

5 September 2006

The Manager
Company Announcements Office
Australian Stock Exchange Ltd
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir

ROCKLANDS GROUP COPPER PROJECT UPDATE

GEOLOGICAL SURVEY – SUB AUDIO MAGNETIC (SAM)

GAP Geophysics Australia has been commissioned to conduct a Sub Audio Magnetics (SAM) ground geophysical survey over an area of approximately 10.5km². The survey area includes Las Minerale and Rocklands zones of mineralization as well as the Wilgar Copper, Wilgar Uranium, Fairfield Copper and Yeronga Copper mines and prospects respectively.

The SAM survey is an electromagnetic exploration method which measures both resistivity conductivity and total magnetic intensity of rocks and weathered profiles however, unlike conventional electromagnetic surveys, SAM has exceptional spatial resolutions and speed of survey with line spacing at 50m, magnetometric readings at 2m and total magnetic intensity at 0.5m. The survey involves a total of 200 line kms of readings.

Due to the interesting preliminary results from the SAM to date, the Company has instructed GAP Geophysics Australia to complete a third grid/loop. The 3rd Phase has now commenced and encompasses the Wilgar Uranium anomaly, the Fairfield Copper Gold Project and the Yeronga Copper Prospects. The area contains a line of prominent outcrops striking eastwest from the Fairfield open cut to the Wilgar Uranium anomaly, a distance of 2 kms is easily identifiable visually and by aerial photographs.

The 3rd Phase of the SAM survey will be nearing completion this week, with preliminary results of Phase 1 and 2 indicating a close spatial correlation between geophysical conductive anomalies and zones of mineralization defined by drilling. The survey has also defined a number of anomalous conductive zones which do not have any previous exploration data, and these anomalous zones identified will be subject to further exploration.

A follow up on one large NW/SE striking anomaly identified by the Phase 1 of the SAM Survey has been costained on the southern end and a zone of copper mineralization in the form of malachite (copper mineral) assayed 19.5% Cu from a grab sample.

However at this stage, in relation to the other conductive anomalies identified, no inference can be drawn outside of the drilled areas between the intensity of conductive anomalies and either the presence or tenor of possible mineralization.

It is expected that two or more weeks will be required before the geophysical data is fully processed and assessed by GAP Geophysics. Follow-up exploration, including geological reconnaissance, geochemistry and costeaning, however, is currently in progress.

DRILLING ON LAS MINERALE

Drilling is set to continue on Las Minerale today. The drill rig has been undergoing a 14 day shut down service with a new compressor being fitted to the one of the auxiliary air compressors. This drill rig is one of the largest and most powerful RC drilling rigs in Australia with 2,000 cfm capacity and 980 psi and has drilled non stop on the project since early February 2006 on a 7 days basis and completing almost 20,000 metres of RC drilling. The Diamond Core Rig is 4 weeks behind schedule due to a problem with drilling in South Australia. The late arrival of the diamond rig will put back the release of a resource statement (previously expected mid to late September), as at least 8 deep diamond core holes are required.

MINING LEASE APPLICATION

The Company has lodged a mining lease application over the entire 5 cluster EPM Blocks that encompasses 100% of the Las Minerale, Rocklands, Double Oxide, Wilgar Copper/Uranium, Yeronga, Rainden Prospects collectively known as Rocklands Group Copper Project. The application covers some 1250 hectares in area. The MLA has been accepted by the Department of Natural Resources and Mines to cover 100% of the area applied for.

Yours faithfully



Wayne McCrae
Chairman

The information in this report that relates to exploration results is based on information compiled by Mr Alex Teluk , who is a Member of the Australian Institute of Geoscientists (AIG), Mr Teluk is employed by Geodyne Pty Ltd Mr Teluk has sufficient experience, which is relevant to the style of mineralization 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 Teluk consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.