

4 July 2006

Company Announcements Office
Australian Stock Exchange Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

DRILL PROGRAMME COMPLETED

SKELETON COAST DIAMOND & MINERAL SANDS PROJECT - NAMIBIA

HIGHLIGHTS

- Air-core drilling recently completed over 160 kilometres of the Company's coastal licences for valuable heavy minerals (VHM) and diamondiferous gravels, with 672 holes drilled for 5,379.5 metres.
- 18 initial mineral sand deposits have been identified on the basis of a visual estimated cut-off grade of 1% VHM.
- Diamondiferous gravel terraces were found to continue under the sand dunes in the Mowë Bay Sector.
- Visual estimates of VHM fractions of up to 40% returned from drilling.
- Samples recovered are characteristically low in slimes (-53 μ fraction), with visual estimates generally less than 1%.
- Significant VHM intercepts included:
 - 1.5metres @ 20% in hole AC060339
 - 4.5metres @ 11.3% in hole AC060387
 - incl. 1.5metres @ 25%,
 - 7.5metres @ 4.6% in hole AC060468,
 - 3metres @ 21.5% in hole AC060511
 - incl. 1.5metres @40%,
 - 1.5metres @ 30% in hole AC060523,
 - 3metres @ 12.5% in hole AC060526
 - incl. 1.5metres @ 20%,
 - 2.8metres @ 30.7% in hole AC060530, and
 - 2.9metres @ 17.4% in hole AC060562.
- All samples selected for initial assaying have been received by SGS Lakefield Research in South Africa and are currently being processed.

AIR-CORE DRILLING PROGRAMME - EPL 2699 & EPL 2700

EXECUTIVE SUMMARY

An air-core drilling programme, targeting visually abundant heavy mineral sands and diamondiferous gravels, was undertaken between 26th of March and 9th of May 2006 encompassing the entire length (~160 kilometres) of the company's Exclusive Prospecting Licences EPL/2699 and EPL/2700, (Mowe Bay to Cape Fria) on the Skeleton Coast, north west Namibia (Figure 2).

This drilling, combined with mineralogical analysis from 2005 for the area from EPL/2699 to the northern boundary of EPL/2700, confirmed that the modern to recent beach sands contain heavy mineral bearing sands of potential economic significance.

A total of 672 holes were drilled for 5,379.5m (figure 2), with 3,585 samples being generated. Approximately 1,200 samples have been sent to SGS Lakefield Research in South Africa for assay.

Visual analysis of samples indicate that Ilmenite and Zircon appear to be the main valuable heavy minerals, with accessory Rutile, Leucoxene, and Monazite adding to the suite of potentially saleable products.

Significant visual VHM intercepts from the programme included:

Drill Hole Ref.	From Depth	To Depth	Interval	Visual VHM Grade
AC060339	0	1.5	1.5	20.0%
AC060387 - including	0 0	4.5 1.5	4.5 1.5	11.3% 25%
AC060468	1.5	9.0	7.5	4.6%
AC060511 - including	0 0	3 1.5	3.0 1.5	21.5% 40.0%
AC060523	0	1.5	1.5	30.0%
AC060526 - including	0 0	3.0 1.5	3.0 1.5	12.5% 20.0%
AC060530	0	2.8	2.8	30.7%
AC060562	0	2.9	2.9	17.4%

Importantly, estimated slimes from the air-core drill program indicate that samples have a very low slime content (-53 μ fraction), with a mean estimated value of 2% slimes, and a median of just 1% slimes.

Results from the drilling provided accurate information on the depth and thickness of heavy mineral occurrences that was not possible in the 2005 test pitting program due to the limitations in excavating observation pits. Where the test pits reached a maximum depth of 2.1metres, the Mantis 75 drill rig was able to penetrate considerably deeper if required, with the deepest hole on this program being 60metres in the 'high' dunes. Drill holes generally ended in basement rocks, though in areas of deep basement, holes were limited to approximately 10 metres below sea level. Deep basement along the Skeleton Coast may indicate the presence of a palaeo-channel, and thus low prospectivity for a marine concentration of heavy minerals. The average depth of drill holes was 7.8metres.

Close spaced infill drilling allowed the identification of 18 heavy mineral bearing deposits on the basis of a visual 1% estimated VHM cut-off grade. Work has begun to calculate the volume, VHM grades and in-situ value of these deposits.

The 18 heavy mineral bearing deposits identified, occur along the length of EPL/2699 and EPL/2700.

Five deposits are located in the modern coastal dunes of the Mowè Bay sector, at the southern end EPL/2699. In addition two large volume dunal deposits have been outlined with a 0.5% VHM cut-off. All of the seven deposits located in the Mowè Bay sector are diagrammatically depicted in Figure 1.

In the Rocky Point sector, north of the Hoarusib River mouth, a heavy mineral bearing deposit has been identified, which measures 3.7kilometres in length by up to 250metres in width.

Drilling in the Khumib Sector revealed seven deposits in three distinct areas, with five deposits in one area all within the same stratigraphic unit, thus potentially being a single larger deposit.

Finally the Sechomib South sector revealed five deposits, with one hosting a potentially diamondiferous gravel terrace. Also identified were many smaller, high grade, individual dunes and beach deposits that may become potentially exploitable if mining were to take place on the larger deposits.

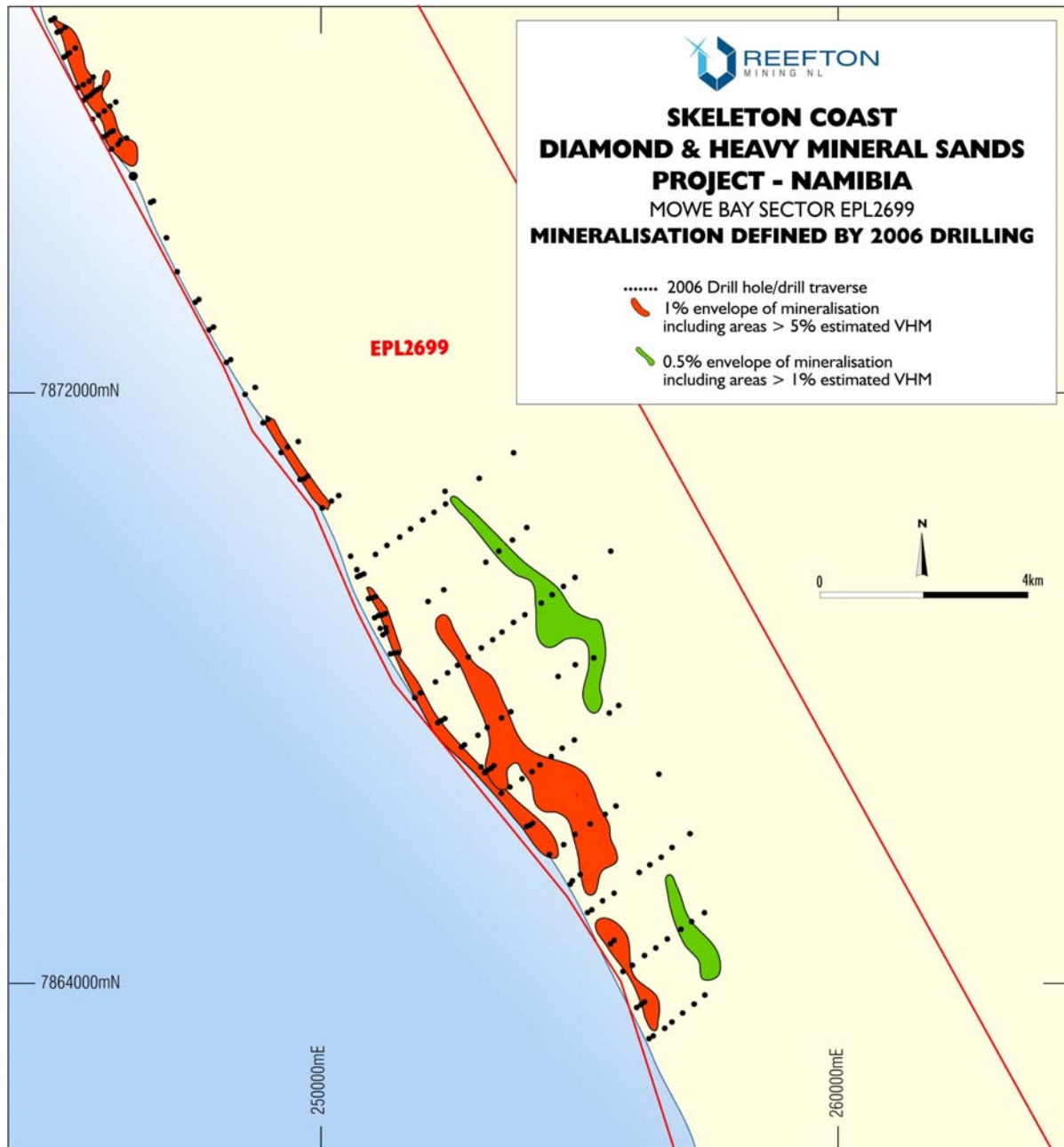


FIGURE 1 PRELIMINARY DEPOSIT OUTLINES FOR THE MOWE BAY SECTOR.

A more detailed discussion of the results from the individual sectors making up the project area is presented below.

AIR-CORE DRILLING PROGRAMME DETAIL

Preliminary planning of the air-core drilling programme suggested that up to 10,000 metres of drilling could be required in order to fully assess EPL 2699 and EPL 2700, and provide sufficient data to calculate a mineral resource for any significant heavy mineral occurrences delineated.

The main target of the drilling was the areas highlighted in the 2005 test pit sampling as having good VHM grades, and extensions to the diamondiferous gravel terraces. The majority of the drilling was conducted on the recent to modern beach and dune sands, with holes also drilled to test the potentially large volume 'high' dunes to the east.

Drilling was undertaken by Wallis Drilling utilising a 4 x 4 Toyota Land cruiser mounted Mantis 75 air-core drill rig. All holes were drilled vertically, as is standard practice in mineral sand exploration where mineralised bodies are horizontal, and drilling is conducted to determine length, width, and depth, as well as collect samples for grade and quality analysis.

In the first phase of the program, initial drill lines were planned on a 2 kilometres by 200 metre grid. Some additional selective infill drilling on a closer 1 kilometre line spacing was also undertaken.

Phase two of the drilling focused on areas that showed encouraging visual estimated grades from phase one, with drill hole spacing closed to 200 metres by 50 metres in areas with combined high grade and high zircon content. In contrast, in areas of high estimated grade, but lower zircon values a grid of 500 metres by 50 metres was implemented.

Individual sampling was undertaken on a 1.5 metre interval from surface, utilising an industry standard, drill rig mounted rotary splitter. All samples with a visual estimate greater than 0.5% VHM over a minimum of 3 metres, were sent for assay to SGS Lakefield Research in South Africa. All other samples collected have been retained and stored pending any additional selective assay requirements.

Logging of each sample retrieved in the drilling was carried out by an experienced geologist. Each sample was sub-sampled and hand washed in a white 'Thorpie', logging pan. Visual estimates were made for a number of characteristics of the sub-sample including; colour, slime/clay content, sediment grain sizes and sorting, rock and rock type if present, and most importantly heavy mineral content. Logging estimates are routinely used to guide the direction of the drilling and hole spacing.

SUMMARY OF DRILL RESULTS BY SECTOR

The project area has been divided into five sectors - Mowë Bay, Rocky Point, Khumib, Sechomib South and Sechomib North.

Mowë Bay Sector

A total of 217 holes were drilled in the Mowë Bay Sector, comprising 1833.5 metres.

The majority of drilling in this sector was conducted in coastal dunes that reached heights of up to 67 metres above sea level (ASL). One hole was drilled on the 'high' continental dunes at a height of 134 metres ASL to test the potential for mineralization in these dunes. Current beaches and associated dunes were also investigated, both the beach berms and dunes were found to be located very close to bedrock, and generally had less than 3 metres of cover.

Recent terraces behind the high tide portion of the modern beach and recent storm beach deposits comprise cobbles and sand elevated a few metres above mean sea level. The highest visually estimated VHM grades coincide with the elevated terrace gravels and sands along the current beach line and associated storm berm. This set of features is common to all sectors within EPL/2699 and EPL/2700, with variations due to the location of rivers, landward topography, and sea floor bathymetry.

Between the dunes there were many deflation zones and remnants of gravel terraces that marked previous sea levels and their associated beach/dune facies. Such exposed gravel terraces are characteristically thin, often less than 3 metres in thickness.

When encountered beneath the dunal sands the potentially diamondiferous bearing gravel terraces were usually thicker than in the exposed areas, suggesting that either deflation and erosion of the exposed gravel

terraces may have occurred, or that the sedimentary processes that built the terraces and dunes were more active in those thicker areas and deposited more sand and gravel.

Visually estimated heavy mineral contents suggest that at least seven heavy mineral deposits are available for assessment. All seven deposits are outlined in figure 1, where the three inland deposits are modern dunal and buried gravel terrace deposits, and the four coastal deposits are a combination of current strand and dune sands. The highest estimated grades are most often associated with gravels, where estimates up to 30% VHM have been made. Inland dunes range up to estimates of 3% VHM, with the underlying gravel terraces ranging up to 10% estimated VHM. Coastal dunes range up to an estimated high of 7% VHM, with the modern beach supplying the highest visual estimate of 30% VHM.

A table of significant visual estimates for the Mowè Bay Sector is included at Appendix A.

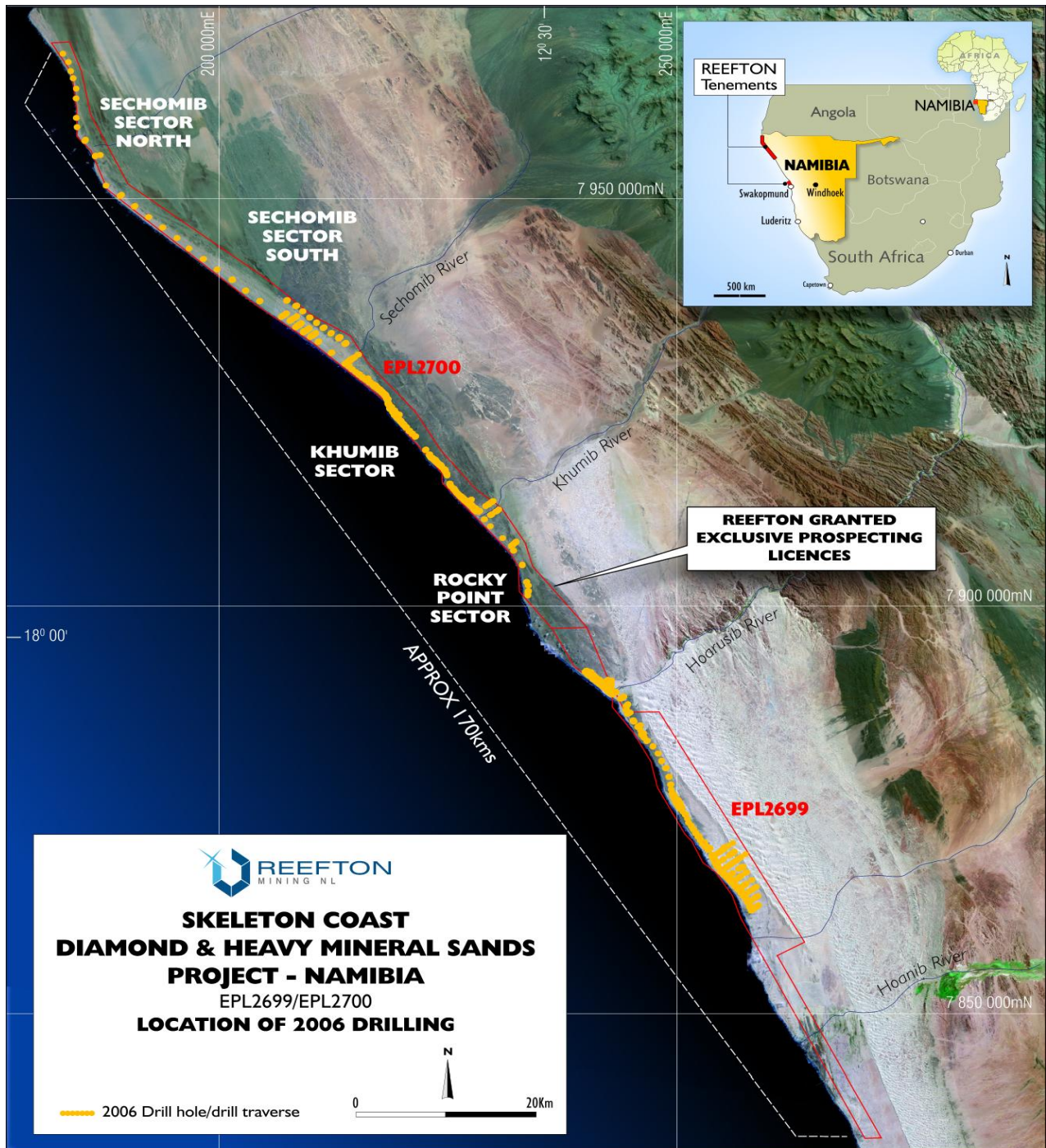


FIGURE 2 - MAP SHOWING DRILLHOLE LOCATIONS FROM 2006 AIR-CORE DRILL PROGRAM WITHIN REEFTON MINING SKELETON COAST EXCLUSIVE PROSPECTING LICENCES (EPL) - 2699 AND 2700

Rocky Point Sector

Stretching from the Hoarusib River mouth to the Khumib River mouth, the Rocky Point Sector covers nearly 30 kilometres of coastline. The Rocky Point Sector straddles the boundary from the northern end of EPL/2699, and the southern end of EPL/2700. A total of 154 holes were drilled in the Rocky Point Sector, comprising 1,456.5 metres.

Beach and dunes sands immediately to the north of the Hoarusib River mouth were the main focus of drilling where a deposit has been identified that is approximately 3.7 kilometres long and up to 250 metres wide. Visual estimates of VHM ranged up to 25%, with over 20% of all samples recording an estimated VHM of over 1%.

With no significant inland dunes in the Rocky Point Sector the focus of drilling was the current and recent beaches and associated low dunes.

A table of significant visual estimates for the Rocky Point Sector is included at Appendix A.

Khumib Sector

Encompassing an area within EPL/2700, between the Khumib River and the mouth to the Sechomib River, and covering a distance of approximately 25 kilometres, is the Khumib Sector. A total of 195 holes were drilled, comprising 1,203 metres.

The Khumib Sector also comprises a series of recent beach and associated dunes and seven initial deposits were identified by drilling. Ongoing interpretation and analysis may prove that some of these deposits are actually continuous as they appear to be stratigraphically similar.

A table of significant visual estimates for the Khumib Sector is included at Appendix A.

Sechomib South Sector (South Cape Fria)

This sector covers nearly 40 kilometres of coastline between Cape Fria to the north and the Sechomib River to the south. A total of 93 drill holes comprising 807 metres were completed.

Terraces between Cape Fria and False Cape Fria, have been interpreted as prospective for diamonds with a more rugged and complex bedrock topography encountered.

Immediately north of the Sechomib River, at the base of the continental escarpment, two gravel terraces were drilled that are potentially prospective for both diamonds and mineral sands. The southern most portion of these terraces occupy a small embayment approximately 1.5 kilometres in length, and is considered the most prospective for diamonds of the total traceable length of the terrace of approximately 10 kilometres. Significant sections of these two terraces have been eroded away. Additional to the southern embayment, two further sections of this series of gravel terraces are enriched in mineral sands and can be considered deposits. This series of gravel terraces sits two kilometres inland from the current shoreline, and has recorded estimated VHM values ranging up to 5%.

Between the inland gravel terraces north of the Sechomib River and the coast line an area comprising a low lying saltpan and a relatively flat dune field is found. Within this dune field a number of elongated dunes have been found to contain elevated visual VHM levels of up to 3%. Until further interpretation and modelling can be conducted these dunes are being considered as a single deposit.

Unlike the Mowë Bay sector, recent terraces behind the high tide portion of the modern beach and recent storm beach deposits have shown no enrichment in VHM within this sector.

A table of significant visual estimates for the Sechomib South sector is included at Appendix A.

Sechomib North Sector (North Cape Fria)

From Cape Fria to the northern extent of EPL/2700 is the Sechomib North Sector. Within this sector 13 holes were completed comprising 79.5 metres. All holes in the Sechomib North Sector were drilled along the extensive flat topped, elevated terraces approximately 600 metres inland. These terraces represent sandy palaeo-strandlines capped by wind eroded pebble layers. Between the gravel terraces that were drilled and the seaward extent of the tenement are a combination of saturated saltpans and small sand dunes.

No significant intercepts of elevated HM grades were encountered in the sands and gravels of the Sechomib North Sector.

FUTURE WORK PROGRAMMES

Interpretation of drill logging is ongoing in preparation for the receipt of assay results.

Along with the interpretation of geology and deposit morphology, preliminary resource calculations are being made using the visually estimated valuable heavy mineral values. These preliminary calculations will be able to be confirmed upon the receipt of assay and mineralogical data on the samples being analysed.

Mineralogical data is necessary to determine the quantity and quality of the contained heavy mineral suite. Group composites of samples are currently being designed to ascertain the relative proportions of minerals in the individual deposits. This work requires the heavy mineral fraction from the sample assays to be sent from SGS Lakefield in South Africa to Perth, where Outokumpu will design and conduct the test work. Outokumpu completed the test work on the 2005 test pit samples, and have been selected to conduct this test work for consistency, and their outstanding international experience and reputation.

Once the different minerals have been separated, and proportions calculated, then mineral quality analysis can be carried out. This work will examine such issues as the quality of the Zircon, particularly in terms of radioactive Uranium/Thorium, and any iron coatings, as being the determining factors in the quality of that mineral product. The relative proportion of TiO_2 in the Ilmenite (a determining factor in the value of any potential Ilmenite product), and impurities such as Chromium, Uranium/Thorium levels etc. Rare earth elements (REE's) are the valuable component of Monazite, and these will be the focus of quality analysis in this mineral fraction. With Rutile and Leucoxene potentially making up a small portion of the valuable heavy mineral suite, it is possible that these two minerals can be combined to create a 'HyTi' (High TiO_2) product.

Following the completion of mineralogical test work, an in-situ value can begin to be assigned to the respective resource figures, and the economic viability of the project assessed.

Potentially positively impacting the economics of the project will be the presence of diamonds on the gravel terraces that, in places, co-exist with the VHM. Volumes will be calculated for the potential diamondiferous gravels, however diamond grade will only be able to be accurately estimated from subsequent bulk sampling.

Yours faithfully

BS MOORE

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr G.R. Hemming, a Director of Roscoria Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. Mr Hemming, who has sufficient experience which 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Mr Hemming consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX A

Mowē Bay Sector							
Significant interval					Collar Specifications		
Hole ID	From	To	Thickness	Average Est VHM %	Longitude WGS84	Latitude WGS84	Depth (m)
AC060305	0	3	3	3.5	12.657477	-19.257029	7.5
AC060306	0	5.5	5.5	1.6	12.657879	-19.256877	6
AC060309	0	3	3	2	12.658942	-19.259860	7.5
AC060310	0	3	3	1.8	12.659421	-19.259733	9
AC060311	0	3	3	1.4	12.659912	-19.259575	9
AC060312	0	4.5	4.5	1.4	12.659822	-19.262278	7.5
AC060314	0	4.5	4.5	2	12.660749	-19.261935	9
AC060316	0	6	6	3.1	12.660496	-19.263678	10.5
Including	0	3	3	5			
AC060319	0	3	3	4.5	12.662401	-19.266843	4.5
AC060320	0	1.5	1.5	5	12.662888	-19.266755	4.5
AC060322	0	4	4	2.5	12.668704	-19.275542	4.5
AC060323	0	4.5	4.5	2	12.669197	-19.275232	4.5
AC060324	0	7.5	7.5	1.4	12.674040	-19.281490	13.5
AC060325	0	7.5	7.5	2.8	12.674510	-19.282160	12
AC060326	0	7.5	7.5	2	12.674930	-19.281900	12.5
AC060328	0	3	3	1	12.675810	-19.281310	9
AC060331	0	3	3	1.3	12.681020	-19.288630	6
AC060337	0	1.5	1.5	12	12.649820	-19.244570	4.5
AC060338	0	1.5	1.5	4	12.650330	-19.244460	3
AC060339	0	3	3	10.8	12.650820	-19.244140	3
Including	0	1.5	1.5	20			
AC060340	0	1.5	1.5	4	12.644860	-19.237240	3
AC060341	0	3	3	3	12.645490	-19.236790	3
AC060349	0	6	6	1.5	12.623850	-19.200320	7.5
AC060350	0	4.5	4.5	1.2	12.624310	-19.199980	12
AC060352	0	1.5	1.5	2	12.620810	-19.195850	6
AC060353	0	4.5	4.5	1.3	12.621230	-19.195530	7.5
AC060354	0	10.5	10.5	1.5	12.621640	-19.195220	10.5
AC060355	0	3	3	1.3	12.622040	-19.194890	10.5
AC060358	1.5	3	1.5	3	12.617190	-19.187120	7.5
AC060360	0	3	3	1.4	12.618240	-19.186570	4.5

Rocky Point Sector							
Hole ID	From	To	Thickness	Average Est VHM %	Longitude WGS84	Latitude WGS84	Depth (m)
AC060368	0	3	3	1.5	12.554550	-19.073210	16.5
AC060369	12	13	1	2.5	12.555590	-19.072530	13.5
AC060370	0	1.5	1.5	2	12.553040	-19.072010	9
AC060372	0	1.5	1.5	5	12.551750	-19.070830	9
AC060383	0	3	3	3	12.548140	-19.066690	9
AC060384	0	3	3	2	12.548590	-19.066350	4.5
AC060387	0	4.5	4.5	11.3	12.546781	-19.065398	9
Including	0	1.5	1.5	25			
AC060388	0	6	6	4.1	12.547238	-19.065063	7.5
Including	1.5	3	1.5	10			
AC060389	7.5	13.5	6	2.6	12.547654	-19.064766	13.5
AC060391	6	9	3	1.6	12.548550	-19.064100	12
AC060392	7.5	10.5	3	2	12.549030	-19.063770	10.5
AC060410	6	9	3	1.1	12.545500	-19.063030	9
AC060411	6	10.5	4.5	4.7	12.543900	-19.062120	10.5
Including	9	10.5	1.5	10			
AC060412	6	9	3	2	12.544350	-19.061790	10.5
AC060415	0	1.5	1.5	3	12.544840	-19.064760	9
AC060416	0	3	3	7	12.545290	-19.064470	9
AC060417	0	1.5	1.5	10	12.545800	-19.064130	7.5
AC060418	3	10.5	7.5	1.7	12.542320	-19.061030	10.5
Including	9	10.5	1.5	4			

AC060419	4.5	9	4.5	1.8	12.542790	-19.060680	9
AC060421	0	3	3	1.8	12.537510	-19.056980	12
AC060423	1.5	7.5	6	1.9	12.538280	-19.056430	7.5
AC060443	0	9	9	1.5	12.536700	-19.055720	10.5
AC060444	0	6	6	1.6	12.537180	-19.055390	7.5
AC060445	0	6	6	1.8	12.537580	-19.055120	7.5
AC060446	0	3	3	1.3	12.534160	-19.055430	9
AC060448	0	6	6	1.8	12.535090	-19.054780	12
AC060449	0	6	6	2.4	12.535440	-19.054540	10.5
AC060450	0	4.5	4.5	4.7	12.532770	-19.054160	9
AC060451	0	1.5	1.5	3	12.533150	-19.053830	9
AC060452	0	4.5	4.5	3.2	12.531390	-19.052840	9
Including	1.5	3	1.5	7			
AC060455	0	1.5	1.5	2	12.530420	-19.051450	9
AC060456	0	4.5	4.5	2.3	12.530830	-19.051140	13.5
AC060457	0	9	9	1.8	12.531270	-19.050860	12
AC060458	3	7.5	4.5	4.7	12.531710	-19.050530	7.5
Including	4.5	6	1.5	10			
AC060459	0	4.5	4.5	1.3	12.532170	-19.050210	6
AC060460	4.5	12	7.5	3.2	12.532570	-19.049940	12
Including	6	7.5	1.5	10			
AC060461	0	9	9	1.6	12.532990	-19.049650	12
AC060463	0	3	3	2.5	12.533520	-19.053720	9
AC060464	0	6	6	1.4	12.533960	-19.053400	12
AC060465	0	7.5	7.5	4.8	12.534400	-19.053070	7.5
Including	4.5	6	1.5	10			
AC060466	0	4.5	4.5	2.2	12.534980	-19.052670	9
AC060468	1.5	9	7.5	4.6	12.535840	-19.054270	9
Including	7.5	9	1.5	10			
AC060469	0	4.5	4.5	3.3	12.536400	-19.053800	4.5
AC060471	0	1.5	1.5	5	12.528970	-19.050180	9
AC060472	0	3	3	2.3	12.529430	-19.049860	9
AC060473	0	6	6	2.4	12.529840	-19.049560	9
AC060474	0	6	6	1.6	12.530300	-19.049220	6
AC060475	0	3	3	1.8	12.530710	-19.048960	6
AC060478	0	6	6	1.8	12.528130	-19.048420	9
AC060479	0	4.5	4.5	5.3	12.528560	-19.048120	6
AC060480	0	1.5	1.5	1.5	12.529030	-19.047770	1.5
AC060484	0	1.5	1.5	2	12.471510	-18.958610	3
AC060687	0	3	3	1.8	12.538571	-19.058840	6
AC060688	0	3	3	1.8	12.538971	-19.058550	12
AC060689	1.5	7.5	6	1.5	12.539278	-19.058230	12
AC060690	1.5	9	7.5	2.6	12.539742	-19.057970	9
Including	4.5	6	1.5	5			
AC060691	1.5	7.3	5.8	1.6	12.540095	-19.057710	7.5
AC060692	3	6	3	2	12.540536	-19.057430	6
AC060693	0	3	3	1	12.530478	-19.051160	12
AC060694	0	6	6	1.3	12.530993	-19.050830	12

Secomib South Sector							
Hole ID	From	To	Thickness	Average Est VHM %	Longitude WGS84	Latitude WGS84	Depth (m)
AC060615	0	1.5	1.5	2	12.281130	-18.673940	3
AC060624	0	1.5	1.5	3	12.250160	-18.651630	3
AC060629	0	1.5	1.5	4	12.236840	-18.638190	6
AC060630	1.5	4.5	3	1.3	12.226330	-18.632640	6
AC060631	0	4.5	4.5	3	12.226810	-18.632430	6
AC060632	0	3	3	3.5	12.227290	-18.632110	3
AC060638	0	1.5	1.5	3	12.237630	-18.660550	15
AC060639	0	3	3	1.8	12.238050	-18.660250	9
AC060642	0	1.5	1.5	3	12.239350	-18.659380	9
AC060673	0	1.5	1.5	2	12.251870	-18.672070	6
AC060675	0	1.5	1.5	3	12.253070	-18.671270	6

Kumib Sector							
Hole ID	From	To	Thickness	Average Est VHM %	Longitude WGS84	Latitude WGS84	Depth (m)
AC060486	0	3	3	2.5	12.410640	-18.860620	7.5
AC060487	0	2.7	2.7	1.8	12.411070	-18.860290	3
AC060489	0	1.5	1.5	2	12.411500	-18.859940	6
AC060492	0	1.5	1.5	2	12.413270	-18.863430	9
AC060493	4.5	7.5	3	1.3	12.413790	-18.863080	12
AC060494	0	1.5	1.5	4	12.414150	-18.862840	7.5
AC060507	7.5	11	3.5	1	12.418530	-18.869450	12
AC060511	0	3	3	21.5	12.407610	-18.858130	3
Including	0	1.5	1.5	40			
AC060512	0	3.5	3.5	2.1	12.407970	-18.857890	4.5
AC060513	0	2	2	2	12.408450	-18.857570	3
AC060516	0	1.5	1.5	4	12.407050	-18.856050	3
AC060519	0	0.5	0.5	1.5	12.405760	-18.854700	3
AC060520	0	3	3	3.5	12.403780	-18.854160	3
AC060521	0	2.2	2.2	1.7	12.404160	-18.853880	3
AC060522	0	2.6	2.6	3	12.404560	-18.853610	3
AC060523	0	1.5	1.5	30	12.402390	-18.852930	1.5
AC060524	0	2.2	2.2	10	12.402770	-18.852630	3
AC060525	0	1.5	1.5	5	12.403150	-18.852370	1.5
AC060526	0	3	3	12.5	12.401330	-18.851600	3
Including	0	1.5	1.5	20			
AC060528	0	1.5	1.5	20	12.400020	-18.850170	1.5
AC060529	0	0.6	0.6	10	12.400420	-18.849790	1.5
AC060530	0	2.8	2.8	30.7	12.399010	-18.848820	3
Including	0	1.5	1.5	40			
AC060531	0	1.2	1.2	15	12.397810	-18.847260	1.5
AC060532	0	2.1	2.1	11.6	12.395750	-18.844250	1.5
AC060533	0	0.75	0.75	5	12.396180	-18.843990	1.5
AC060534	0	2.4	2.4	19.3	12.394620	-18.843020	3
Including	0	1.5	1.5	30			
AC060535	0	2.2	2.2	5	12.393380	-18.841530	3
AC060536	0	3	3	3	12.392480	-18.840150	3
AC060537	0	2.7	2.7	9.7	12.391540	-18.838450	3
Including	0	1.5	1.5	15			
AC060538	0	2.7	2.7	1.6	12.391970	-18.838170	3
AC060549	0	1.5	1.5	15	12.382120	-18.818050	4.5
AC060550	0	3	3	3.3	12.382450	-18.817750	3
AC060552	0	1.5	1.5	3	12.380830	-18.816720	4.5
AC060554	0	1.5	1.5	7	12.379460	-18.815410	3
AC060556	0	1.5	1.5	2	12.376880	-18.812770	4.5
AC060558	0	1.5	1.5	5	12.377660	-18.812180	3
AC060559	0	1.5	1.5	5	12.375570	-18.811650	4.5
AC060560	0	1.5	1.5	2	12.375960	-18.811280	3
AC060561	0	1.5	1.5	3	12.376350	-18.811010	3
AC060562	0	2.9	2.9	17.4	12.374140	-18.810180	3
Including	0	1.5	1.5	30			
AC060565	0	1.5	1.5	2	12.373200	-18.808640	4.5
AC060573	0	2.6	2.6	2.1	12.343530	-18.770480	3
AC060586	1.5	3	1.5	2	12.336660	-18.758390	3
AC060588	1.5	2.8	1.3	1.5	12.334120	-18.755420	3
AC060589	0	3	3	4.8	12.331560	-18.751470	3
AC060590	0	1.5	1.5	2	12.328900	-18.748070	3
AC060591	0	3	3	3.8	12.329280	-18.747850	3
AC060598	0	1.5	1.5	5	12.322720	-18.735710	6

Note: All holes drilled vertical.

NEWS

• RELEASE •

FOR IMMEDIATE RELEASE

4th July 2006

REEFTON DRILLING CONFIRMS MINERAL SANDS AND
DIAMOND GRAVEL DEPOSITS ON NAMIBIAN COASTLINE

At least 18 deposits (based on a visual 1% estimated valuable heavy mineral cut-off) of potentially economic mineral sands and/or diamondiferous gravels have been identified by an Australian company's drilling program along the Skeleton Coast shoreline of Namibia in southern Africa.

Stretching over 160 kilometres of beach sands, the Reefton Mining NL-backed drilling program of nearly 5,400 metres confirmed the deposits within the Company's two exclusive contiguous coastal licences between Mowe Bay and Cape Fria.

Results released today from the now completed aircore drill program of more than 670 holes, combined with mineralogical analysis from limited test pitting by Reefton there last year, confirmed the presence of heavy mineral bearing sands of potential economic significance.

Diamondiferous gravel terraces in the Mowe Bay area were also found to continue under local sand dunes.

The program was the first known mineral sand drilling to be conducted on these beach sections.

"Visual analysis of samples indicates that Ilmenite and Zircon appear to be the main valuable heavy minerals (VHM), with accessory Rutile, Leucoxene, and Monazite adding to the VHM suite of potentially saleable products," Reefton's Chairman, Mr Brad Moore, said today.

"Preliminary resource calculations, and testwork in Perth on the mineralogical composition of samples is now underway," Mr Moore said.

"We can then move to assigning an in-situ value to the respective resource figures to help determine the economic viability or otherwise of the project."

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Mr Moore said that a potentially positive economic impact on the project was the presence of diamonds on the gravel terraces that, in places, co-exist with the heavy minerals.

“Volumes will be calculated for the potential diamondiferous gravels but diamond grades will only be able to be accurately estimated from subsequent bulk sampling,” Mr Moore said.

The air-core drill samples were also found to be extremely low in estimated slime content, a major positive for Heavy Mineral deposits.

“Results from the 2006 program have provided accurate information on the depth and thickness of heavy mineral occurrences that was not possible in the 2005 test pitting program due to the limitations in excavating observation pits,” Mr Moore said.

“Where the test pits last year reached a maximum depth of 2.1metres, the drill rig for the latest program was able to penetrate considerably deeper, with the average depth of drill holes being 7.8metres.”

Of the 18 deposits identified at the 1% visually estimated VHM cut-off, five are located in the modern coastal dunes of the Mowë Bay sector. In addition, two large volume dunal deposits have been outlined with a 0.5% VHM cut-off.

In the Rocky Point sector, north of the Hoarusib River mouth, a heavy mineral bearing deposit has been identified, which measures 3.7kilometres in length by up to 250 metres in width.

Drilling in the Khumib sector revealed seven deposits in three distinct areas, with five deposits in one area all within the same stratigraphic unit, thus potentially being a single larger deposit.

In the Sechomib South sector, five deposits were identified, with one hosting a potentially diamondiferous gravel terrace. Also identified were many smaller, high grade, individual dunes and beach deposits that may become potentially exploitable if mining were to take place on the larger deposits.

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