

31 July 2007

## **Kirwans (NZ) Tungsten Project Drill Results & Exploration Update**

### **Highlights**

#### **Kirwans Tungsten Project, Reefton New Zealand**

- **Results from a first stage two hole diamond drill program provide early indications that Kirwans has the potential to host a high tonnage low grade tungsten resource. Drilling is expected to resume late in the year as weather conditions improve.**
- **Best intersections from the initial drilling included 34m at 0.13% WO<sub>3</sub> from surface, 18m at 0.16% WO<sub>3</sub> from 1m and 5m at 0.20% WO<sub>3</sub> from 33m. Results average 0.08% WO<sub>3</sub> over all drill samples to date.**
- **Interpretations from this drilling combined with soil sampling and other trench data indicate the mineralisation continues to a significant depth and has a potential areal extent of 1,400m by 600m.**

#### **Kingsgate Molybdenum-Bismuth Project, Glen Innes NSW**

- **Detailed mapping and soil sampling is in progress at Kingsgate in preparation for a major resource drilling program. The Company is confident that, subject to regulatory consent, drilling will commence at the end of August.**

#### **North Queensland Regional Exploration**

- **Drilling has commenced at the Running Brook Gold-Copper Project with two initial diamond drill holes targeting a trench anomaly of 150m @ 0.26g/t gold. Reverse circulation drill programs at Running Brook (gold-copper), Galala (molybdenum), and West Tinaroo (gold) projects will immediately follow.**

#### **Kirwans Tungsten Project, Reefton New Zealand (Auzex NZ 100%, NZML earning)**

This project is located 12km east of Reefton on the west coast of the South Island of New Zealand. An initial diamond drill program was planned to intersect tungsten mineralisation at varying depths beneath outcropping scheelite bearing quartz veins reported from an historic trench (see table). The trench contains mineralisation (based on a 0.1% WO<sub>3</sub> cutoff) of 76m at 0.22% WO<sub>3</sub> and 39m at 0.41% WO<sub>3</sub>. The drill holes were positioned 40 metres to the north of the trench where access was easier and designed to test the depth continuity of the high grade tungsten intersected in the trench. This is the first drilling ever conducted on this project.

Hole KHDD07-01 was completed to a depth of 75m where it was abandoned due to poor ground conditions without reaching the targeted high grade zone of mineralisation intersected in the trench. Drill hole KHDD07-02 was drilled underneath hole KHDD07-01 at a dip of -80° to test the continuity of mineralisation intersected in the trench and first hole and was completed to a depth of 263.2m. Drilling was slow, with an average production of just over 6m per shift.

The geology encountered in both holes is similar to that mapped in the trench and on the surface. The higher density of veining (each vein up to 10cm wide) in both holes drilled to date correlate with the up-dip zones of higher grade tungsten mineralisation in the trench.

The best tungsten intersections for KHDD07-01 include 18m at 0.16% WO<sub>3</sub> from surface, 5m at 0.20% WO<sub>3</sub> from 33m and 3m at 0.31% WO<sub>3</sub> from 43m. The entire interval drilled averages 0.1% WO<sub>3</sub> and includes metre assays up to 0.46% WO<sub>3</sub>. The first hole correlates well with the results in the trench, although the trench does contain higher metre grades than the drill hole. Five zones of significant tungsten are present in KHDD07-02, including 34m at 0.13% WO<sub>3</sub> from 0m, 8m at 0.12% WO<sub>3</sub> from 48m, 7m at 0.18% WO<sub>3</sub> from 77m, 7m at 0.14% WO<sub>3</sub> from 134m, and 7m at 0.12% WO<sub>3</sub> from 162m. These zones included higher grade individual metres up to 1.41% WO<sub>3</sub>. Overall, the entire hole from 0-263.2m averaged 0.07% WO<sub>3</sub>. The grade of the mineralisation intersected in both holes and the trench close to the surface is comparable but the tungsten grade in the second hole at depth is lower than that reported in the trench, despite the presence of a similar density of quartz veining. The tungsten mineralisation also appears to be associated with anomalous copper and gold with results returned from individual metres up to 0.115% Cu and 0.187 g/t Au.

The drilling has successfully intersected tungsten mineralisation from the surface to a vertical depth of 180m and over a 40m strike length. In general, wide low grade zones of tungsten mineralisation were intersected that include narrower high grade intervals of scheelite mineralisation. The mineralisation continues to a significant depth and is interpreted from soil sampling to be 1,400m long and 600m wide. The results to date from the trenching and drilling suggest that there is the potential for a high tonnage low grade tungsten resource at Kirwans.

Work is underway to characterise the tungsten mineralisation at Kirwans to understand the metallurgical recoveries of the mineralisation and hence the potential value of the mineralisation. The program will entail determining precisely the nature of mineralisation, including mineral species, other metal associations, nature of occurrence and the spatial distribution of tungsten within quartz and size of scheelite crystals. Approximately 40kg of mineralisation with an average grade of 0.15% WO<sub>3</sub> will be sent for preliminary metallurgical testwork. This program of work will be completed before drilling resumes later this year.

#### Kirwans Tungsten Project – drill collar details

HoleID	Easting	Northing	RL	Azimuth	Dip	Length/ Depth	Target
Trench1	2428951	5900990	1200	70	-25	191	Eastern veins
Trench2	2428691	5900330	1130	270	-25	160	Western veins
KHDD07-01	2428985	5901048.5	1178	80	-60	74.9	West dipping sheeted quartz-scheelite veins
KHDD07-02	2428982.6	5901048	1180	80	-80	263.2	West dipping sheeted quartz-scheelite veins

#### Kirwans Tungsten Project – summary of trench / drill intersections

Hole	From	To	Interval	%WO <sub>3</sub>
Trench1*	13	89	76	0.22
Trench1*	95	106	11	0.11
Trench1*	116	155	39	0.41
Trench2*	19	31	12	0.59
Trench2*	61	71	10	0.36
Trench2*	79	85	6	0.33
Trench2*	149	152	3	0.21
KHDD07-01	1	19	18	0.16
KHDD07-01	28	31	3	0.12

KHDD07-01	33	38	5	0.20
KHDD07-01	43	46	3	0.31
KHDD07-02	0	34	34	0.13
KHDD07-02	48	56	8	0.12
KHDD07-02	69	71	2	0.17
KHDD07-02	77	84	7	0.18
KHDD07-02	134	141	7	0.14
KHDD07-02	157	159	2	0.18
KHDD07-02	162	169	7	0.12
KHDD07-02	241	243	2	0.10

\* Trench data was obtained from Gold Mines NZ Ltd 1983

### **Kingsgate Molybdenum-Bismuth Project, Glen Innes NSW (Auzex 100%)**

Detailed mapping and soil sampling continues at Kingsgate in preparation for a major resource drilling program. A total of 1,445 soil samples have been collected to date and mapping of the Central Kingsgate soil and geophysical grid has commenced. The Company is confident that, subject to regulatory consent, resource drilling will commence at the end of August.

### **North Queensland Regional Exploration (Auzex 100%)**

Drilling has commenced at the Running Brook Gold-Copper Project, 150km south-west of Cairns. A two hole diamond and follow-up RC drill program totalling 1200m, is planned. Initial drilling will target a trench anomaly of 150m @ 0.26g/t gold. Reverse circulation drill programs at Galala molybdenum and West Tinaroo gold projects will also be conducted in this current program. Ten holes for 1000m are planned at Galala to assess continuity and extent of molybdenum mineralisation intersected in three previous drill holes over a 500m by 200m area. At West Tinaroo, a 1200m drill program is planned to target a sheeted vein system that extends for at least 1km along strike within a sheared zone along the contact of the Tinaroo Granite.

#### **For further information contact:**

**John Lawton**  
Executive Chairman  
Tel: +617-3303-0198

**Brett O'Donovan**  
Marketing & Investor Relations  
Tel: 0433-399-501 (within Aust.)  
+617-3303-0198 (outside Aust.)

*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.*