

4 August 2005

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

Dear Sir / Madam

**MME PRESS RELEASE – REASONS FOR REFUSAL OF NUCLEAR FUELS
APPLICATION**

The Company wishes to advise that it is yet to receive any official correspondence addressed to it from the Mining Commissioner regarding reasons for the Ministry of Mines & Energy, Namibia (“MME”) refusing the Company’s applications for the inclusion of nuclear fuels within the scope of permitted exploration activities on the licences covering the Erongo Project (EPLs 2805 – 2811).

The Company has however become aware of a press release issued by the Honourable E Nghimtina, MP, Minister of Mines and Energy, Namibia that relates to the above matter. The press release is attached. The Company did not receive a copy of the press release until Tuesday 2nd August after a request by our legal representative.

In summary, the MME has alleged that the Company has breached provisions of the Minerals (Prospecting and Mining) Act, 1992 by exploring for uranium without legal rights to do so, and undertaking a drilling programme for uranium without notifying the Mining Commissioner of the MME as required by Section 53 of the Minerals (Prospecting and Mining) Act, 1992.

In accordance with the terms of EPLs 2805 – 2811, the Company is entitled to undertake prospecting operations on its licences, and therefore may explore for the minerals to which the licences relate. On 16 March 2005 the Company commenced an exploration programme at Erongo.

On 11 March 2005, prior to the commencement of this exploration programme, the Company advised the Mining Commissioner by facsimile of its intention to undertake a reverse circulation drilling programme with the prescribed form and a covering letter. This notification was provided in accordance with Section 53 of the Minerals (Prospecting and Mining) Act, 1992. However, it is correct that this notification did not specify uranium as a target – no specific minerals were identified as targets in the notification.

On 16 March 2005, prior to the start of the RC drill programme, the Company used a geophysical technique of ground truthing radiometrics to delineate potential paleochannel systems. Ground truthing radiometrics was determined as an appropriate mapping tool for this purpose as the area being tested was within a known uranium enriched province and paleochannel systems within the province were likely to contain some uranium mineralisation which would act as an effective tracking mineral.



The results of the ground truthing radiometrics were significantly higher than expected, and focused the Company's attention on uranium as a target in its own right. This led to:

- lodgement of applications for inclusion of uranium as a permitted target for exploration on the Erongo licences – submitted 18 March 2005; and
- the Company's ASX announcement of 18 March 2005 entitled "New Uranium Discovery".

Following this Company announcement, notification to the Mining Commissioner of the MME of possible low grade uranium within EPL 2811 in accordance with Section 74 (read with Section 41(1)(i)(ii)) of the Minerals (Prospecting and Mining) Act, 1992 was given on 7 April 2005.

As to the statement in the press release that the discovery is not new, it is true that the presence of radiometric anomalies and uranium in the Hakskeen area had previously been identified, and then published by the Geological Survey of Namibia. As previously advised by the Company, information it obtained from the Geological Survey of Namibia on the Hakskeen area lacked the necessary detail to make it complete and sufficiently definite. The Company's view is that information obtained in March 2005 significantly enhanced the prospectivity of the area by validating historical airborne radiometric anomalies and identifying the location of the enriched paleochannel systems.

The Company will seek an audience with the Minister of Mines & Energy to discuss these issues at his earliest convenience.

Yours faithfully,

BRADLEY S MOORE
Chairman

Enquiries to:

Mr Bradley Moore
Chairman

Phone: +61 (0)8 9322 7822

Facsimile: +61 (0)8 9322 7823

This release accurately reflects information compiled by Mr G.R. Hemming, MAusIMM. MAIG , a Director of Roscoria Pty Ltd, who is a competent person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and accurately reflects the information compiled by the competent person. Mr Hemming 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hemming consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

Tel: (061) 284 8111
 Fax: (061) 238 643
 Telefax: (50 908) 487 WK

Private Bag 13297
 Windhoek

PRESS RELEASE

In reponse to the article "Reefion's uranium dreams in tatters", published in the Namibian of 22/07/05, we wish to comment as follows:

Reefion Mining NL hit the mining news in several publications and newspapers since the beginning of 2005, when they announced a "new uranium discovery" in Namibia. This "new" discovery was already discovered in the 1970s and is documented in "The Mineral Resources of Namibia" (1992), a publication of the Geological Survey of Namibia. Lately, this company pronounced that the Ministry of Mines and Energy declined their application to include the mineral group "nuclear fuels" in their Erongo Project licences, which led to a drastic decrease in share value.

Reefion Mining NL applied for seven Exclusive Prospecting Licences over the "Erongo Project Area" in the year 2000 under the name Black Range Mining (Pty) Ltd. The application included the following groups of minerals in accordance with the Minerals (Prospecting and Mining) Act, 1992: Precious stone, semi-precious stone, industrial minerals, base and rare metals. The company did not apply at the time for nuclear fuels. The Ministry noticed a breach of the Minerals Act, when the Company announced on 18th March 2005 that it delineated a new uranium occurrence. In accordance with the Act, the Company had no legal right to explore for nuclear fuels in Namibia, but took advantage of the rapidly rising demand for nuclear fuel and the associated increase in commodity prices without amendment of the above licences to include "nuclear fuels", in accordance with Section 73 of the Act. Furthermore, the Company started drilling for nuclear fuels in the licence area without giving prior notification to the Mining Commissioner as stipulated in Section 53 of the Act. The above indicates that the Company violated the Act and therefore, in accordance with section 69 of the Act, the Minister refused the application for amendment of the licence by Reefion Mining NL.

