NEWS RELEASE

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EXPLORATION UPDATE – IDENTIFICATION OF FURTHER SIGNIFICANT MINERALISATION AT KARAGBA

Further results received from recent drilling at the Moto Gold Project:

- At the Karagba Prospect, all four diamond holes completed recently across the mineralised zone returned significant intercepts including: 6m @ 4.35 g/t, 24m @ 3.74 g/t, 34m @ 2.76 g/t, 10m @ 2.61 g/t and 48m @ 2.06 g/t Au.

  The drilling has defined an interpreted northeast plunging mineralised zone that has a strike length of greater than 200m, a thickness of up to 100m and a potential down plunge length of over 450m. The mineralisation is open down dip to the southeast and down plunge to the northeast. An upgraded resource estimate is planned for August 2005.

- At the Sessenge Prospect results from recent drilling include: 8m @ 3.85 g/t, 6m @ 5.11 g/t, 26m @ 3.04 g/t, 28m @ 3.58 g/t, 30m @ 2.22 g/t and 28m @ 2.10 g/t Au. An initial resource estimate is planned for August 2005.

- At Pakaka, diamond drilling on the down-plunge extension of the deposit has intersected significant mineralisation including: 18m @ 6.12 g/t and 6m @ 6.05 g/t Au. Completion of infill drilling to enable a resource upgrade is scheduled for August 2005.

Results from an independent preliminary metallurgical testwork program indicate recoveries for oxide samples are generally at or above 90%. The initial pre-feasibility study is scheduled for completion in October 2005.

The Company currently has four drill rigs operating at the Moto Gold project in the north east of the Democratic Republic of Congo. Two diamond rigs are currently employed at the Pakaka deposit testing extensions to the known mineralisation and completing infill drilling to increase confidence in the resources. One diamond rig and one RC rig are currently employed at Karagba and Sessenge respectively seeking to identify mineralisation for resource estimation purposes at these early stage prospects.

KARAGBA

All four diamond holes, DDD014 to DDD017 inclusive, completed recently across the Karagba mineralised zone returned significant intercepts including: 6m @ 4.35 g/t Au from 60m to 66m and 10m @ 2.61 g/t Au from 80m to 90m in DDD014, 34m @ 2.76 g/t Au from 18m to 52m in DDD015, 24m @ 3.74 g/t Au from 82m to 106m in DDD016 and 48m @ 2.06 g/t Au from 80m to 128m in DDD017.

These diamond holes were completed to infill on the NW-SE drill section lying 50m northeast of the Karagba artisinal pit. Previous RC campaigns failed to test the mineralisation at depth with both DRC079 (120m @ 3.63 g/t Au) and DRC077 (16m @ 1.32 g/t Au) ending in mineralisation.

The drilling has defined an interpreted northeast plunging mineralised zone that has a strike length of greater than 200m, a thickness of up to 100m and a potential down plunge length of over 450m. The mineralisation is open down dip to the southeast and down plunge to the northeast. A drill programme is underway to test between this drill line and the previously reported drill line formed by DDD011, 12 and 13 lying 370m to the northeast. The best intercept on this drill line was 118m @ 5.19 g/t Au in DDD011. An upgraded resource estimate is planned for August 2005.

Significant results received and not previously reported are summarised in Table 1.

The Karagba mineralisation lies within the Durba-Karagba mineralised corridor. This corridor is 6km in length, trending NE and up to 250m in width. The mineralised zones are spaced at between 400m to 500m along strike within this corridor and all share a similar NE plunge component of minus 30^{O}. A recent re-evaluation of previous exploration results within this corridor to the NE of the Karagba mineralisation has identified other mineralised prospects. This includes a gold-in-soil anomaly defined by values of 190ppb and 194ppb Au and coincident with a topographic crest. The anomaly is 1km along strike to the NE from the surface position of the Karagba Prospect. A further 500m to the NE, RC drillhole AERC049 intersected 14m @ 6.45 g/t Au from 20m to 34m. This is coincident with a gold-in-soil geochemical anomaly exceeding 100ppb Au.

SESSENGE

All results from the initial 32-hole RC programme and results from initial holes in the recently commenced infill programme have been received. These latest results further demonstrate the excellent economic potential of this prospect. Significant intercepts include: 8m @ 3.85 g/t Au from 120m to 128m in SRC022, 6m @ 5.11 g/t Au from 100m to 106m in SRC025, 26m @ 3.04 g/t Au from 0m to 26m in SRC035, 28m @ 3.58 g/t Au from 10m to 28m in SRC036, 30m @ 2.22 g/t Au from 30m to 60m in SRC037 and 28m @ 2.10 g/t Au from 0m to 28m in SRC072. An initial resource estimate is planned for August 2005.

Significant results received and not previously reported are summarised in Table 2.

PAKAKA

Diamond drilling on the down-plunge extension of the Pakaka Deposit has intersected significant mineralisation including: 18m @ 6.12 g/t Au from 219m to 237m in PDD030 (including 4m @ 17.83 g/t Au from 221m to 225m), and 6m @ 6.05 g/t Au from 268m to 274m in PDD038. This programme has traced the mineralisation down plunge for 900m and to a vertical depth of 300m. It remains open in the down-plunge direction and the intercept in PDD030 demonstrates the excellent future underground potential for this deposit. Resource modelling is now in progress.

A 10,000m infill diamond drill programme on a 40m x 40m grid designed to enable a resource upgrade from inferred to indicated status is also in progress and is scheduled for completion in August 2005.

Significant results received and not previously reported are summarised in Table 3.

OTHER PROSPECTS

A number of new mineralised zones have been identified for exploration drilling over the next 6 months. The untested resource potential of the project remains significant, however the Company plans to reduce its "early stage" target drilling to one RC rig, and use the three diamond drill rigs to upgrade the resource base for the purpose of determining project economics.

PRE-FEASIBILITY WORK

A preliminary metallurgical testwork program, including comminution and whole ore leach testwork, has been completed from samples collected during recent drilling. Samples were obtained from Gorumbwa, Kibali, Pakaka, Megi and Pamao. The testwork programme was coordinated by RSG Global and conducted at the laboratory of Independent Metallurgical Laboratories in Perth, Western Australia. The results are included in more detail in the technical report prepared by RSG Global and released on 17 June 2005. In summary the results show that the mineralised material exhibits low to moderate hardness and is readily amenable to crushing and grinding. Gold extraction using cyanidation for oxide samples from all deposits is generally at or above 90% with fresh samples from the Pakaka and Pamao deposits exhibiting gold extractions above 80%.

SGS from Ghana has been engaged to complete a detailed environmental baseline survey to determine any environmental issues associated with a new operation.

The Company anticipates the initial pre-feasibility work to be completed in October 2005.

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Additional Notes:

Scientific or technical information in this news release has been prepared under the supervision of Greg Smith, Exploration Manager of the Company and a qualified person under National Instrument 43-101 and a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Greg Smith 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).

Caution Regarding Forward Looking Statements: Statements regarding the Company's plans with respect to developing the Moto Gold Project are forward-looking. There can be no assurance that any mineralisation will be proven to be economic, that anticipated metallurgical recoveries will be achieved, that future evaluation work will confirm the viability of deposits identified with the project or that future required regulatory approvals will be obtained.

Karagba Deposit - Significant Intercepts (table 1)

Hole_id	UTM_North	UTM_East	UTM_RL	Azimuth	Dip	Depth	From	To	Interval	Au g/t
DDD014	344950	787030	853	0	-90	174	60	66	6	4.35
							80	90	10	2.61
							108	112	4	0.53
DDD015	344840	787132	857	0	-90	206	18	52	34	2.76
							68	72	4	2.41
							80	88	8	5.45
							126	130	4	0.73
							150	154	2	2.42
							164	172	8	1.06
							190	198	8	0.76
DDD016	344810	787154	851	0	-90	247.25	46	62	16	1.83
							82	106	24	3.74
							132	138	6	1.09
							144	152	8	0.90
							180	182	2	33.44
							221	225	4	5.61
DDD017	344780	787183	850	0	-90	254	70	72	2	3.18
							80	128	48	2.06
							154	156	2	2.99
							200	208	8	0.99
							222	224	2	1.85

Sessenge - Significant Intercepts (table 2)

Hole_id	UTM_North	UTM_East	UTM_RL	Azimuth	Dip	Depth	From	To	Interval	Au g/t
SRC020	343561	785908	869	0	-90	80				NSI
SRC021	343562	785983	859	0	-90	120				NSI
SRC022	343560	786040	855	0	-90	140	120	128	8	3.85
SRC023	343479	785801	841	0	-90	60				NSI
SRC024	343481	785887	869	0	-90	80				NSI
SRC025	343483	785954	870	0	-90	120	84	86	4	1.50
							100	106	6	5.11
SRC026	343480	786040	850	0	-90	140	34	38	4	0.91
							72	74	2	1.31
SRC027	343396	785803	853	0	-90	60	34	36	2	1.83
SRC028	343403	785878	863	0	-90	80	62	70	8	2.88
SRC029	343400	785958	870	0	-90	120	2	4	2	1.29
							16	34	18	1.05
							54	56	4	7.20
SRC030	343320	785798	860	0	-90	60	10	28	18	1.42
SRC031	343321	785878	867	0	-90	80	6	8	4	0.88
							24	26	2	3.54
							52	54	4	0.95
SRC032	343320	785959	861	0	-90	120				NSI

SRC033	344000	785820	845	0	-90	60	2	18	16	1.11
							28	30	2	1.19
SRC034	344000	785860	845	0	-90	80	0	18	18	1.48
							24	26	2	1.11
SRC035	344000	785900	845	0	-90	100	0	26	26	3.04
SRC036	344000	785940	845	0	-90	120	10	38	28	3.58
							44	48	4	2.16
SRC037	344000	785980	845	0	-90	140	0	2	2	2.12
							30	60	30	2.22
							68	74	6	1.82
SRC066	343720	785840	845	0	-90	50	0	16	16	2.15
							20	22	2	1.59
							34	36	2	1.40
SRC067	343720	785920	845	0	-90	80	26	44	18	1.23
							56	72	16	0.50
SRC070	343680	785820	845	0	-90	50	0	2	2	1.44
SRC071	343680	785860	845	0	-90	60	0	2	2	2.55
							42	44	2	1.56
SRC072	343680	785900	845	0	-90	70	0	28	28	2.10
							42	44	2	1.00
							58	60	2	1.52
SRC077	343640	785840	845	0	-90	40	0	2	4	0.69

Pakaka Deposit - Significant Intercepts (table 3)

Hole_id	UTM_North	UTM_East	UTM_RL	Azimuth	Dip	Depth	From	To	Interval	Au g/t
PDD030	348720	788840	877	0	-90	250	219	237	18	6.12
PDD036	348640	788920	866	0	-90	320.05	253	261	8	1.27
							279	283	4	1.12
PDD038	348797	788922	901.913	0	-90	330	268	274	6	6.05
PDD039	348877	788922	899.329	0	-90	335	260	262	2	1.23
							286	304	18	0.81
PDD040	348958	788925	894.712	0	-90	346.95	274	276	2	2.25
PDD041	349000	788760	874	0	-90	250	187	199	12	1.56
PDD042	349000	788600	874	0	-90	251.05	158	166	8	1.17
							170	172	2	1.42

NOTES TO TABLES:

1. All drillholes are drilled vertical. The mineralisation dips 15^0 to 30^0 to the northeast at Pakaka, Karagba and Sessenge. The intersected true width is approximately 90 % of the intercept.

2. Genalysis Laboratory Services located in Perth, Western Australia completed all assays on drill core from Karagba and Pakaka while SGS Mwanza completed assay of the RC chips from Sessenge. Fire assay using a 50gm charge was used for all assays.

3. NSI – no significant intercept.