

16 May 2011

Exploration Update - Maniema Gold and Tin Project

Highlights

- Further trench results confirm prospectivity of main target area at PR4804, a target within the Maniema Project in the Democratic Republic of Congo (DRC).
- Significant anomaly identified with **strike of more than 1km and widths in excess of 80m.**
- Updated results following extensions to previous trenching include:
 - **52m @ 4.61g/t Au from Trench KBT02**
 - **80m @ 3.72g/t Au from Trench KBT05**
 - **24m @ 3.34g/t Au from Trench KBT06**
- **Diamond drill testing** of this highly-prospective target scheduled to commence in **June 2011.**

Maniema Project

The Maniema Gold and Tin Project (Maniema Project) covers 1,800 square kms of prospective ground in the Maniema Province, east central DRC, and is located in one of the world's principal Precambrian orogenic-metallogenic provinces.

Seven significant target areas were identified on the project from previous exploration which included stream sediment, rock chip and soil sampling and trenching. The most advanced target is on PR 4804, where soil sampling and excavation of eight trenches has resulted in the identification of a significant anomaly over a strike of more than 1km. The Company has recently extended seven of the trenches. Complete results for the seven trenches are shown in Table 1 below.

Table 1: Trench Results from PR 4804

| Trench_ID | Easting (mE) From | Easting (mE) To | Northing (mN) | Magnetic Azimuth | From (m) | To (m) | Width (m) | Au (ppm) |
|-----------|-------------------|-----------------|---------------|------------------|----------|--------|-----------|----------|
| KBT01 | 489308 | 489392 | 9583920 | 90 | 21 | 60 | 39 | 0.8 |
| | | | | including | 22 | 35 | 13 | 1.43 |
| KBT02 | 489286 | 489370 | 9584020 | 90 | 24 | 76 | 52 | 4.61 |
| KBT03 | 489357 | 489374 | 9583821 | 90 | 10 | 18 | 8 | 2.45 |
| KBT04 | 489206 | 489309 | 9584130 | 90 | 98 | 110 | 12 | 3.06 |
| KBT05 | 489409 | 489503 | 9583718 | 90 | 16 | 96 | 80 | 3.72 |
| KBT06 | 489200 | 489291 | 9584200 | 90 | 0 | 24 | 24 | 3.34 |
| KBT07 | 489410 | 489486 | 9583560 | 90 | 56 | 96 | 40 | 0.89 |
| | | | | including | 56 | 68 | 12 | 1.44 |

Trench KBT05 was stopped short of a significant primary artisanal working, confirming mineralisation remains open further to the east. An eighth trench (KBT08) was manually excavated 150m to the south of KBT07 but failed to reach bedrock. Samples collected 2-3m below surface reported a maximum grade of 0.37g/t Au in soils suggesting mineralisation continues further south.

Erongo Managing Director Mark Gasson said the results were highly encouraging for the Company.

“Mineralisation has been identified over 1km, open to the north and south, with widths in excess of 80m,” Mr Gasson said.

“The previous limited drilling program with hand-held equipment also intersected significant mineralisation down to 6m below the trench samples, which was the maximum depth achieved with the equipment.

“The target now needs to be diamond drill tested to evaluate the true mineralised potential.”

As previously advised, senior management and the drilling contractor have completed a site visit to assess ground conditions, access and water availability. The Company is currently establishing a field camp, designing the first stage drilling program and will soon commence drill pad clearance.

Diamond drill testing of the highly prospective target at PR4804 is on schedule to commence in June 2011, subject to receiving necessary access clearances from the DRC authorities.

For further information in respect of Erongo, please contact:

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Scientific or technical information in this report has been prepared by Mr Mark Gasson, the Managing Director of the Company and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Gasson 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 Gasson consents to the inclusion in this report of the Information, in the form and context in which it appears.