

25 August 2006

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

Dear Sir / Madam

**SNOWDEN APPOINTED TO CALCULATE JORC COMPLIANT RESOURCES  
FOR REEFTON MINING'S NAMIBIAN HEAVY MINERAL DEPOSITS**

Snowden Mining Industry Consultants Pty Ltd ("Snowdens") has been appointed by Reefton Mining N.L. to calculate JORC compliant resources for the Skeleton Coast Diamond and Mineral Sand Project in Namibia.

Reefton announced the appointment today following the receipt of final Heavy Mineral (HM) assay results for all 1,566 drill samples submitted to SGS Lakefield Research, South Africa and the delineation of twenty (20) separate heavy mineral sand deposits by the recently completed air-core drilling program.

"The Snowdens appointment takes this project another significant step forward and we look forward to the results of their comprehensive assessment," Reefton's Chairman, Mr Bradley Moore, said today.

"Resource figures will be calculated by Snowdens in a JORC compliant manner, with their status - either Inferred, Indicated, or Measured - being determined statistically by the drilling density and grade continuity," Mr Moore said.

"Initially the resource figures will provide an indication of volume (tonnes) and respective THM grade. Mineralogical test work is currently being conducted in Perth under the guidance of Outokumpu Technology Pty Ltd, and once complete the mineralogical results can be added to Snowdens' resource calculations to accurately outline the VHM mineral resources and the contained tonnage of the valuable heavy minerals (VHM).

"Valuable heavy minerals (VHM) are those sands with a specific gravity above 2.96 that have an economically significant value, and include zircon, rutile, and ilmenite. With the present high value of zircon, relative to the other minerals, the Company's exploration has focused on delineating deposits with enhanced zircon values.

"Company geologists have completed the design for the compositing of the THM residues such that mineralogical test work can be undertaken to accurately ascertain the proportions of the VHM, and accessory, potentially saleable, minerals such as garnet in each of the identified deposits," Mr Moore said.

As previously announced, eighteen (18) heavy mineral sand deposits have been identified at the Reefton project on the basis of a 1% visually estimated valuable heavy mineral (VHM) cut-off grade, with a further two (2) large volume dune sand deposits identified with a lower cut-off of 0.5% visually estimated VHM.

Heavy Mineral Assay results returned from SGS Lakefield are very encouraging and confirm the visual estimates made by geologists in the field. Results as high as 60.24% total heavy mineral (THM) have been reported and are in line with results received in the 2005 test pitting program.

Assay results received from the 1,566 samples submitted averaged 8.79% THM, with over 29% of samples returning grades above 10% THM. Slimes content averaged a low 3.8% across all samples assayed.

By sector the number of assays received and their average THM results are as follows:

<b>SECTOR</b>	<b>SAMPLES</b>	<b>AVERAGE THM GRADE</b>
Mowë Bay	621	7.57%
Rocky Point	442	12.05%
Khumib	316	8.65%
Sechomib South	164	5.36%
Sechomib North	23	5.58%

*Note: Total heavy mineral results were obtained from a heavy liquid separation in tetra-bromo-ethane (TBE), which has a specific gravity of 2.96. THM includes but is not limited to all elements of VHM together with garnet, pyroxines and amphibole.*

A table of selected intercepts from each of the four sectors containing HM deposits is set out at Appendix A. A number of significant results occur outside the delineated HM deposits and these have been marked with an "X". These high grade intercepts suggest that small, high grade strands and pockets of mineralisation may be available for exploitation should mining commence on the larger deposits.

In addition to Heavy Mineral resources, Snowdens will also calculate volumes for the potentially diamond bearing gravel terraces that exist in the Mowë Bay Sector, and which were confirmed by air-core drilling to continue under the dunal sands.

Reefton has recovered in excess of 500 carats of gem quality diamonds from earlier bulk sampling programmes completed within the Skeleton Coast licences, and accordingly the presence of gravel terraces beneath and adjacent to HM deposits is considered to be potentially favourable for the economic viability of the project.

Yours faithfully

**BS MOORE**

*Chairman*

***Enquiries to:***

Mr Bradley Moore

Chairman

Phone: +61 (0)8 9322 7822

Facsimile: +61 (0)8 9322 7823

*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

<b>MOWE BAY SECTOR SELECTED RESULTS</b>					
<b>Drill Hole ID</b>	<b>From Depth</b>	<b>To Depth</b>	<b>Interval</b>	<b>Grade THM%</b>	<b>Deposit Number</b>
AC060008	0	3	3	11.2	1
AC060026	0	1.5	1.5	26.0	1
AC060310	0	7.5	7.5	10.3	2
- Including	0	3	3	20.4	
AC060311	0	6	6	7.9	2
AC060312	0	7.5	7.5	11.4	2
AC060316	0	7.5	7.5	13.6	2
- Including	0	3	3	23.0	
AC060319	0	4.5	4.5	19.7	2
AC060324	0	13.5	13.5	8.8	2
- Including	0	7.5	7.5	13.1	
AC060325	0	7.5	7.5	16.8	2
AC060326	0	7.5	7.5	12.3	2
AC060043	0	8	8	8.7	2
AC060065	0	4.5	4.5	10.6	2
AC060085	0	4.5	4.5	6.4	2
AC060044	0	12	12	5.9	3
- Including	0	3	3	11.3	
AC060045	0	13	13	13.6	3
- Including	1.5	12	10.5	14.6	
AC060061	0	21	21	8.0	3
- Including	0	6	6	13.3	
AC060062	0	28	28	7.0	3
- Including	0	9	9	17.6	
AC060021	0	15.5	15.5	10.0	3
- Including	7.5	13.5	6	14.7	
AC060023	0	6.5	6.5	18.3	3
AC060090	0	1.5	1.5	27.8	4
AC060339	0	3	3	20.2	4
AC060354	0	7.5	7.5	9.7	5
AC060105	0	9	9	7.3	5
- Including	0	3	3	11.8	
AC060106	0	7	7	11.4	5
- Including	0	4.5	4.5	14.9	
AC060110	0	10	10	11.3	5
AC060114	0	3	3	40.3	5
AC060115	0	10.5	10.5	16.4	5
- Including	0	6	6	21.8	
AC060116	0	10	10	14.1	5
AC060118	0	3	3	13.2	5
AC060014	0	21	21	3.3	19
AC060073	0	6	6	3.6	20
AC060049	0	27	27	6.7	20
- Including	1.5	12	10.5	10.6	
AC060011	4.5	10	5.5	17.6	X
- Including	6	9	3	27.7	
AC060123	0	1.5	1.5	44.8	X
AC060140	0	3	3	14.7	X
AC060069	0	4.5	4.5	11.6	X
AC060079	0	3	3	10.0	X
AC060093	0	2.5	2.5	13.9	X

ROCKY POINT SECTOR SELECTED RESULTS					
Drill Hole ID	From Depth	To Depth	Interval	Grade THM%	Deposit Number
AC060387	0	6	6	15.5	6
- Including	0	3	3	24.3	
AC060388	0	6	6	17.9	6
- Including	0	3	3	23.9	
AC060389	6	13.5	7.5	13.9	6
AC060411	0	10.5	10.5	17.1	6
- Including	4.5	10.5	6	26.8	
AC060422	0	10.5	10.5	18.0	6
- Including	1.5	9	7.5	22.4	
AC060429	3	10.5	7.5	18.0	6
AC060468	0	9	9	20.5	6
AC060690	0	9	9	16.2	6
AC060694	0	10.5	10.5	16.1	6
AC060156	0	9	9	10.8	6
- Including	0	3	3	20.7	
AC060157	0	5.5	5.5	14.5	6
- Including	0	3	3	23.3	
AC060159	0	8.5	8.5	8.7	6
AC060168	0	3	3	22.0	X
AC060170	0	3	3	28.2	X

KUMIB SECTOR SELECTED RESULTS					
Drill Hole ID	From Depth	To Depth	Interval	Grade THM%	Deposit Number
AC060511	0	3	3	21.6	7
- Including	0	1.5	1.5	40.2	
AC060530	0	2.8	2.8	43.9	7
- Including	0	1.5	1.5	60.2	
AC060549	0	4.3	4.3	15.9	8
- Including	0	1.5	1.5	43.1	
AC060562	0	2.9	2.9	30.1	8
AC060193	0	3	3	14.6	9
AC060586	0	3	3	7.1	10
AC060591	0	3	3	7.0	10
AC060595	0	4.5	4.5	5.7	11
AC060228	0	7.5	7.5	4.8	12
AC060240	0	4.5	4.5	8.8	13

SECUMIB SOUTH SECTOR SELECTED RESULTS					
Drill Hole ID	From Depth	To Depth	Interval	Grade THM%	Deposit Number
AC060639	0	4.5	4.5	5.9	14
AC060258	0	15	15	3.0	14
AC060614	0	2.6	2.6	5.9	15
AC060624	0	3	3	6.8	16
AC060631	0	6	6	11.3	17
AC060277	0	4.5	4.5	2.3	18
- and	7.5	10.5	3	9.8	