

21 April 2005

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

Dear Sir / Madam

## **SOIL GEOCHEMISTRY SHOWS URANIUM ERONGO PROJECT, NAMIBIA**

### **Summary**

Target C at Hakskeen is confirmed as a uranium depositing palaeochannel (fossil river alluvial deposit). The interpreted palaeochannel is defined by radiometrics with an anomaly of 8 km in length by 2 km in width. Carnotite (uranium mineral) samples have been recovered from surface and have been submitted for analysis. Drilling has returned high radiometric readings and drill samples have been submitted for precious, base, and rare metals and uranium. The soil samples from the surface of the alluvial system contain anomalous rare and base metal content indicating a source of that type of mineralisation upstream.

Another palaeochannel target has been located at Target D with up to 135,300 counts per minute (cpm) at surface compared with a peak of 94,320 cpm at Target C. The Target D anomaly is 7 km in length by 1.5 km in width.

## **HIGHLIGHTS**

### **Target C**

- **Initial soil geochemical samples collected to date contain anomalous uranium of up to 40 grams per tonne (g/t).**
- **The samples contain anomalous rare earth metals;  
Cerium (to 62 ppm),  
Lanthanum (to 28 ppm) and  
with low Thorium (to 12 ppm).**
- **Base metal levels are anomalous;  
Copper (to 22 ppm),  
Lead (to 33 ppm) and  
Zinc (to 28 ppm).**

## **Erongo Project – Namibia**

EPL's 2805 – 2811 (100%)

The Company has received the results of analysis of initial soil geochemical sampling from the SGS Laboratories in Johannesburg, South Africa. The samples are located along the ground radiometric lines at the Hakskeen Target C at the Erongo Project on Central Namibia, Africa.

The **soils** contained up to **40 g/t uranium** proving that the area contains uranium. The corresponding thorium levels were 12 parts per million (ppm) in conjunction with anomalous rare earth metals of cerium (to 62 ppm) and lanthanum (to 28 ppm) indicating a source of these rare metals upstream.

Similarly the base metals (copper, lead and zinc) were also anomalous with copper up to 22 ppm, lead up to 33 ppm, and zinc up to 28 ppm. Again further work is required to locate the source of these elevated levels.

Target C is now confirmed as a uranium depositing palaeochannel (fossil river alluvial deposit). In addition carnotite (uranium mineral) samples have been recovered from surface and have been submitted for analysis.

The Target C alluvial system also contains anomalous rare and base metal content indicating a source of that type of mineralisation upstream.

This palaeochannel is defined by a radiometric anomaly with dimensions of 8 kilometres by 2 kilometres. Peak values are up to 94,320 cpm. The anomaly occurs within an alluvial basin interpreted to contain a palaeochannel similar to the Langer Heinrich uranium deposit being developed by Paladin Resources Ltd located to the south of Hakskeen.

### **Drilling**

As per the announcement of 15<sup>th</sup> April 2005, the Company has completed the first stage of drilling on Target C totalling 19 holes for 693 metres. The exploration results returned to date are outlining a palaeochannel system as per the attached map. The downhole radiometrics of the drill holes revealed high readings near surface up to 73,000 cpm over a metre width from 1 metre depth (TC3/RC7).

### **Target D**

Target D (Hoopverloor) adjacent to the north of Target C is another potential palaeochannel with a radiometric anomaly of 7 kilometres by 1.5 kilometres and peak values of up to 135,300 cpm (44% higher than Target C). Consequently, Target D has the potential to be more significant than Target C with respect to uranium bearing deposition.

## **Target A**

Target A (Vergenoeg) to the south of Target C appears to be an anomalous source of uranium in granite, not a palaeochannel.

## **Uranium Market**

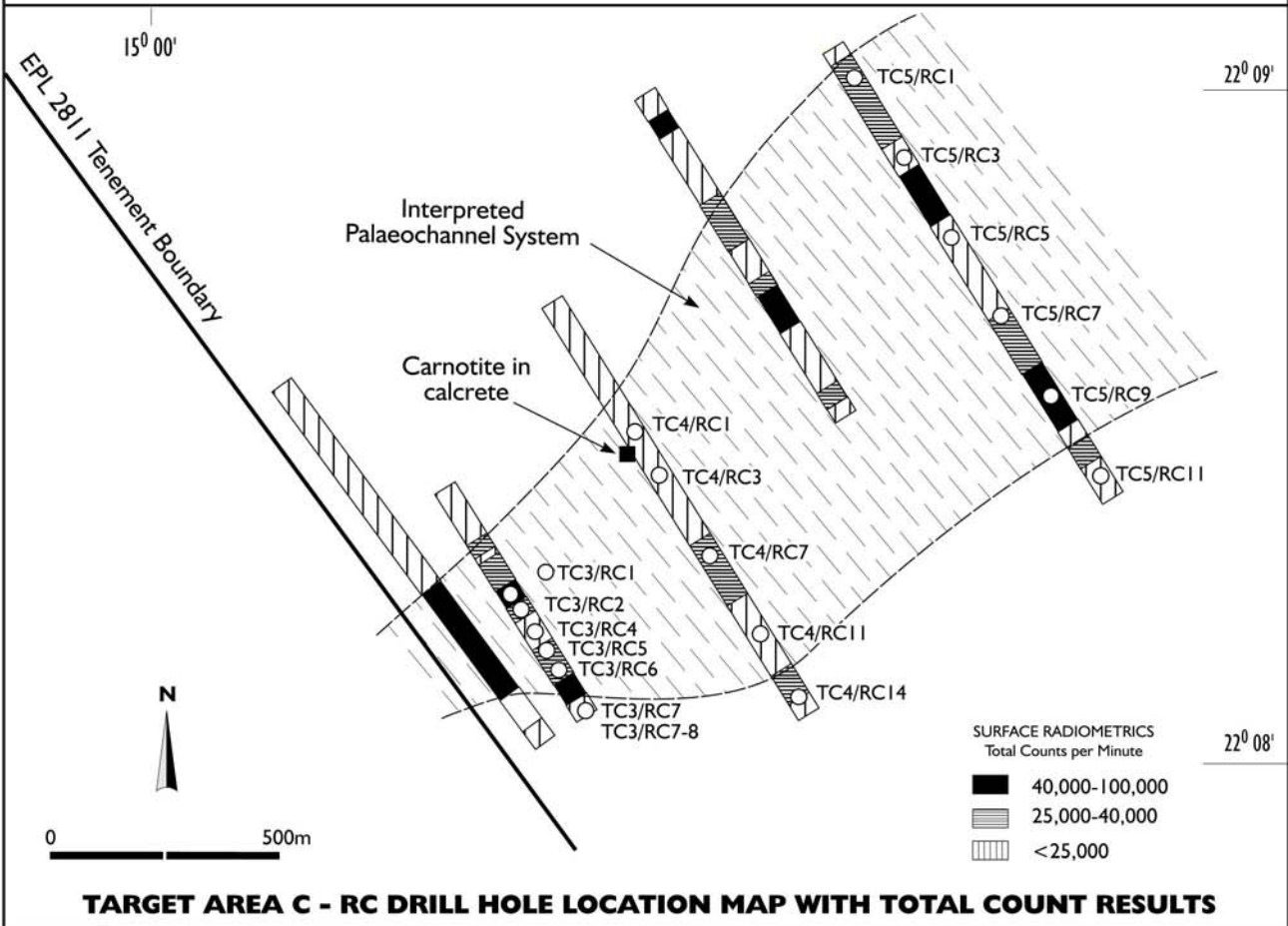
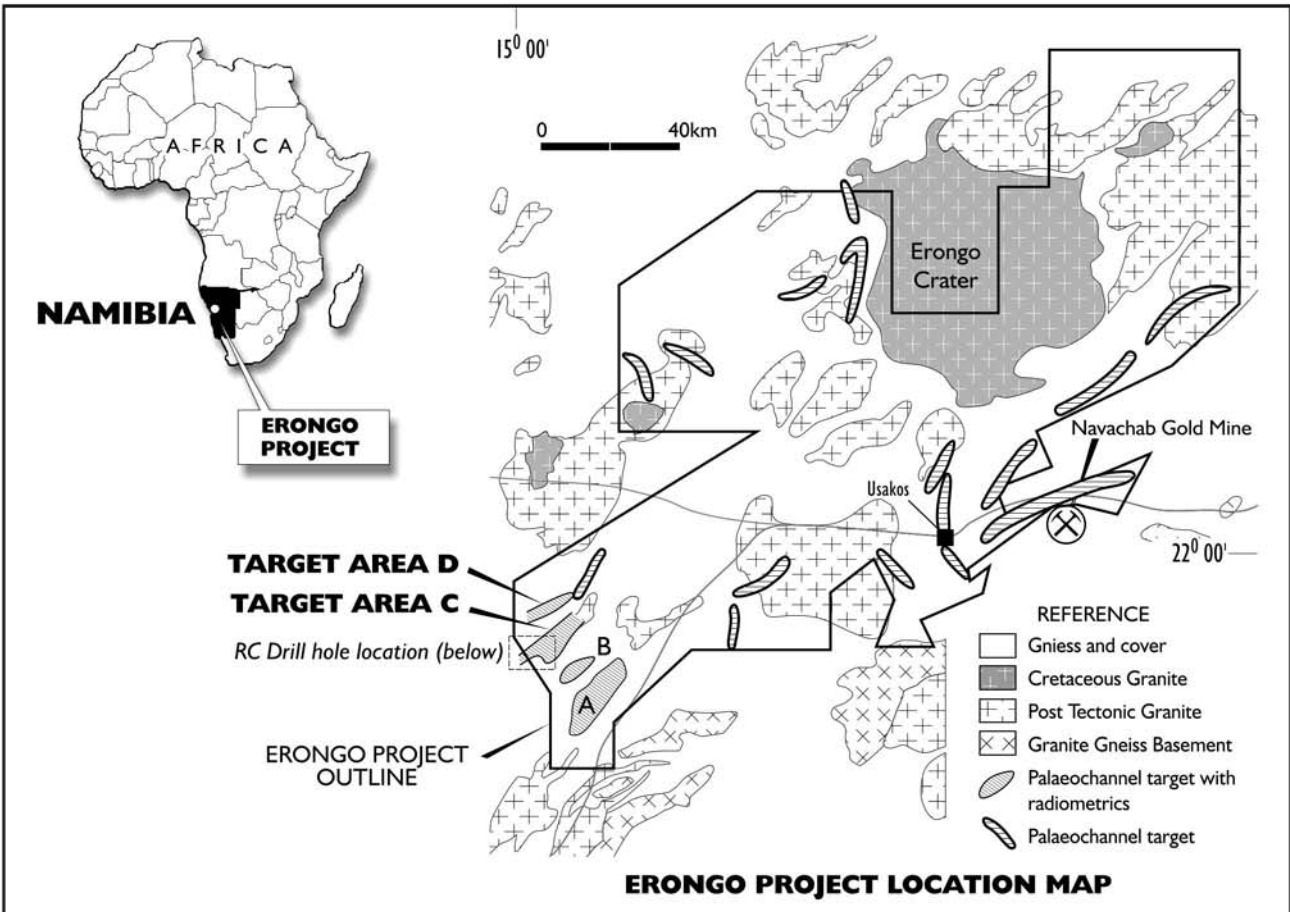
The uranium price is continuing to rise and is currently US\$23.20 /lb - weekly spot price (as at 11/4/05), up from an end-March month-end spot price of US\$22.50 /lb (according to The Ux Consulting Company, LLC). This compares with the month-end spot price of US\$21.75 /lb as at Feb-05.

Yours faithfully

**GR HEMMING**  
*Technical Director*

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*This report accurately reflects information compiled by Mr G.R. Hemming, MAusIMM, MAIG., a Director of Roscoria Pty Ltd, 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.*



## **GLOSSARY**

**Reverse Circulation Drilling** – Drilling method that produces rock chips rather than core. Air is forced through the outer section of a double-walled drill stem through the annulus and the chips are carried upward to surface through the inner section and are collected for examination.

**Palaeochannel** - The remnant deposit of a surface drainage system that was active in the geological past and may be buried now.

**Radiometrics** - A measure of the natural radiation in the earth's surface, which can tell us about the distribution of certain soils and rocks. Geologists and geophysicists routinely use it as a geological mapping tool to tell them where certain rock types change. Radiometrics is also known as Gamma-Ray Spectrometry. A radiometric survey measures the spatial distribution of three radioactive elements (potassium-K, thorium-Th and uranium-U) in the top 30-45 cm of the earth's crust. The abundances of K, Th and U are measured by detecting the gamma-rays produced during the natural radioactive decay of these elements.

**Carnotite** – A yellow oxide mineral of uranium.

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# NEWS

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## • RELEASE •

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FOR IMMEDIATE RELEASE

Thursday 21 April, 2005

### NEW TESTS CONFIRM URANIUM AND BASE METALS

#### DEPOSIT IN WEST AFRICA FOR REEFTON

New soil geochemical test results have confirmed Reefton Mining NL has identified at least two key palaeochannels (fossil river alluvial deposits) containing uranium, rare earth and base metals at its Erongo project in West Africa.

Reefton (ASX code: RTM) announced today that its C and D targets within the project area – two of four sites that have been tested – had been confirmed as palaeochannels. Soil geochemical samples over the palaeochannel have returned up to 40 grams per tonne uranium.

The Company said Target C is a uranium depositing environment, although the soil sampling work also indicated the presence of rare earth and base metals.

“This is an enhanced outcome to the earlier test work and suggests that the Erongo project has the potential to host an alluvial-based uranium deposit,” Reefton CEO, Mr Simon Gilbert, said today.

“We are at the starting blocks only but the latest results show uranium mineralisation, with Target D exhibiting the potential to be even more significant than Target C”, Mr Gilbert said.

“The results occur at a time the uranium spot price has firmed to around US\$23.20 per pound up from \$11.54/lb in 2003”, he said.

The Erongo project is located in Central Namibia on Africa’s western coastline. Mr Gilbert said Target C was defined by radiometrics with an anomaly of 8 km in length by 2 km in width, with surface soil samples indicating a source of rare earth and base metal mineralisation upstream.

The palaeochannel Target D anomaly – 7 km in length by 1.5 km wide and running parallel but to the north of Target C - had radiometrics of up to 135,300 counts per minute (cpm) at surface compared with a peak of 94,320 cpm at Target C.

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