
NEWS

• RELEASE •

22 December 2005

JANUARY START FOR DRILLING OF REEFTON'S

NAMIBIAN SANDS AND DIAMOND PROJECT

A 10,000 metre air-core drilling program is scheduled to commence next month on Reefton Mining NL's mineral sands and diamond project in Namibia, southern Africa. The drilling by Reefton will evaluate 5 target areas within 160 kilometres of the Namibian coastline making up its contiguous project tenements.

The drill go-ahead was announced by Reefton following the release today of encouraging results from an observation pitting program conducted over the length of its tenements this year.

Targets identified from the pitting program to be drilled, include the current shoreline deposits, and ancient beaches and aeolian dunes found inland from the present shoreline.

"The observation pitting program, which totalled 148 pits, only trenched to around 2.5 metres depth to firm up target potential," Reefton's Chairman, Mr Brad Moore, said today.

"The air-core program will test to depths of up to 30 metres, evaluating the diamond and mineral sands potential of the acreage, and will provide a much sharper outline of where we need to infill drill," Mr Moore said.

Mr Moore added, "this will be the first known exploration to be conducted on the 90 metre beach series, being the oldest beach located 2-3 kilometres inland and resting against the former continental cliff line where it is expected the most significant concentrations of diamondiferous gravels and valuable heavy minerals such as Zircon will be found".

issued through

FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311

231 South Road, MILE END SA 5031

Ph: 08 8234 9555 Fax: 08 8234 9566

admin@fieldpr.com.au

The observation pit analysis concluded that of the samples tested:

- Heavy mineral (HM) content was as high as 73%
- Individual valuable HM assemblages included up to 4.3% zircon, 19% ilmenite, 0.6% leucoxene and 0.4% rutile
- The slimes (fine material) was generally less than 5%, compared to 15-20% often encountered elsewhere in the world, therefore enhancing process viability.
- There was a high garnet content of up to 56.2% - providing an opportunity for a by-product during processing for sale to niche industrial markets.

MEDIA CONTACT:

Bradley Moore
Reefton Mining NL
0402 116 471

John Field
Field Public Relations
(08) 8234 9555 / 0418 819 527

issued through

FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311

231 South Road, MILE END SA 5031

Ph: 08 8234 9555 Fax: 08 8234 9566

admin@fieldpr.com.au

22 December 2005

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

Dear Sir / Madam

HEAVY MINERAL RESULTS - NAMIBIA

SKELETON COAST DIAMOND & MINERAL SANDS PROJECT ADVANCING

Highlights

- Observation pitting recently conducted over 160 kilometres of the Company's coastal licences for valuable heavy minerals and diamondiferous gravels confirms that the project area contains heavy mineral bearing sands of potential economic significance.
- Heavy Mineral (HM) fractions of up to 73%.
- Individual Valuable Heavy Mineral (VHM) assemblages of up to 4.3% Zircon, 19% ilmenite, 0.6% leucoxene and 0.4% rutile.
- Low slime contents with the -53 micron fraction generally less than 5%, with 50% of samples analysed being less than 1%.
- Garnet content of up to 56.2%.
- Aircore drilling program to commence in January 2006 to evaluate the mineralised aeolian dunes, ancient beach terraces and paleochannels and the presence of potential diamondiferous gravels.

OBSERVATION PITTING PROGRAMME - EPL 2699 & EPL 2700

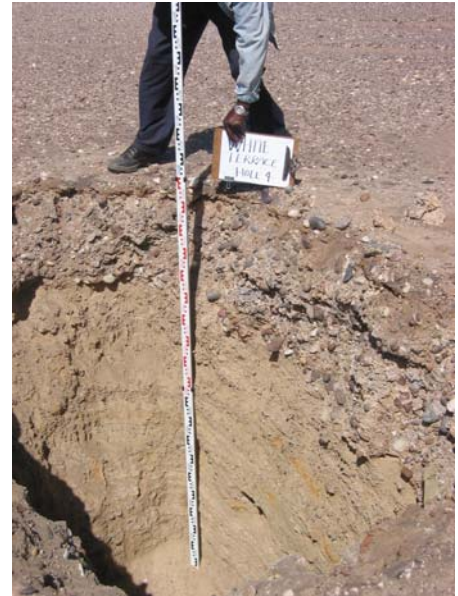
An observation test pit sampling programme, targeting visually abundant heavy mineral sands and diamondiferous gravels, was undertaken during 2005 encompassing the entire length (~160 kilometres) of the company’s Exclusive Prospecting Licences EPL/2699 and EPL/2700, (Mowe Bay to Cape Fria) on the Skeleton Coast, north west Namibia (Figure 1).

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

The main test pit sampling was concentrated on the Recent to Modern Beach, denoted by suffix A, and more inland “terrace” sections, denoted by the suffix B.

Test-pits were excavated using an excavator (Drott), with sampling being conducted on a reasonably regular traverse spacing of between 2.0- 5.0 kilometres. Individual test pits were on average excavated ~ 50 metres apart and depths ranged from 0.50 - 2.10 metres depending on prevailing ground conditions.

A total of 148 pits were excavated and more than 330 samples collected.



TYPICAL TEST PIT

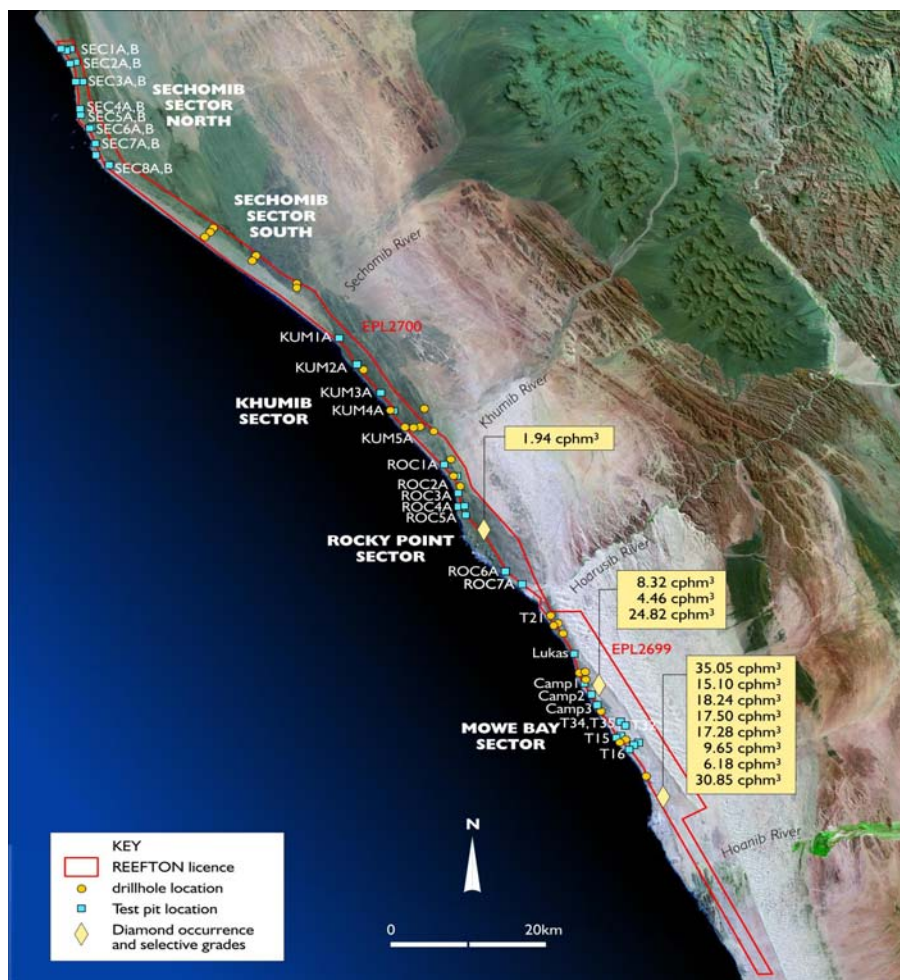


FIGURE 1 - MAP SHOWING TEST PIT SECTION LOCATIONS WITHIN REEF TON MINING SKELETON COAST EXCLUSIVE PROSPECTING LICENCES (EPL) - 2699 AND 2700

HEAVY MINERAL RESULTS - SUMMARY

The results from the mineralogical analysis for the area from EPL 2699 (northern part) to the northern boundary of EPL 2700 confirm that the Modern to Recent Beach sands contain heavy mineral bearing sands of potential economic significance.

Previous results for the southern part of EPL 2699 which were reported in the 2005 Annual Report also confirm the presence of heavy mineral bearing sands within this area.

Limited sampling of the older inland terrace gravels in the northern part of EPL 2700 (Sections 1B and 2B) also indicate that such areas have the ability to support heavy mineral accumulations of potential significance.

Importantly, the results from the observation test pitting program indicate that samples have very low slime contents with the -53μ fraction being generally less than 5%, with more than 50% of the 93 samples analysed being less than 1%.

Percentages of heavy mineral fractions ranged between 1.06% and 73.66%, with more than 75% of the samples yielding results of more than 5%.

Sections 1B and 2B, which tested the older inland terrace gravels in the northern part of the company's EPL 2700 yielded preliminary results of contained heavy mineral fractions of between 1.61% to 33.34%.

A more detailed mineralogical analysis of these assemblages gave Valuable Heavy Minerals (VHM) percentages of between 14.1% and 17.8%, comprising 2.5-2.8% Zircon, 11.0-14.4% ilmenite (HS Ilmenite/Ilmenite Mag), 0.3-0.4% Rutile and 0.2-0.3% Leucoxene.

The Modern to Recent Beaches yielded results of up to 31.7% VHM, comprising 27% ilmenite (HS ilmenite/ilmenite Mag), 4.2% Zircon, 0.35% Rutile and 0.2% Leucoxene.

An overall summary of the results from the 26 composites shows an average slime content of 1.35% with a heavy mineral average of 21.70%. The average VHM of the 26 composite samples is 12.3% of the heavy mineral average.

The breakdown of average VHM assemblage is:

- Ilmenite 9.05% (range 5%-19%);
- Rutile 0.25% (range 0.15%-0.4%);
- Leucoxene 0.23% (range 0.15%-0.6%); and
- Zircon 2.78% (range 1.5%-4.3%).

In addition Garnet averaged 23% (range 7.8%-56.2%).

Laboratory analysis was completed by Outokumpu Technology Pty Ltd and Diamantina Laboratories.

METHODOLOGY OF SAMPLE PROCESSING

Up to a maximum of eight samples were collected from an individual test pits. Individual samples collected, comprised between 20-30kilogrammes (kg) of material. Following collection each sample was screened with the oversize being weighed and the remaining material reduced by splitting to between 0.5-1.0kg for further analysis. A set of reference samples were also taken and these are stored at site.

The split samples were re-bagged and following receipt of the necessary Ministry of Mining and Energy (MME) sample exportation approval, were air freighted to Perth, Western Australia for further analysis at the Outokumpu Laboratory.

A reduction in the number of samples analysed to 93, was achieved by a combination of compositing and non analysis of samples considered to be from areas of low prospectively (i.e. shallow basement). These composites were weight ratio-ed, which took into account the weights of oversized material. These samples were analysed for slime/oversize and HM's.

On the basis of these results a further reduction of samples by weight ratio-ing the HM's of the various specific sections was carried out to finish with a total of 26 composites. These were analysed by Diamantina Laboratories using the following the methodology:-

- The composites were all screened at 500 microns and magnetic separated with the normal carpc to give 4 fractions - highest mags (magnetics) though to non mags (magnetics); and
- The highest mags were classed as magnetite and the other 3 fractions were counted by Diamantina Laboratories to give mineral assemblages for each of the 26 composites.

OBSERVATION TEST PIT RESULTS - SECTOR SUMMARY

Bulk Number	EPL	LOCATION	TEST PIT SECTION	SAMPLE COMPOSITES	HS Ilmenite %	Ilmenite Mag 1 %	Ilmenite Mag 2 %	Mag Leucoxene %	Rutile %	Non Mag Leucoxene %	Zircon %	Total VHM
COMP1	2700	SECHOMIB	SEC 2B/4B	7	5.6	8.8	-	0.0	0.3	0.3	2.8	17.8
COMP2	2700	SECHOMIB	SEC 1B	3	5.7	5.3	-	0.1	0.4	0.1	2.5	14.1
COMP3	2700	SECHOMIB	SEC 7A	2	5.9	6.9	-	0.1	0.4	0.2	2.8	16.3
COMP4	2700	SECHOMIB	SEC 6A	4	6.8	10.6	-	0.0	0.4	0.3	3.4	21.5
COMP5	2700	SECHOMIB	SEC 5A	6	7.8	19.2	-	0.0	0.3	0.2	4.2	31.7
COMP5A	2700	SECHOMIB	SEC 5A	3	6.0	2.9	-	0.1	0.3	0.3	2.5	12.1
COMP6	2700	SECHOMIB	SEC 3A	1	7.0	13.2	-	0.0	0.4	0.6	3.1	24.3
COMP7	2700	SECHOMIB	SEC 3A	1	9.1	5.0	-	0.0	0.1	0.1	1.7	16.0
COMP8	2700	SECHOMIB	SEC 2A	5	6.2	7.9	-	0.1	0.4	0.3	2.8	17.7
COMP9	2700	SECHOMIB	SEC 1A	4	7.5	8.9	-	0.1	0.3	0.2	3.2	20.2
COMP10	2700	KHUMIB	KUM 5A	4	10.9	8.0	-	0.0	0.1	0.2	3.0	22.2
COMP11	2700	KHUMIB	KUM 4A	2	10.5	6.3	-	0.0	0.0	0.1	1.7	18.6
COMP12	2700	KHUMIB	KUM 4A	3	11.3	10.7	-	0.0	0.2	0.3	3.0	25.5
COMP13	2700	KHUMIB	KUM 3A	4	12.5	11.6	-	0.0	0.3	0.2	3.9	28.5
COMP14	2700	KHUMIB	KUM 2A	4	9.6	7.6	-	0.0	0.1	0.2	2.8	20.3
COMP15	2700	KHUMIB	KUM 1A	4	8.5	3.7	-	0.0	0.0	0.1	2.1	14.4
COMP16	2700	ROCKY P	ROC 1A	4	10.6	8.9	-	0.1	0.3	0.2	2.9	14.4
COMP17	2700	ROCKY P	ROC 1A									
COMP18	2700	ROCKY P	ROC 2A	1	9.8	5.5	-	0.0	0.0	0.1	2.3	17.7
COMP19	2700	ROCKY P	ROC 2A	1	10.0	11.2	-	0.0	0.4	0.2	3.2	25.0
COMP20	2700	ROCKY P	ROC 3A	3	8.7	7.8	0.1	0.0	0.2	0.3	2.6	19.7
COMP21	2700	ROCKY P	ROC 4A	7	9.7	14.5	-	0.0	0.3	0.2	3.3	28.0
COMP22	2700	ROCKY P	ROC 4A	5	9.7	11.9	-	0.0	0.4	0.3	2.6	24.9
COMP23	2700	ROCKY P	ROC 4A	3	7.8	7.5	-	0.1	0.4	0.2	2.4	18.4
COMP24	2700	ROCKY P	ROC 4A	2	8.9	15.3	-	0.0	0.2	0.1	4.3	28.8
COMP25	2699	ROCKY P	ROC 6A	5	6.8	6.7	-	0.1	0.1	0.3	1.6	15.6
COMP26	2699	ROCKY P	ROC 7A	4	8.2	8.9	-	0.0	0.4	0.4	1.5	19.2

TABLE 1 - VHM RESULTS FROM DIAMANTINA LABORATORIES OF 26 COMPOSITES

Rocky Point Sector – Test Pit Sections ROC 1A – ROC 7A

A total of 36 test pits comprising 80 samples were collected. Terrace widths of 300 metres or more over a distance of 12 kilometres were identified. Visual heavy mineral estimates of up to 80%HM were recorded and noted, and were characterised by near parallel, fine to massive black mineral rich bands (or lenses) in yellow brown/ grey marine sands. The bands appear to be cyclic and are best developed close to the present coastline. The older gravel terraces are generally broad with thin pebbly gravel on elevated volcanic bedrock. The Modern to Recent beach terraces are thicker (>2metres) and more voluminous than the older (deflated and eroded) terraces.

Results from this sector for the initial 36 samples (including composites) for slime/oversize and HM ranged between 1.12% HM (Section Roc 4A - Pit 3 sample 2) to 47.27% HM (Section Roc 6A - Pit 1 samples 2 and 3). Slimes ranged from 0.35% (Section Roc 4A - Pit 1 sample 2 and Pit 2 sample 2) to 11.53% (Section Roc 4A Pit 14 sample 1 and Pit 15 sample 1).

On the basis of the HM from these results, eleven (11) composites (numbered) 16-26 were assembled and the results are reported in TABLE 1.

Khumib Sector – Test Pit Sections KUM 1A – KUM 5A

Test pitting was carried out over 20 kilometres within the sector with a total of 19 Pits comprising 54 samples collected. The Recent Beach, which comprises the main terrace material, is characterised by heavy mineral bearing sands with visual estimates of between 5-70% HM, overlying seemingly lower grade yellow fine laminated sands.

Results from this sector, which comprised 21 samples analysed for slime/oversize and HM, ranged between 1.06% HM (Section Kum 4A Pit 4 sample 3) to 73.66% HM (Section Kum 4A Pit 1 sample 1 and 2) and slimes ranged from 0.08% (Section Kum 2A Pit 1 sample 3) to 11.68% (Section Kum 3A Pit 5 sample 1).

On the basis of the HM from these results, six (6) composites (numbered) 10-15 were assembled and the results reported in TABLE 1.

Sechomib Sector – Test Pit Sections SEC 1A – SEC 8B

A total of 46 test pits were excavated in the sector and more than 90 samples collected. The sector has been divided into - South and North.

Sechomib South (South Cape Fria)

The area covers nearly 40 kilometres of coastline. Eight earlier percussion drill holes intersected up to 15 metres of marine sands. Directly south, terraces between Cape Fria and False Cape Fria, are prospective for diamonds with a more rugged and complex bedrock. Recent terraces behind the high tide portion of the modern beach and recent storm beach deposits comprise cobbles and sand often elevated a few metres above surrounding sediments. Highest surface visual concentrations of heavy mineral coincide with marine gravels and sands along beach line and associated storm beach. No test pits were excavated in this sector.

Sechomib North (North Cape Fria)

A total of 46 pits were completed in this sector, comprising eight sections along a 20 kilometre coastal section within EPL/2700.

A total of 90 samples were collected, with individual pits ranging in depth from 0.50 -2.10 metres. Multiple overlapping beaches of up to 15 kilometres in length were identified. Heavy minerals were observed throughout the area with estimations of individual concentrations ranging between 5-70% HM.

Interpretation of aerial photographs indicates an elevated coastal platform is discernable along the full length of Company's licence. The coastal platform extends up to 5 kilometres inland to the continental cliff line.

Two distinct terraces were tested (A and B). The Modern to Recent Beach Series (A traverses), are characterised by beach sands which extend inland for up to 500metres from current beach to include the recent marine terrace. In some areas coastal dunes overlie marine sands or recent terrace gravels.

In the northern Cape Fria area the extensive flat topped, elevated terraces (B traverses) represent sandy palaeo-strandlines capped by wind eroded pebble layers. Stratigraphic correlation of the A and B Terraces for the Sechomib North Sector are shown below:-

SECHOMIB (NORTH) RECENT BEACH TERRACE STRATIGRAPHIC CORRELATION – SECTIONS 1A, 2A and 3A

Section 1A	Pit 1	Pit 2	Pit 3	Pit 4	Pit 5
RL (REDUCED LEVEL)	5.0m	1.0m	5.0m	4.0m	1.0m
TD (TOTAL DEPTH)	1.20m	1.30m	1.10m	1.10m	1.30m
Fine grey/white sand with HM	0-120cm(120cm)	0-40cm(40cm)	0-110cm(110cm)	0-110cm(110cm)	0-30cm(30cm)
Brown medium/coarse grained sand	-	40-130cm (90cm)	-	-	30-130cm (100cm)
UNBOTTOMED	√	√	√	√	√
COMMENTS	1/1 & 2/1 (combine)	1/2, 1/3 & 2/2 (combine)	3/1 & 4/1 (combine)	-	40%-5%HM DOWNHOLE

Stratigraphic Summary:

- 1- Fine laminated sand with massive HM 30-120cm
- 2- Brown/yellow medium coarse sand 90-100cm

Section 2A	Pit 1	Pit 2	Pit 3	Pit 4	Pit 5
RL	5.0m	3.0m	6.0m	6.0m	3.0m
TD (TOTAL DEPTH)	0.90m	0.90m	1.70m	1.45m	1.20m
Fine laminated sand with HM	0-50cm (50cm)	-	0-52cm (52cm)	0-38cm (38cm)	0-15cm (15cm)
Brown medium/coarse grained sand	50-90cm (40cm)	0-90cm (90cm)	52-170cm (118cm)	38-143cm (105cm)	15-120cm(105cm)
UNBOTTOMED	√	√	√	√	√
COMMENTS	HIGH GRADE	LOW GRADE	-	LOWER GRADE 38-143cm	LOWER GRADE

Stratigraphic Summary:

- 1- Fine laminated sand with HM 0-52cm
- 2- Brown/yellow medium/coarse sand 40-118cm

Section 3A

RL
TD (TOTAL DEPTH)
Coarse sand, shell fragments with HM
Fine sand with layered HM

UNBOTTOMED

COMMENTS

Stratigraphic Summary:

- 1- Coarse sand, shell fragments with HM 15-27cm
- 2- Fine sand with layered HM 80-90cm

Pit 1

6.0m
1.10m
0-20cm (20cm)
20-110cm (90cm)

√

2 samples missing

Pit 2

3.0m
1.0m
0-15cm (15cm)
15-95cm (80cm)

√

Finer HM 2/1, 2/2 coarser

Pit 3

3.0m
1.15m
0-27cm (27cm)
27-117cm (90cm)

√

2 samples missing

OVERALL COMMENTS - All test pits un-bottomed. In section 3A heavy minerals are present throughout the sequence with sands ranging from fine to coarse grained.

SECHOMIB (NORTH) INLAND TERRACE STRATIGRAPHIC CORRELATION – SECTIONS 1B, 2B, 3B and 4B

Section 1B

RL
TD (TOTAL DEPTH)
Sand, pebbles, with shell fragments some HM
Fine laminated grey sand with higher HM
Fine brown sand lower HM grade

UNBOTTOMED

COMMENTS

Stratigraphic Summary:

- 1- Pebbles with laminated sands with occasional shell fragments and occasional HM 30-60cm
- 2- Fine laminated sand with occasional pebbles with layered HM 40-82cm
- 3- Brown fine laminated sand 55-89cm

Pit 1

4.0m
1.30m
0-30cm (30cm)
30-70cm (40cm)
70-130cm (60cm)

√

1/1, 1/2, 2/1 and 2/2 (combine)

Pit 2

7.0m
1.75m
0-36cm (36cm)
36-86cm (50cm)
86-175cm (89cm)

√

1/3 and 2/3 (combine)

Pit 3

8.0m
2.00m
0-60cm (60cm)
60-142cm (82cm)
142-197cm (55cm)

197-200cm (BEDROCK)

HIGHER GRADE HM 60-142cm

Section 2B

RL
TD (TOTAL DEPTH)
Fine cross-bedded fine laminated sand
Sand, pebbles, with gypsum some HM
Fine brown sand lower HM grade and stained

UNBOTTOMED

COMMENTS

Stratigraphic Summary:

- 1- Fine cross-bedded sand (aeolian) 0-100cm
- 2- Sand, Pebbles cemented with Gypsum and shell fragments, occasional HM 50cm
- 3- Brown fine laminated sand 75-110cm

Pit 1

6.0m
1.00m
0-100cm (aeolian)

√

2-5%HM (Cleaner)

Pit 2

10.0m
1.60m
0-50cm (50cm)
50-160cm (110cm)

√

Stained (HM only)

Pit 3

9.0m
1.25m
0-50cm (50cm)
50-125cm (75cm)

√

Stained (HM only)

Pit 4

8.0m
1.30m
0-50cm (50cm)
50-130cm (80cm)

√

Stained (HM only)

Section 3B

RL
TD (TOTAL DEPTH)
Sand, pebbles, with gypsum some HM
Fine brown sand lower HM grades

UNBOTTOMED

COMMENTS

Stratigraphic Summary:

- 1- Sand, Pebbles cemented with Gypsum with shell fragments, occasional HM 32-70cm
- 2- Brown fine laminated sand 90-120cm

Pit 1

4.0m
1.30m
0-32cm (32cm)
32-130cm (98cm)

√

Pit 2

1.0m
1.60m
0-70cm (70cm)
70-160cm (90cm)

√

Pit 3

1.0m
2.10m
0-50cm (50cm)
50-170cm (120cm)

√

Poor HM

Section 4B

RL
TD (TOTAL DEPTH)
Sand, pebbles, with gypsum
Fine brown/yellow sand

UNBOTTOMED

COMMENTS

Stratigraphic Summary:

- 1- Sand, Pebbles cemented with Gypsum with shell fragments, occasional HM 30-60cm
- 2- Brown/yellow fine laminated sand 90-120cm

Pit 1

6.0m
1.50m
0-30cm (30cm)
32-130cm (98cm)
BEDROCK

Pit 2

7.0m
1.30m
0-60cm (60cm)
70-160cm (90cm)

√

Pit 3

9.0m
1.70m
0-50cm (50cm)
50-170cm (120cm)

√

OVERALL COMMENTS - All test pits un-bottomed except Section 1B Pit 3 and Section 4B Pit 1.

36 samples were sent for slime/oversize and HM. Results ranged between 1.24% HM (Section 5A - Pit 4 samples 3 and 4) to 49.17% HM (Sechomib Sec 3A Pit 3 samples 1 to 7) and slimes ranged from 0.08% (Sechomib Sec 2A Pit 3 samples 1 to 3) to 4.20% (Sechomib Sec 5A Pit 5 sample 1).

On the basis of the HM from these results, 10 composites (numbered) 1-9 (+5A) were assembled and the results reported in TABLE 1

FUTURE WORK PROGRAMME

On the basis of the test pits results, the majority of which un-bottomed in mineralization, and the recent comprehensive field mapping exercise of the Company's Skeleton Coast licences, a number of target areas have been identified which require further evaluation.

Additionally no sampling of the extensive aeolian dunes present over parts of the Company's licence areas has been undertaken to-date. Recent fieldwork indicates that these areas contain visual heavy minerals and by extrapolation from exposed terrace gravels may be up to 20+metres in thickness. Some of the areas of aeolian dune cover are also likely to conceal diamondiferous and heavy mineral bearing terrace gravels.

Given the need to conduct deeper evaluation of the area, the Company is currently finalising details to undertake an extensive air-core drilling programme scheduled to commence in January 2006 to properly test the target areas identified for both diamonds (where applicable) and mineral sands. Results will become available progressively as the drilling is completed.

In addition, the initial environmental impact assessment of the Company's Skeleton Coast Licence areas, which was undertaken by Coastal and Environmental Services of Grahamstown, South Africa, which included a seven day field trip to the area, has been completed and the final report is expected to be received in late January 2006.

Yours faithfully

BS MOORE

Chairman

Enquiries to:

Mr Bradley Moore

Chairman

Phone: +61 (0)8 9322 7822

Facsimile: +61 (0)8 9322 7823

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.