

19 July 2011

The Manager

Company Announcements Office

ASX Limited

DRILLING HAS COMMENCED AT MINERAL HILL SOUTH

Follow-up Drilling of IP Anomalies

Exalt Resources Limited ("**Exalt**" or "**the Company**") is pleased to announce it has commenced drilling on its 100% owned Mineral Hill South Project EL7663.

1,500m of RC drilling has been designed to target the most promising chargeability anomalies identified in the 3D IP (Induced Polarisation) surveys that took place in July-August. The Mineral Hill mineralisation was highlighted as chargeability anomalies in IP surveys in 1970 by Cyprus Mines Corporation (Press 18th July).

Exalt's Managing Director Emmanuel Corriea said, "the chargeability anomalies are exciting targets lying on the same north-west structure and in the same rock types less than 8km to the south-east of Mineral Hill itself. This is a very exciting exploration space; EL7663 is immediately south of Kimberley Metals Mineral Hill leases, adjacent to the south-east of Kidman Resources' Blind Calf tenement and is bounded by OZ Minerals exploration leases to the south.

Mineral Hill is entering a renaissance under the guidance of Kimberley Metals; currently returning to production and recently announcing a resource upgrade of 44,385 tonnes of copper 125,516 ounces of gold; and Kidman Resources' Blind Calf discovery returned 23m @ 7.07% Cu in the last round of drilling."

Figure 1 illustrates the position of the proposed drillholes with relation to Mineral Hill and Blind Calf.

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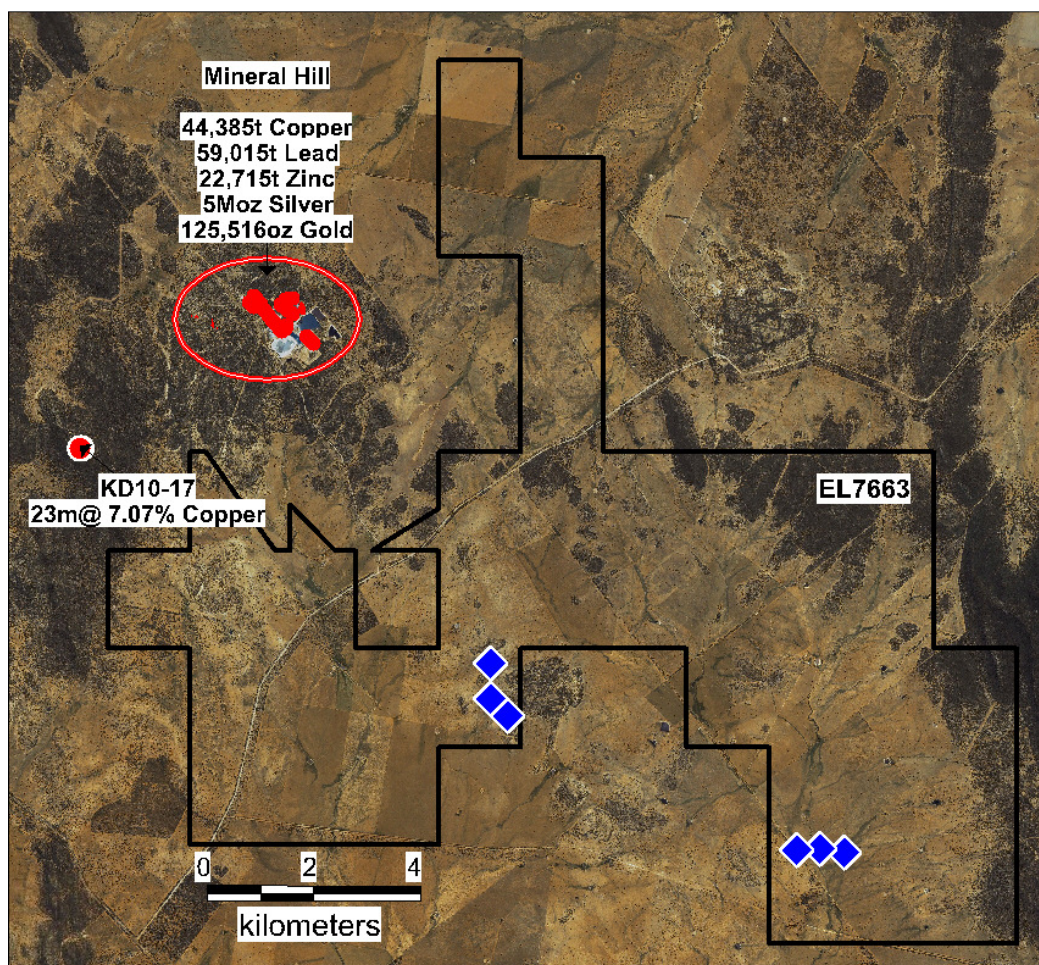


Figure 1 – EL7663 showing Mineral Hill and Blind Calf (KD10-17); proposed Exalt drill holes in Blue

Exalt’s Mineral Hill South Project is adjacent to the Mineral Hill owned by Kimberley Metals Ltd. Newly defined Indicated and Inferred Resource for Mineral Hill contains 44,385t Copper, 59,015t Lead, 22,715t Zinc, 5,076,129oz Silver and 125,516oz Gold.

The Mineral Hill South Project is also situated approximately 2.1km from the recently announced Blind Calf discovery by Kidman Resources Ltd which has been reported to contain, 23m @ 7.07% Cu (Hole K11-17). The mineralisation is not included in a JORC compliant resource.

Competent Person’s Statement

The information in this report that relates to Exploration Results, Mineral Resources and/or Ore Reserves is based on information provided by Mr D Ward, Member of Australasian Institute of Mining and Metallurgy and a Consultant to Exalt Resources Limited. Mr Ward has sufficient experience that is relevant to the style of mineralisation and type of deposit 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. Mr Ward, consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.