

**COMMENCEMENT OF DRILLING
AT EMMIE BLUFF COPPER PROSPECT
MOUNT GUNSON, SA**

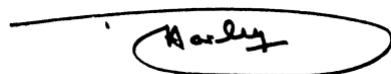
Drilling commenced today at Emmie Bluff Prospect, in the northern part of the 1,320 square km Mount Gunson Copper Project in South Australia.

The hole in progress, MGD 57, is designed to test the 1.2 km by 800 m basement conductor defined by TEM geophysical surveys around Emmie Bluff Prospect, completed in the second half of 2009. This conductive zone is centred some 2 km north east of the narrow but high grade copper sulphide mineralisation intersected in hole MGD 55 at Emmie Bluff in mid 2009, around which the TEM response is considerably weaker (Figure 1).

Old MIM hole SAE 6, drilled in 1989, lies some 800 m south west of MGD 57. A 15 m thick basement hematitic zone in SAE 6 averaging 1.2% copper intersected between 937 – 952 m lends support to the TEM geophysical interpretation. SAE 6 intersected the top of basement at 841 m and the main copper minerals in the hematitic zone were recorded as chalcopyrite-bornite. Figure 1 shows that SAE 6 lies outside the apparent TEM conductivity high and for this reason, better mineralisation is expected in MGD 57.

Figure 2 shows the predicted geology in MGD 57, based on the correlation from the closest previous drill holes, between 750 m and 1.7 km away. Copper mineralisation is expected in the cover sequence at 400 m depth, within the Tapley Hill Formation and in the basement, from 850 m depth. The programmed depth of MGD 57 is 1.2 km, with completion of the hole anticipated in early March.

The drilling is being funded by Noranda Pacific Pty Limited (Noranda), a company within the Xstrata Copper Business Unit. Noranda has the right to earn a 51% interest in the Mount Gunson Project by spending \$3.5 million on exploration by 15th June 2010. At the end of December 2009, Noranda had spent \$3.35 million.



D N HARLEY
MANAGING DIRECTOR

Figure 1 Emmie Bluff Prospect – TEM Interpretation and Drilling
Figure 2 Emmie Bluff Prospect – Predicted Cross Section : MGD 57

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ATTRIBUTION

The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D N Harley, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Harley has sufficient experience which 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 Harley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

