survey flown by the Company. One metre sections at or close to the end of these three drill holes were selected and submitted for assaying, to determine whether they contained characteristic kimberlitic geochemistry. Assaying yielded the following elevated **La**, **Ce** and **Nd** values:

Drill Hole Number	Section selected for assaying	La Value	Ce Value	Nd Value
RR011	1m from 35m to 36m	95.4 ppm	201.7 ppm	107.1 ppm
Bed rock at 20m - hole terminated at 38m				
RR012	1m from 33m to 35m	393.4 ppm	750.7 ppm	283.0 ppm
Bed rock at 26m - hole terminated at 38m				
RR013	1m from 30m to 31m	297.1 ppm	548.4 ppm	210.0 ppm
	1m from 38m to 39m	422.8 ppm	753.2 ppm	296.4 ppm
Bed rock at 27m - hole terminated at 39m				

The above assay results were determined by ICP – MS.

Subsequent petrographic analysis of the above samples confirmed the following lithological classifications:

RR011 - Partly Altered (Chloritised, Amphibolised, etc.), Magnetite-Quartz-Bearing Augite-Syenite.

RR012 - Partly Altered (Chloritised, Amphibolised, Sericitised, Carbonated, etc.), ?Monzonitic, Augite-Bearing Syenite.

RR013 - Partly Altered (Carbonated, Chloritised, Sericitised, Limonitised, etc.) Magnetite-Bearing Augite-Syenite.

The above three holes were drilled in a north/south line, RR012 being drilled 200m south of RR011 and RR013 being drilled 300m south of RR011.

These results achieved from the very limited intersections submitted for assaying, are seen as encouraging and require follow-up drilling and assaying to determine their significance as well as the potential size and grades of the overall mineralised intersections. Other areas within this project that yielded elevated rare earth assay values will also need to be followed up.

EPL 4320, has an initial term of three years and covers an area of 6,015 hectares. It was previously part of the original EPL 2014, still held by the Company. The area within EPL 4320 was, in accordance with the Mining Act, relinquished in May 2007, re-applied for in August 2009 and approved for grant on the 30<sup>th</sup> August 2010.

Rare Earth Element (REE) prices have risen significantly since the beginning of the year. La and Ce have risen by around 450% to US\$45/kg and Nd has risen around 270% to US\$95/kg. La particularly is growing in demand as it is used in nickel metal hydride batteries which in turn are used in hybrid cars, such as the Toyota Prius.

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.