



Australian Stock Exchange Announcement

22 February 2007

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

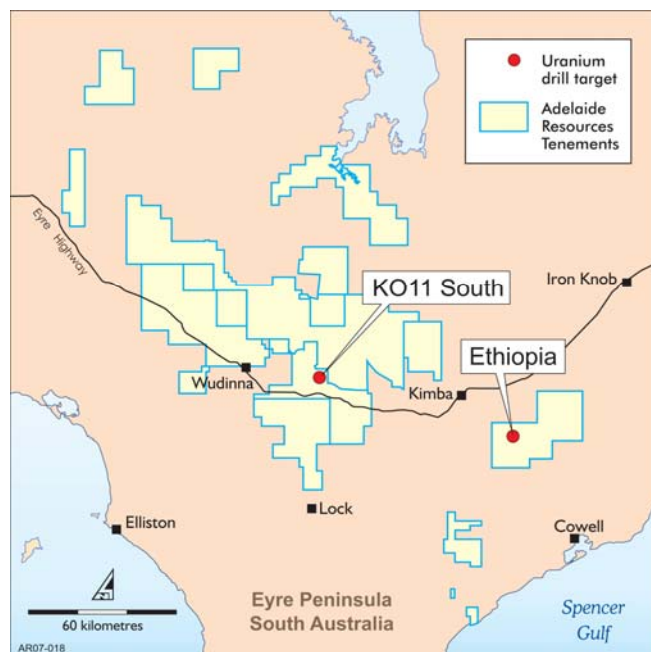
Uranium Drilling Program Underway

A drilling program targeting uranium on the Eyre Peninsula of South Australia has commenced. The program will comprise up to 5000 metres of rotary air blast drilling to test the KO11 South and Ethiopia prospects. Both projects are basement uranium targets and owned wholly by the company.

KO11 South Prospect

The KO11 South prospect is located about 30 kilometres east of Wudinna township. An airborne geophysical survey flown in late 2004 revealed a uranium channel radiometric anomaly semi-coincident with a previously defined gold-copper soil calcrete anomaly. The radiometric and geochemical anomalism at KO11 South falls just north of a significant 9 milligal gravity anomaly and near the interpreted boundary of a small Hiltaba Suite granite intrusive.

Limited past drilling in the KO11 South area also reveals encouraging signs of mineralisation. A number of historic drill holes intersected strongly altered and brecciated bedrock while uranium assays on drill samples have returned anomalous values of up to 48 ppm U.



Location plan showing drill targets on the Eyre Peninsula, SA.

Ethiopia Prospect

The Ethiopia prospect is situated some 30 kilometres southeast of Kimba township. A coincident uranium and thorium radiometric anomaly is present in an airborne survey flown in

the 1990's by a previous explorer. The anomaly coincides with deeply weathered rock. Soil samples collected in 2006 from Ethiopia contain anomalous levels of both uranium and thorium with a maximum uranium assay of 36 ppm. There has been no previous exploratory drilling of the Ethiopia prospect.

The company successfully applied to the South Australian Government for cooperative funding of the Ethiopia drilling program through the highly regarded PACE program.

Following completion of the Eyre Peninsula uranium drilling program the drill rig will relocate to the company's Anabama project south of Olary in the east of South Australia to test a number of copper-gold targets.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Chris Drown who is a Member of the Australasian Institute of Mining and Metallurgy, and who has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration, and the activity 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 (the JORC Code). This report is issued in the form and context in which it appears with the written consent of the Competent Person, who is Exploration Director of the Company.

Yours sincerely

A handwritten signature in black ink that reads "Keith Yates". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Keith Yates
Executive Chairman