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UPDATE OF EXPLORATION ACTIVITIES ON URANIUM PROJECTS IN NAMIBIA

Completion of review of historic exploration data and preliminary site visits have **confirmed potential for large tonnage, low grade and metallurgical extractable deposits of uranium** at the Erongo Granites Project:

- At the **Area 1 Prospect** significant results from previous drill testing include:
 - **32m at 348** ppm U3O8 from 6m to 38m,
 - **12m at 310** ppm U3O8 from 18m to 30m,
 - **7m at 307** ppm U3O8 from 7m to 14m,
 - **17m at 287** ppm U3O8 from 28m to 45m
 - **39m at 272** ppm U3O8 from 2m to 41m, and
 - **33m at 248** ppm U3O8 from 13m to 46m.

The drilling identified an apparently broadly flat undulating zone of mineralization **25 to 35m thick** over an area of **800m by 250m**. The mineralisation, identified as a radiometric and Radon anomaly, remains open to the south.

- A ground radiometric and Radon gas survey over the **Area 3 Prospect** identified an **anomalous target area of 5,000m by 2,000m**.
- Two significant untested radiometric anomalies have been identified at the **Area 2 Prospect**.

An RC rig has been secured and is scheduled to **commence an initial 10,000m drilling programme** at the Erongo Granites Project **in April 2007**.

Erongo Granites Project (ERN 90%)

This project consists of two granted tenements covering approximately 420 sq kms located to the south and north of the Erongo Complex in mid central Namibia. The two tenements cover two uranium radiometric anomalies on the northwestern and southern rims of the Complex. The Company is targeting Rossing style intrusive hosted uranium deposits.

The Company has now completed its review and interpretation of data available in respect of exploration activities undertaken by Goldfields and Falconbridge in the 1970s and early 1980s. No reported, systematic exploration has been undertaken on the project area since the early 1980s.

Significant results generated from the historic data review include the following.

Area 1

A total of 68 percussion holes and two diamond holes were drilled in Area 1 (16 by Falconbridge and 54 by Goldfields). Results were reported in categories, with the midpoint for each category being used to apply a grade to the mineralised intercepts. Significant results (ie. results above 200ppm U3O8) are summarised in Table 1 below:

Hole No	From	To	Width	Grade (ppm U3O8)
GF002	5	28	23	230
GF005	7	14	7	307
GF007	0	24	24	230
GF010	18	27	9	290
GF011	1	17	16	230
GF012	2	17	15	230
GF020	28	45	17	287
GF022	18	30	12	310
GF024	13	46	33	248
GF028	11	25	14	225
GF028	51	58	7	247
GF030	6	38	32	348
GF032	2	41	39	272
GF044	6	31	25	213

Table 1: Significant percussion open hole drill intersections from previous drilling.

Goldfields reported mineralisation in a broadly flat undulating zone 25m to 35m thick which could be traced through most of the holes. U3O8 mineralisation estimated to be above 200ppm was intersected in holes drilled over an area of 800m by 250m and is open to the south for potentially a further 800m.

A mineralogical investigation positively identified uraninite as the major primary uranium mineral and a metallurgical study concluded that no metallurgical problems existed.

Area 3

Two separate Radon gas surveys (ROAC – Radon on Activated Charcoal) were completed by Goldfields. An orientation survey over Area 1 confirmed that the anomalous area defined by the ROAC method coincided with that defined by the ground radiometric survey. The anomalous area was then confirmed by drill testing (refer above).

A regional ROAC survey was then conducted over large radiometrically anomalous areas of sand and scree and defined a 5,000m by 2,000m anomaly coincident with the Erongo/Salem Granite contact in an area referred to as Area 3. A total of 12 percussion holes of a reconnaissance nature were drilled in a very limited area in the western portion of the Radon anomaly. The programme was abandoned as the holes kept caving. A flat lying zone of uranium mineralization roughly 6m thick was identified, but mostly the results were low and sporadic. The anomaly remains effectively untested.

Figure 1 shows that the anomalous zone defines the granite contact over a minimum length of 8km. This data highlights the importance of the contact between the younger Erongo Granite and the older Salem granite as a highly significant mineralised exploration target.

Area 2

Approximately 30 percussion holes were drilled in Area 2 by Falconbridge. Not all sections were available although the drill hole locality map had good mineralisation annotated in 3 holes (no actual grades are available).

Geophysical analysis of radiometric data has identified a significant, untested target immediately west of area the subject of the reconnaissance drilling by Falconbridge. In addition, a significant radiometric anomaly which dominates the southern portion of Area 2 remains untested.

Proposed Exploration Programme

An RC rig has been secured and is scheduled to commence an initial 10,000 metre drilling programme in April 2007 to test targets at Areas 1, 2 and 3 at the Erongo Granites Project. Drilling at Area 1 will be designed to confirm historic results and test potential extensions of the previously identified mineralised zone. Ground radiometric surveys will be completed at Areas 2 and 3 to further refine anomalous targets, which will then be drill tested. The objective is to define large tonnage, low grade resources at each of the target areas.

Spitzkoppe Project (ERN 90%)

This project consists of two granted tenements covering approximately 500 sq kms and lies to the west of the Erongo Granites Project. The Company is targeting secondary calcrete-hosted mineralisation (similar to Langer Heinrich) as well as granite-hosted mineralisation.

The project area lies within an ancient drainage system downslope from surrounding granites elevated in uranium. Strong calcrete development has been identified in the western area of the project, which is a suitable host rock for secondary uranium mineralisation. A number of drainage related targets have also been identified by geophysical interpretation of radiometric data. There has been limited historic work on this project area.

Proposed Exploration Programme

Initial exploration work will follow up on radiometric anomalies in the form of a detailed ground radiometric survey and a regional calcrete and soil sampling programme. Distinct anomalies will be followed up with drilling.

Scientific or technical information in this news release has been prepared under the supervision of Mr Klaus Eckhof, a consultant to the Company and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Eckhof has sufficient experience which is relevant to the style of mineralisation 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” (the JORC Code). Mr Eckhof consents to the inclusion in this report of the Information, in the form and context in which it appears.

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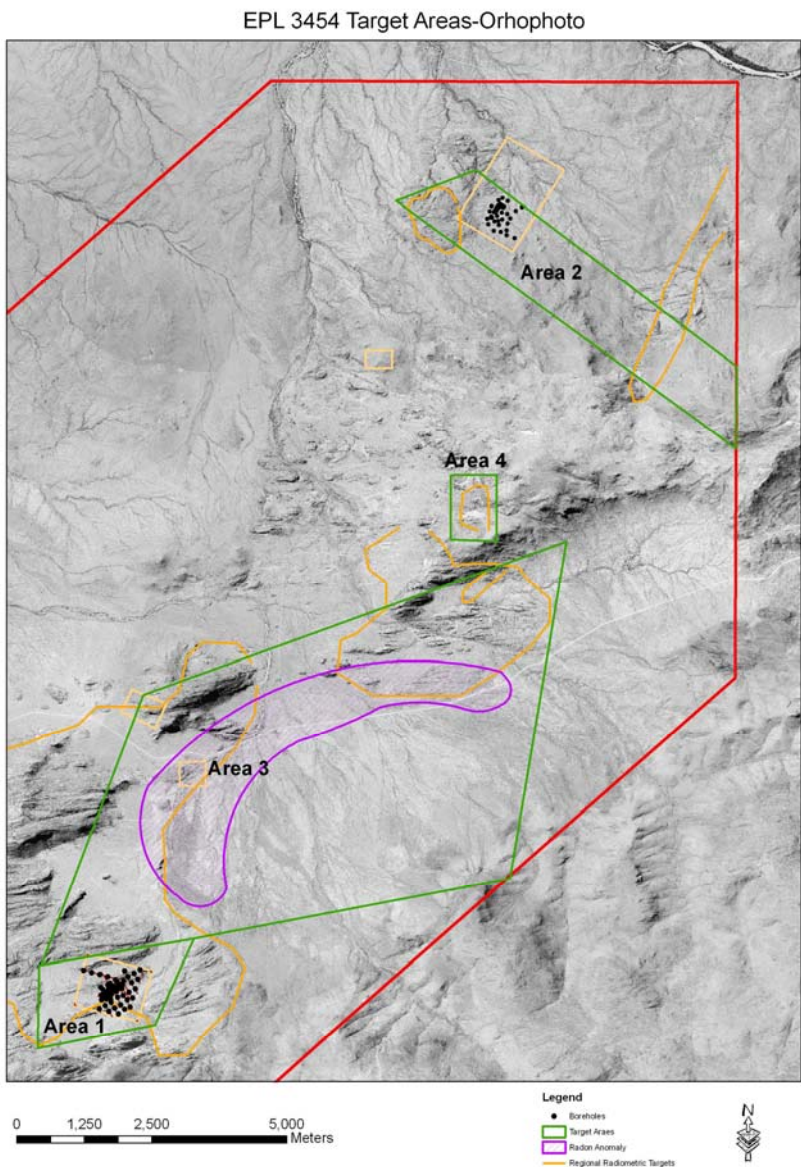


Figure 1. Erongo Granites Project: Summary map showing historic drill hole localities, extent of Radon gas anomaly, interpreted geophysical targets and priority exploration targets on the orthophoto background.