

18 August 2006

By Electronic Lodgement

No. Pages: 3

Environmental Clearances Obtained, Drilling to Commence in Namibia

Following confirmation from the relevant Departmental officials the Company has now obtained the requisite environmental clearances from government authorities allowing for the commencement of all exploration activities effective immediately over its uranium projects in Namibia.

Drilling rigs have been booked and programmes are now set to commence over both the Swakop River and Welwitschia licences commencing around the 11th of September 2006.

Diamond drilling is set to commence at the *Goanikontes* uranium prospect in an area of substantial known mineralisation from historic drilling. The drilling is aimed at verifying the substantial widths and grade of uranium mineralisation previously intercepted.

Better historic drilling results from Goanikontes include:

23m @ 541 ppm U3O8	23m @ 397 ppm U3O8
50m @ 457 ppm U3O8	45m @ 393 ppm U3O8
46m @ 443 ppm U3O8	60m @ 269 ppm U3O8
44m @ 436 ppm U3O8	62m @ 260 ppm U3O8

The drilling will also attempt to extend the previously defined mineralisation both at depth and along strike. Concurrently the Company will be re-accessing available historic drillholes with a gamma ray spectrometer to re-log and verify previous results.

A programme of Aircore drilling will also commence at *Swakop River* at the same time. Drilling will test the Elspe palaeodrainage channel away from the western border of the licence. This area is thought to be the downslope continuation of the paleodrainage channel hosting Paladin's Langer Heinrich uranium mineralisation.

The Company has now opened an office in the nearby township of Swakopmund and has employed all necessary staff to conduct its operations in Namibia.

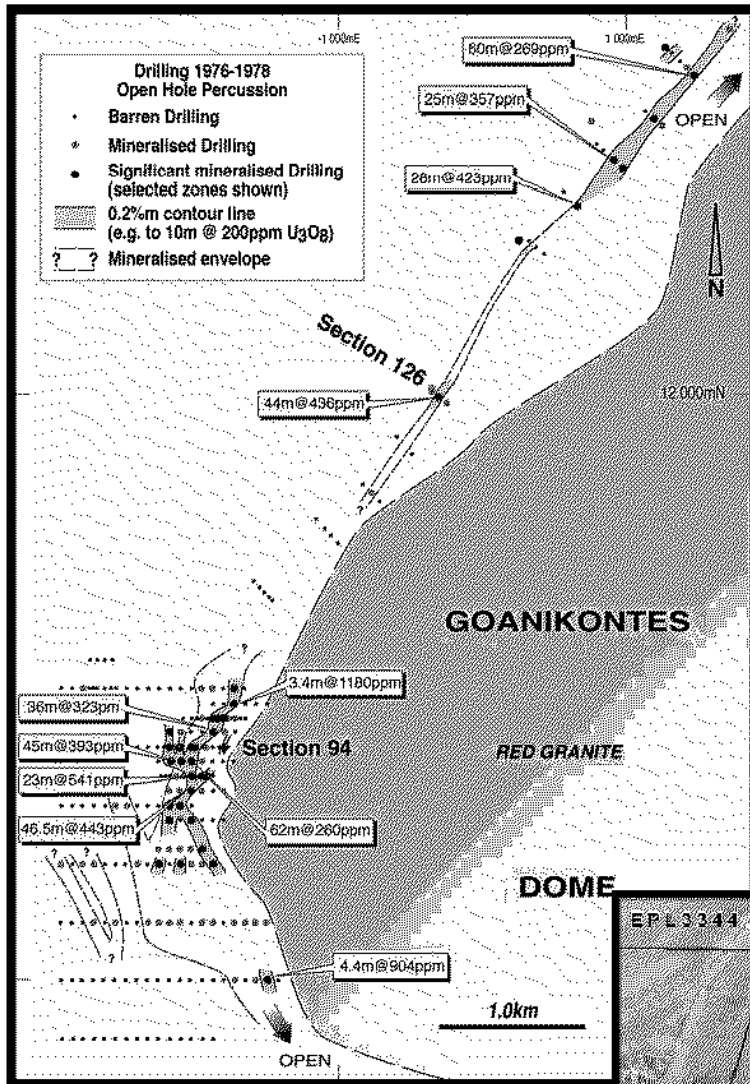
Additionally an airborne geophysics survey has been completed over the Company's Botswanan projects with data currently being processed.

Peter Batten

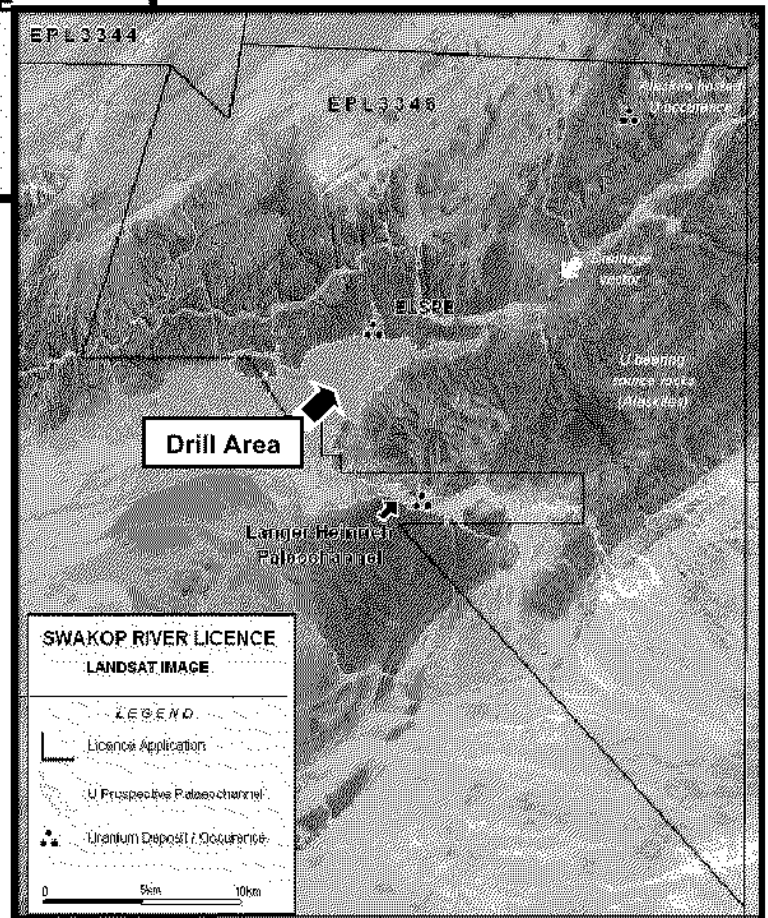
Managing Director

Information in this report pertaining to mineral resources and exploration results is based on information compiled by Mr Peter Batten who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Batten is a full time employee of the Company. Mr Batten has sufficient experience with respect to mineral exploration and to the activities being undertaken and qualifies 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 Batten consents to the inclusion in the report of the matters on his information in the form and context in which it appears.

Goanikontes Prospect – Welwitschia Project



Swakop River Project



Level 2, 22 Oxford Close West Leederville WA 6007
 PO Box 1681 West Perth WA 6872
 T: 08 9381 1436 F: 08 9381 1068
 ACN: 113 017 128