

28 November 2006

Nicholas Ong
Companies Advisor
Australian Stock Exchange Limited
Level 8
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Nicholas

PRICE AND VOLUME QUERY

We refer to your letter dated 28 November 2006 regarding changes in the price and volume of trading in the Company's securities, and provide the following update on the Company's activities and responses to your specific questions.

The directors wish to advise that the Company is continuing to proceed toward the delineation of a valuable heavy mineral (VHM) resource at its Skeleton Coast Project, Namibia. Raw composite VHM results have now been completed by Outokumpu Technologies Pty Ltd in conjunction with Diamantina Laboratories which have since been provided to Snowden Mining Industry Consultants Pty Limited for processing and resource modeling and calculation.

In addition, and as referred to in the Company's September 2006 quarterly report, the Company undertook and has now completed the field work on a major geochemical sampling programme over its Erongo Polymetallic Project situated in Namibia. Stream sediment, soil and rock chip samples collected during the programme are in the process of being assayed.

Finally, the grant of the Badja Uranium Project, Western Australia has moved one step closer with the Company paying the GST component of the application fee at the request of the Department of Industry and Resources. The Company is now awaiting official confirmation of the grant of this exploration licence so that field work may commence.

Other than the foregoing observations:

- 1) The Company is not aware of any information concerning it that has not been announced, which, if known, would be an explanation for recent trading in the securities of the Company.
- 2) Not applicable.
- 3) The Company advises that it is not aware of any other reason for the increase in the price and trading volume of the Company's securities.
- 4) The Company advises that it is in compliance with the listing rules and in particular, listing rule 3.1.

Should you require any further information, please contact me at your convenience.

Yours faithfully

BS MOORE
Chairman

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