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ASX RELEASE
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TSUMKWE PROJECT NAMIBIA
Makuri Vlei Magnetite Iron Prospect (90%)

The Company will commence an RC drilling programme on Monday 5 December at its Makuri Vlei magnetite iron project in Namibia.

This programme is planned to test the two linear magnetic high targets (Target 5 and 6) as shown on the aeromagnetic diagram on page 2.

Targets 5 and 6 have a combined strike length of over 6 km. Each target will be drill tested at various sections along strike. Drill holes previously drilled into Target 5 were logged as intersecting hematite/magnetite breccia. Targets 1, 3 and 4 were recently drill tested, all of which were logged as having both highly magnetic and heavily mineralised intersections.

Assay results and Davis Tube Recovery (DTR) tests so far returned from Target 1 for drill holes NAM917 and NAM927 gave the following results:

Drill Hole	Interval	Width	Fe Head (XRF)	Recovered Mass (DTR)	Conc Fe	Interpreted Mineralogy**
NAM917	10m – 13m	3m	49.21%	28.6%	66.15%	HO, GO, MO
	16m – 18m	2m	36.72%	21.6%	62.00%	HO, GO, MO
	27m - 37m	10m	49.22%	66.4%	68.65%	MO
	47m - 61m	14m	50.94%	69.0%	67.87%	MO
NAM927	12m - 17m	5m	45.94%	19.1%	68.42%*	HO, GO, MO
	41m - 44m	3m	52.31%	72.6%	67.53%	MO
	55m - 57m	2m	49.82%	51.5%	69.80%	MO

Notes:
Only those intersections as shown above for open hole NAM927 were submitted for DTR because of limited amounts of available sample. As a consequence they do not represent the full extent of the mineralised intersections containing in excess of 30% Fe head grade.

For NAM917, all samples were submitted for DTR with multi-element analysis of head and concentrate samples. The intersection lengths for this open hole are therefore considered to be representative.

* *Based on the three samples where sufficient concentrate was returned for analysis*

** *MO = Magnetite HO = Hematite GO = Goethite*

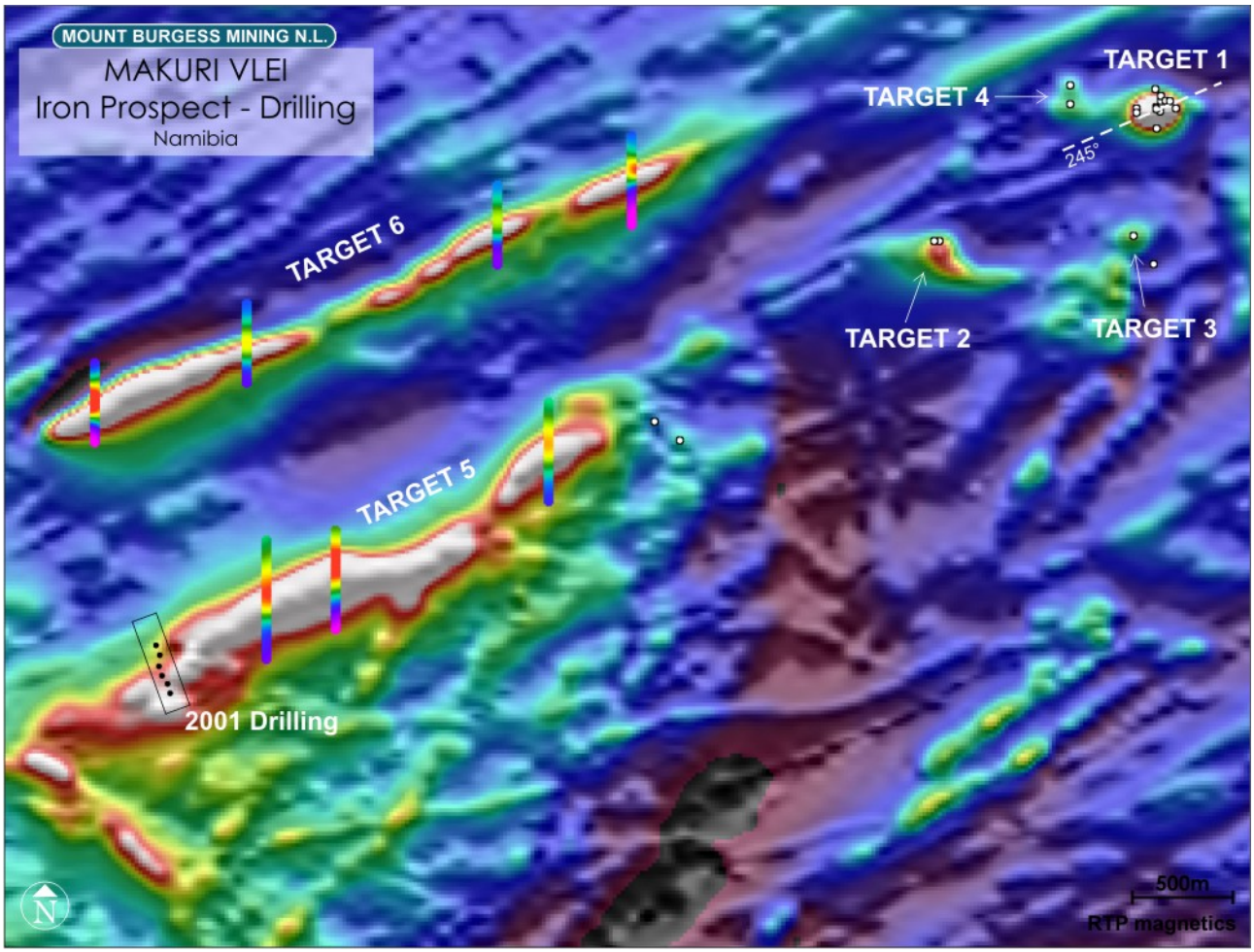
The above DTR results were achieved from a grind size of 90% passing 75 microns that is comparable to the particle size as estimated by mineralogy.

From the more complete suite of analytical and DTR results from NAM917, the relatively deeper magnetite horizons have a cumulative thickness of 24 metres with an average head grade of 50.22% Fe. The DTR concentrate has an average composition of Fe 68.2%, SiO_2 2.36%, Al_2O_3 0.22%, P 0.007%, TiO_2 <0.02%, CaO 0.53%, MgO 1.58%, Na_2O <0.02%, K_2O <0.02%, S 0.207% and Loss on Ignition -2.37% with low base metal values. **Such material is comparable with commercially traded iron ores.**

Both NAM917 and NAM927 were logged as intersecting gossans from around 11m to 17m indicating the probable presence of the non magnetic Fe minerals hematite and goethite.

Initial thin section petrographic analysis of drill chips from 45 - 46m depth in drill hole NAM927 has shown that at that depth the dominant Fe mineral is magnetite. **Magnetite particle sizes range from 25 microns to in excess of 100 microns and are hosted within a schist. Some of the geochemistry, particularly the purity of the magnetite, is more compatible with a sedimentary origin.**

With the confirmation of the above results the Company believes that Targets 5 and 6 have the potential to host a worthwhile iron ore target.



Aeromagnetics - Makuri Vlei Targets

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.