

ASX RELEASE

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Update of Trial Mining at Kingsgate, New South Wales

Drill and blasting has been completed for the first bench of Trial Mining at the Company's 100% owned Kingsgate Molybdenum Project near Glen Innes, NSW.

All blast holes have been grade-control sampled on a 2.5m interval. Visible molybdenite and bismuthinite have been documented in several of the grade control drill holes. In particular, one high grade intercept (0.22% Mo and 0.11% Bi) was returned over 2.5m from within the area of the geophysical chargeability anomaly. No other high grade intersections were made outside of the area of the geophysical anomalies, although a number of 2.5m wide low grade intersections (0.03 - 0.08% Mo and 0.05 - 0.21% Bi) were recorded.

The assay results are further evidence that the geophysical technique of Induced Polarisation (IP) identifies high grade Molybdenum mineralisation as chargeability anomalies and high grade Bismuth as resistivity anomalies. The Company remains confident that detailed IP will add significant value to the project and plans are being finalised to extend the geophysical coverage.

Mining of the first bench to 7.5m maximum depth is currently in progress with the final pit design depth of 15.0m expected to be completed by mid-December.

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The information in this report that relates to Exploration Results is based on information compiled by John Lawton who is a Member of The Australasian Institute of Mining and Metallurgy. He is a full-time employee of the Company and has sufficient experience that 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 Lawton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.