
Victory Bore Drill Targets

- **RC drilling currently underway testing a 3.5km x 800m structurally complex zone**
- **Review of historical gold intercepts shows potential of high-grade gold mineralisation**
- **Increased exploration potential along strike and down dip**

The Company's maiden RC drill programme is currently underway at Victory Bore. Figure 1 shows the current target area as a 3.5 km long x 800m wide zone of structural complexity (inset Figure 1) along an otherwise sub-parallel linear package of units with high and low magnetic response.

The target area contains a number of previously reported high grade gold intercepts. The structurally complex zone is characterised by a "blow-out" in sub-linear magnetic units which correspond with a series of NE-SW trending cross cutting sinistral faults. Other structures present are NW-SE trending faults and shears with strike inflexions with potential dilation zones.

These dilation zones, particularly where they intersect cross cutting structures, provide excellent targets for potential fluid pathways and gold mineralisation.

A re-examination of the distribution of gold in the original Battle Mountain drilling has shown notable high-grade intercepts contain very high inner zone.. For example, hole YP780 contains 8m @ 10.2 g/t Au from 20m *including 4m @ 20.38 g/t Au from 20m*. 200m along strike of this intercept is drill hole YR875 which contains 6m @ 5.41 g/t Au from 59m, *including 1m @ 25.67 g/t Au from 59m*. There appears to be several mineralised high grade horizons which the current RC drilling campaign is presently targeting.

Historic drilling along strike of this mineralised horizon has not previously been tested and remains open. The current programme will test these horizons along strike and also a number of the cross-cutting faults. It should be noted that none of the mineralised horizons or structures in the area have been tested at depth.

In addition to the current drill targets in the northern portion of the lease, magnetic data shows a large zone of structural complexity and has been identified as providing three major target zones for future exploration. Target 1 is the probable northwards extension of the known Victory Bore mineralised gold horizon whilst Targets 2 and 3 are areas of potential dilation and multiple fracture cleavages, both of which provide potential gold trap sites for fluid migrating along these pathways.

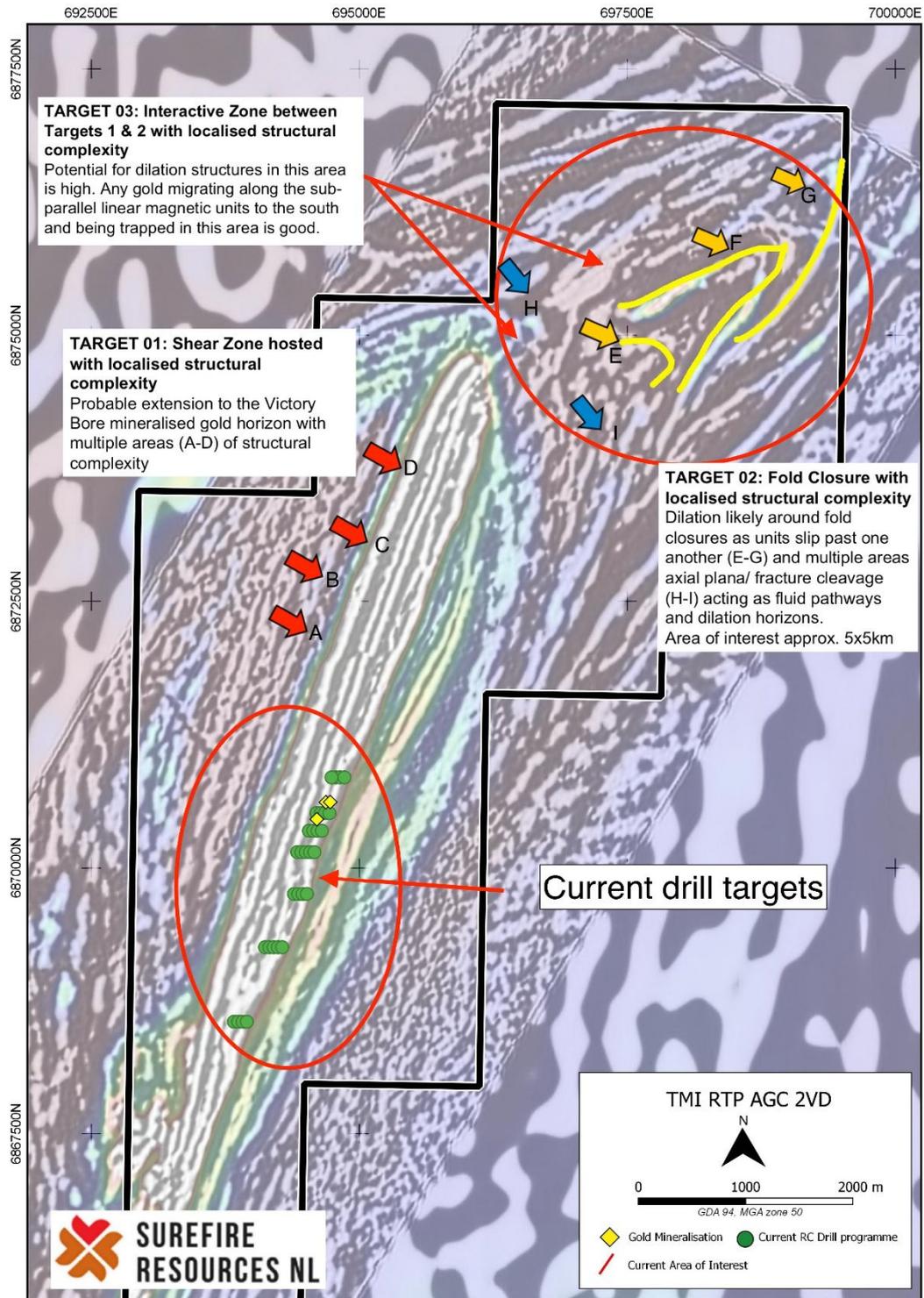


Figure 1:Victory Bore Current Drill Target Area

The Company will continue to update the market on the progress of the current exploration progress.

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