



22 September 2003

Company Announcements Office
Australian Stock Exchange Limited
PO Box 11224
Australia Square NSW 2000

Pages: 4

Dear Sirs,

Re. DRILLING PROGRAMS COMMENCED ON EYRE PENINSULA SA AND AT ATLEE CREEK NT GOLD PROJECTS.

- *RAB drilling recommenced on the Eyre Peninsula on 15 September.*
- *Previous Eyre Peninsula RAB program completed in August resulted in encouraging results especially at White Tank and KO 3.*
- *RAB drilling commenced on Atlee Creek gold project 200 km south-east of Granites Mine NT*

Eyre Peninsula Joint Venture, SA (Newmont Australia Limited earning 51%)

RAB/Aircore Drilling Program

The Eyre Peninsula Joint Venture recommenced RAB/aircore drilling on 15 September with a further 9,000 metres of drilling planned over the next two months. The current program follows an earlier 170 hole (8725 metres) RAB/aircore program completed by the joint venture between June and August.

The earlier RAB/aircore program returned anomalous gold from the White Tank, Barns, WUD 1, KO 3 and PA 1 prospects (see figure). The current drill program will follow up positive gold results returned from the earlier program and test additional targets including WUD 2 Central and WUD 6.

White Tank Follow-up

At White Tank limited drilling to date has returned RAB intersections including 17m at 3.47g/t Au (i.e. 17 metres at 3.47 grams per tonne gold) and 7m at 10g/t Au, and reverse circulation intersections including 11m at 2.1g/t Au from a mineralised zone interpreted to strike northeast. The current program will provide geochemistry from the weathered bedrock along strike from these intersections with initial drill traverses spaced 50 metres apart.

Encouraging KO 3 Drill Results

At KO 3 recently completed systematic aircore drilling, combined with previous aircore drilling, has increased the bedrock drill coverage at the prospect to a 200 x 200 metre pattern. This drilling has defined two zones of anomalous gold with associated arsenic and copper within a 2.7 kilometre long zone which is open ended (see figure).

These are promising results from a program based on a coarsely spaced pattern of relatively shallow vertical holes designed to provide a geochemical sample of weathered bedrock. The substantial strike length of the combined anomalous zones is encouraging.

The Tusker Zone at KO 3 is a coherent 700 metre long bedrock gold anomaly that remains open to the south. Results to date at Tusker include 2m at 0.51g/t Au and 1m at 0.13g/t Au. Arsenic is elevated and spatially associated with the anomalous gold. Further aircore drilling will now reduce the hole spacing on existing traverses to 50 metres and define primary targets for reverse circulation drilling in 2004. Step out drilling to extend the 200 x 200 metre aircore coverage to the south will also be completed.

The second zone of bedrock gold anomalism at KO 3, the Razorback Zone, extends for 2 kilometres. Previous and recent results include 2m at 1.43g/t Au and 3m at 0.13g/t Au. Arsenic is elevated while secondary copper anomalism including 2m at 0.46% Cu and 2m at 0.17% Cu was returned from the recent drilling. Follow-up drilling at Razorback is also planned in the current program.

Additional Prospects for Drilling

Previous broadly spaced drilling at the WUD 2 Central and WUD 6 prospects intersected anomalous gold values in weathered bedrock. The geological setting of the WUD 6 prospect is closely analogous to the Barns prospect while the WUD 2 Central prospect is geologically similar to KO 3.

Both the WUD 6 and WUD 2 Central prospects appear to be associated with extensive hydrothermal alteration systems very similar to those observed at Barns. Systematic drilling on 200 x 200 metre centres is to be completed in the current program. The aim of this work is to define coherent bedrock gold anomalies as has been successfully done at KO 3.

Other prospects, which will either be drilled in the current program, or in early 2004, include WUD 9 and WUD 1.

Reconnaissance and infill calcrete geochemical sampling also continues on a number of the joint venture tenements.

In early 2004 it is planned that more closely spaced and deeper drilling will be undertaken on a number of these prospects as well as at Barns.

Atlee Creek Project, NT (100% Adelaide Resources)

The Atlee Creek Project occurs in the Arunta Province of the Northern Territory and is located approximately 200 kilometres to the southeast of The Granites gold mine. A 2500 to 5000 metre program of RAB/aircore drilling to test conceptual structural gold targets at Atlee Creek commenced on 14 September.

This wholly owned project was previously subject to the Atlee Creek Option Agreement with AngloGold Australia. In March 2003, AngloGold withdrew from this agreement.

In late 2002 AngloGold completed a high-resolution airborne magnetic survey which defined a number of linear magnetic features deformed by folds with east-west trending axes.

Previous exploration completed by Adelaide Resources and its past joint venturers at the Seven Stars prospect located immediately south of the Atlee Creek Project showed the linear magnetic features to be sourced by magnetite-bearing dolerite bodies which intrude non-magnetic schist. Anomalous gold and arsenic was intersected in the dolerite intrusives at the Seven Stars Prospect.

While the rock sequences at Atlee Creek and the Callie/Dead Bullock Soak area are known to be different, the structural settings and the presence of dolerite bodies in both areas are analogous. The Callie gold mine is located in the hinge zone of an east-west trending fold structure, and the current drilling program at Atlee Creek is designed to search for anomalous concentrations of gold in the hinge zones of similar folds deforming the dolerite intrusives.

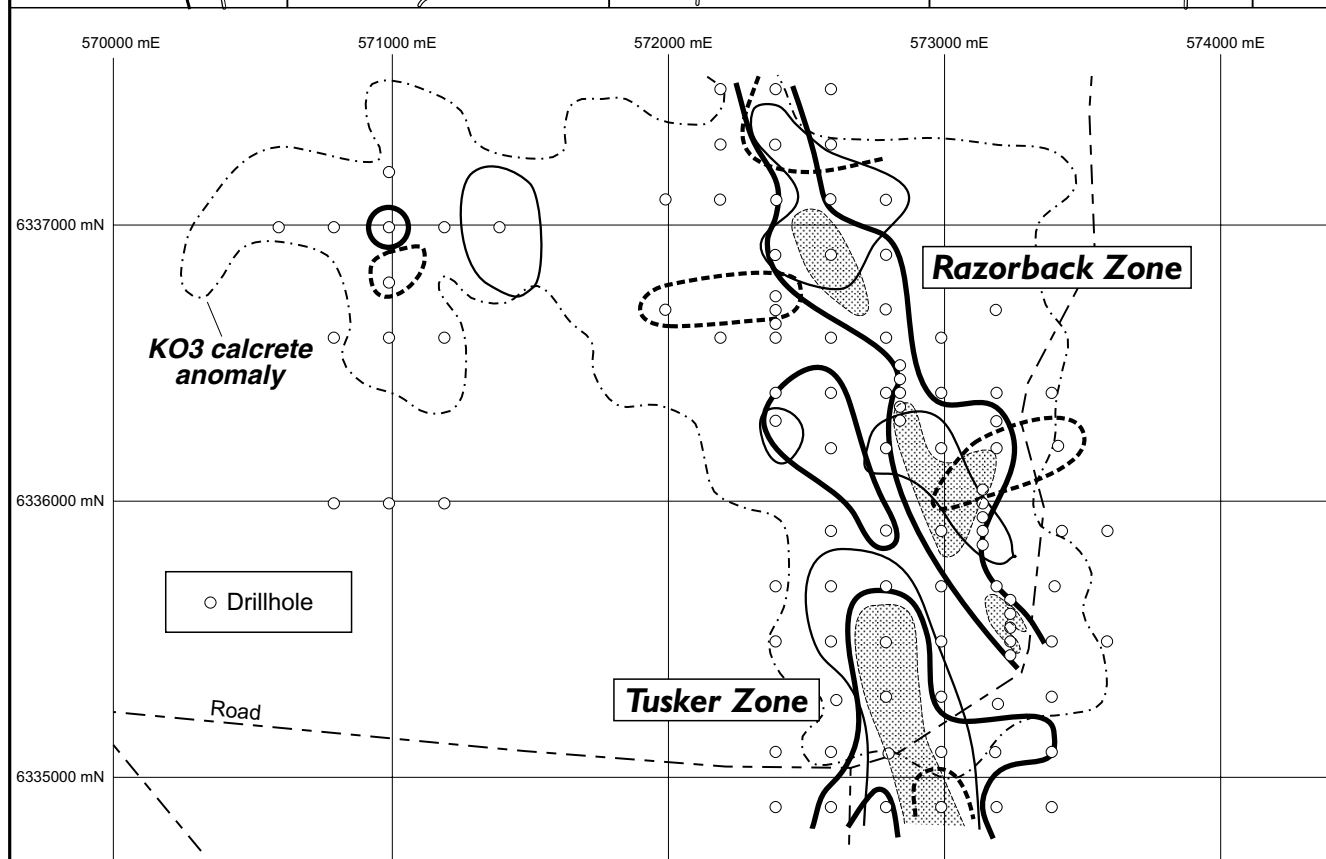
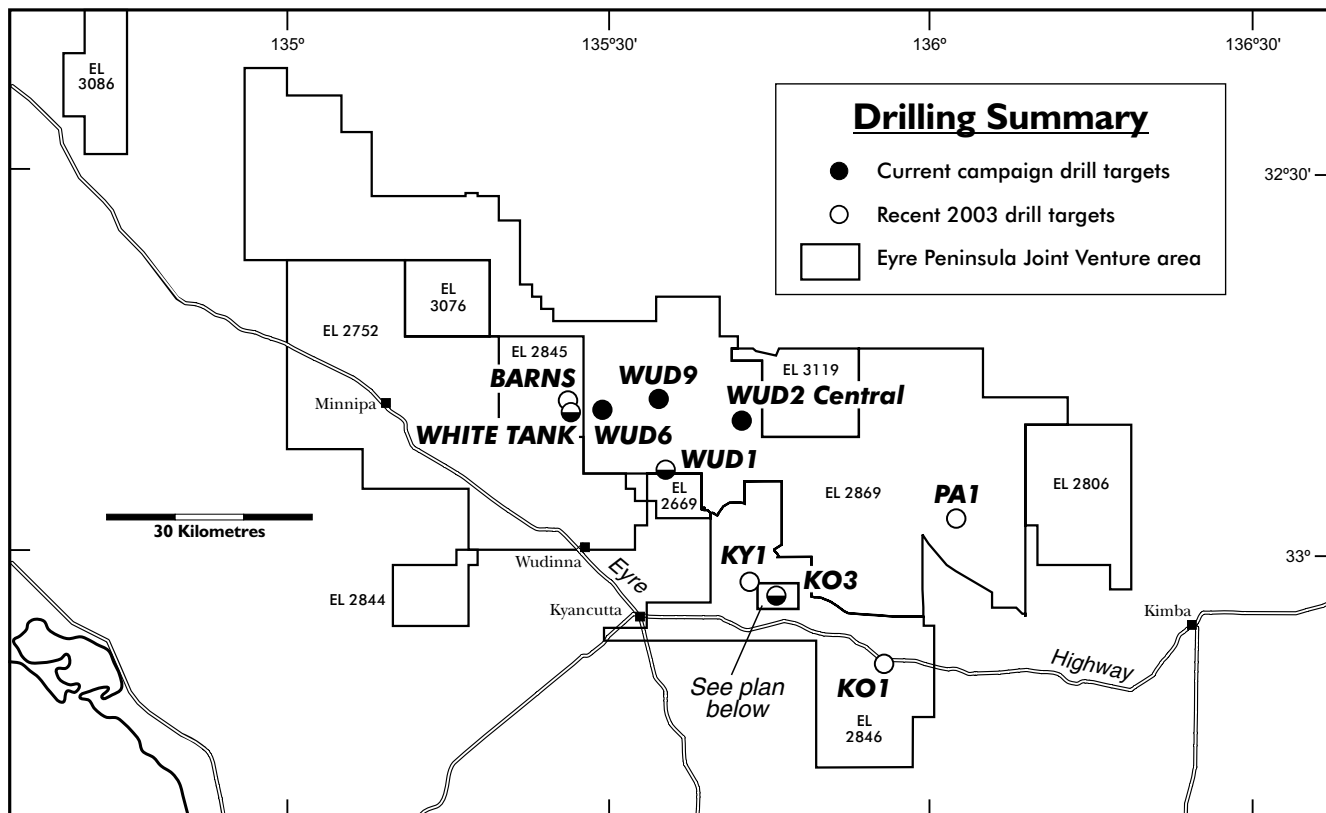
Yours sincerely

A handwritten signature in black ink, appearing to read 'Keith Yates', with a stylized flourish at the end.

Keith Yates
Executive Chairman

The information in this report insofar as it relates to ore or mineralisation is based on information compiled by K R Yates, who is a Corporate Fellow of the Australasian Institute of Mining and Metallurgy and who has a minimum of five years experience in the field of activity being reported on.

For further information please contact Keith Yates on (08) 8271 0600



BEDROCK GEOCHEMISTRY
(6m composite results)

- Max. gold in drilling (>40ppb)
- Max. gold in drilling (>15ppb)
- Max. copper in drilling (>200ppm)
- Max. arsenic in drilling (>25ppm)

KO3 Target Summary

