



28th June 2011

DOLPHIN PROJECT TAILINGS RESOURCE CONFIRMED

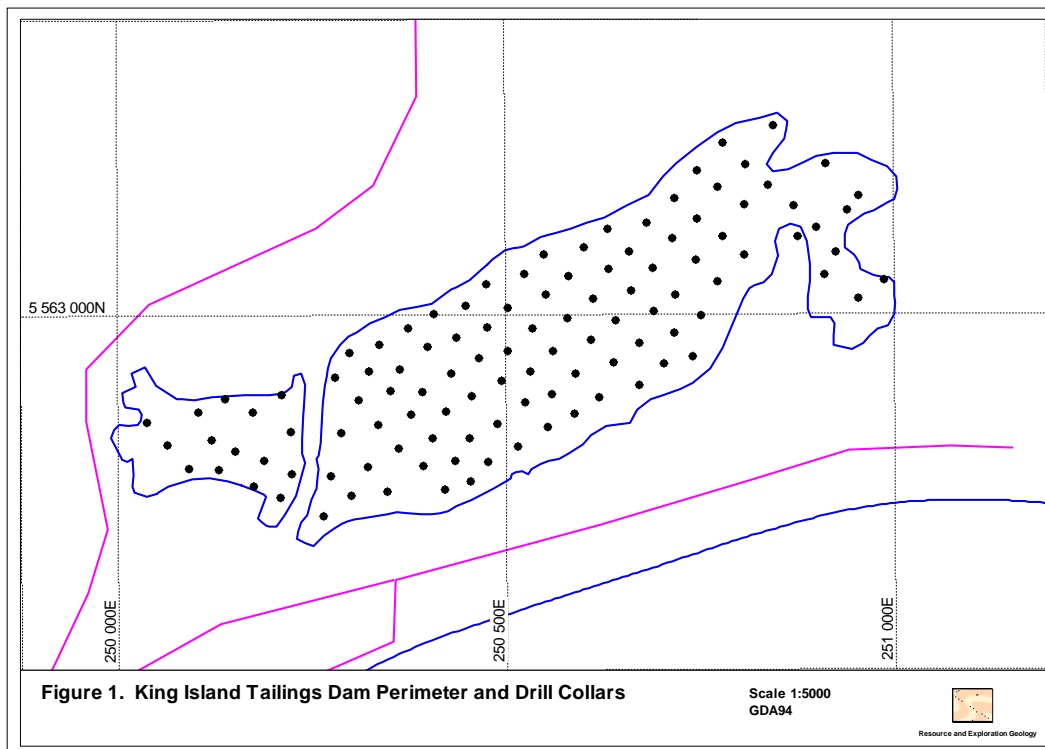
A measured tungsten resource of **2,700,000 tonnes at 0.17% WO₃** containing **459,000 metric tonne units (mtu = 10 kilograms)** has been confirmed for the tailings at the Dolphin Mine, King Island. This revised resource is based on a recent drilling programme and is supplementary to the earlier announced Dolphin and Bold Head resources. The estimated resource tonnes, grade and classification are summarised in Table 1.

TAILINGS RESOURCE ESTIMATE

As announced previously, a study is underway to confirm the commercial viability of re-treating tailings from the former tungsten mine on King Island. The first part of this study involved confirmation of the volume and grade of the tailings to be re-treated. A total of 112 air-core reverse circulation drill holes on an approximate 40m x 40m pattern was completed in March 2011 (Figure 1). Drill collar details are located in Table 2.

Table 1. Historic Tailings Resource at a 0.08% WO ₃ cut off			
Classification	Tonnes '000	WO ₃ %	Tonnes WO ₃
Measured	2,700	0.17	4,590

(see explanatory note regarding the JORC Code and competent person statements).



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The tailings volume is estimated from a basement digital terrain model created from drill logs and a surface topography digital terrain model. The drill spacing of 40m is less than modelled variogram ranges of 60m. Density measurements are made using known volumes of tailings from piston sampling.

The estimated grade reconciles perfectly with the historic production average tail grade of 0.17% WO₃. Because of this good reconciliation and the drill spacing the resource has been classified as a Measured Resource in accordance with the 2004 edition of the JORC Code

Testwork completed by our consulting engineer (GHD) confirmed that a dry recovery (truck and shovel) method is the preferred means of extracting tailings for re-treatment.

Metallurgical tests in China and Canada, to confirm WO₃ recoveries from re-treated tailings by whole of ore flotation, are well underway with encouraging results from preliminary studies.

This additional tungsten resource will enable production to commence as soon as the "flotation" part of the mill is commissioned. This would generate early cash flow for the Project.

GR Engineering is currently updating the mill construction schedule and costings. This revised schedule will determine the period available for tailings re-treatment ahead of full production from the underground mine.

REVIEW OF DOLPHIN UNDERGROUND MINING METHOD

A review of the underground mining method is in progress for the use of paste fill instead of hydraulic fill.

Benefits to the project from paste fill are expected to include higher recoveries, improved safety and operating efficiencies.

Additional tonnes of ore mined are expected to generate revenues in excess of the marginal costs associated with paste fill.

REVISION OF DOLPHIN RESERVE CUT OFF GRADE

In response to improved tungsten prices a revised cut-off grade is currently being finalised. Reductions to both the perimeter and stoping cut-off grades are expected to substantially extend the mine life with an increased reserve statement.

DOLPHIN SOUTH EXPLORATION DRILLING

The first drill hole of a 4 x 500m diamond drilling campaign is nearing completion at Dolphin South. This exploratory drilling is designed to demonstrate the continuation of high-grade tungsten mineralisation down-plunge from the historic Dolphin underground workings.

For further information, please contact:

Simon Bird
Chief Executive Officer
(02) 8622 1400

Explanatory Notes for Resource Statement: Competent Person and JORC Code

The resource report was prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Consultant Geologist Mr Tim Callaghan of Resource and Exploration Geology, who is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM"); has a minimum of twenty years experience as a geologist, five of which are in the estimation, assessment and evaluation of Mineral Resources of this style and is the Competent Person as defined in the JORC Code. This announcement accurately summarises and fairly reports his estimations and he has consented in writing to the resource report in the form and context in which it appears.

Table 2. Drill Collar Details

BHID	Easting	Northing	RL	Depth	Dip
KD001	250,280	5,562,920	28	7	-90
KD002	250,310	5,562,890	28	13	-90
KD003	250,335	5,562,859	28	13	-90
KD004	250,361	5,562,828	28	16	-90
KD005	250,393	5,562,805	28	19	-90
KD006	250,420	5,562,775	28	8	-90
KD007	250,454	5,562,786	28	5	-90
KD008	250,434	5,562,812	28	16	-90
KD009	250,405	5,562,841	28	17	-90
KD010	250,378	5,562,872	28	16	-90
KD011	250,351	5,562,902	28	14	-90
KD012	250,324	5,562,928	28	10	-90
KD013	250,299	5,562,952	28	6	-90
KD014	250,337	5,562,962	29	7	-90
KD015	250,363	5,562,930	29	13	-90
KD016	250,392	5,562,901	29	16	-90
KD017	250,422	5,562,876	29	18	-90
KD018	250,453	5,562,841	28	19	-90
KD019	250,476	5,562,811	28	18	-90
KD020	250,515	5,562,830	28	23	-90
KD021	250,488	5,562,859	29	20	-90
KD022	250,456	5,562,895	29	19	-90
KD023	250,429	5,562,924	29	17	-90
KD024	250,399	5,562,959	29	14	-90
KD025	250,374	5,562,983	29	10	-90
KD026	250,407	5,563,001	30	12	-90
KD027	250,436	5,562,971	30	16	-90
KD028	250,465	5,562,945	30	18	-90
KD029	250,494	5,562,915	29	18	-90
KD030	250,525	5,562,887	29	15	-90
KD031	250,553	5,562,855	29	18	-90
KD032	250,588	5,562,873	29	12	-90
KD033	250,559	5,562,897	29	13	-90
KD034	250,531	5,562,927	30	13	-90
KD035	250,502	5,562,954	30	14	-90
KD036	250,476	5,562,984	30	14	-90
KD037	250,448	5,563,012	31	12	-90
KD038	250,475	5,563,040	31	12	-90
KD039	250,503	5,563,009	31	10	-90
KD040	250,534	5,562,982	30	14	-90
KD041	250,560	5,562,953	30	16	-90
KD042	250,590	5,562,924	29	13	-90
KD043	250,620	5,562,893	29	11	-90
KD044	250,671	5,562,909	28	6	-90
KD045	250,638	5,562,939	29	13	-90
KD046	250,609	5,562,968	29	15	-90
KD047	250,579	5,562,995	30	15	-90
KD048	250,552	5,563,026	31	10	-90
KD049	250,524	5,563,053	31	9	-90
KD050	250,550	5,563,078	31	5	-90
KD051	250,581	5,563,050	31	9	-90
KD052	250,612	5,563,021	30	11	-90
KD053	250,641	5,562,993	29	14	-90
KD054	250,672	5,562,964	29	13	-90

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BHID	Easting	Northing	RL	Depth	Dip
KD055	250,703	5,562,937	28	13	-90
KD056	250,741	5,562,946	28	10	-90
KD057	250,717	5,562,976	29	14	-90
KD058	250,690	5,563,005	29	10	-90
KD059	250,661	5,563,031	30	11	-90
KD060	250,632	5,563,059	30	9	-90
KD061	250,601	5,563,087	31	6	-90
KD062	250,631	5,563,110	31	6	-90
KD063	250,659	5,563,082	30	9	-90
KD064	250,690	5,563,060	29	13	-90
KD065	250,719	5,563,026	29	13	-90
KD066	250,752	5,562,999	28	13	-90
KD067	250,773	5,563,043	28	12	-90
KD068	250,745	5,563,071	29	9	-90
KD069	250,715	5,563,099	30	12	-90
KD070	250,682	5,563,119	30	9	-90
KD071	250,808	5,563,077	28	12	-90
KD072	250,780	5,563,101	29	13	-90
KD073	250,747	5,563,123	29	11	-90
KD074	250,718	5,563,150	30	12	-90
KD075	250,808	5,563,142	28	9	-90
KD076	250,774	5,563,164	30	7	-90
KD077	250,747	5,563,186	31	10	-90
KD078	250,846	5,563,244	31	5	-90
KD079	250,781	5,563,221	31	9	-90
KD080	250,809	5,563,194	31	4	-90
KD081	250,839	5,563,167	29	3	-90
KD082	250,871	5,563,140	29	7	-90
KD083	250,901	5,563,112	29	10	-90
KD084	250,926	5,563,080	29	9	-90
KD085	250,955	5,563,153	31	7	-90
KD086	250,988	5,563,044	32	6	-90
KD087	250,954	5,563,020	31	6	-90
KD088	250,911	5,563,051	31	3	-90
KD089	250,940	5,563,134	30	9	-90
KD090	250,913	5,563,194	31	4	-90
KD091	250,877	5,563,100	30	3	-90
KD092	250,287	5,562,848	28	11	-90
KD093	250,322	5,562,804	28	13	-90
KD094	250,346	5,562,772	28	17	-90
KD095	250,300	5,562,767	27	12	-90
KD096	250,274	5,562,793	27	11	-90
KD097	250,264	5,562,741	27	10	-90
KD098	250,037	5,562,862	25	4	-90
KD099	250,064	5,562,833	25	7	-90
KD100	250,091	5,562,803	25	3	-90
KD101	250,130	5,562,801	23	5	-90
KD102	250,175	5,562,780	24	7	-90
KD103	250,209	5,562,765	24	9	-90
KD104	250,223	5,562,795	25	8	-90
KD105	250,188	5,562,813	24	7	-90
KD106	250,151	5,562,825	24	7	-90
KD107	250,121	5,562,840	24	3	-90
KD108	250,103	5,562,876	25	5	-90
KD109	250,138	5,562,892	25	4	-90
KD110	250,174	5,562,875	25	4	-90
KD111	250,223	5,562,850	25	7	-90
KD112	250,211	5,562,898	25	5	-90