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ASX RELEASE

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**COMPLETION OF HOLE MGD 70
ON THE MOUNT GUNSON PROJECT**

On 13 July 2012, the Company announced that deep diamond drilling at the Elaine Zone Pinchout Prospect on the Mount Gunson Copper Project had commenced and an update was given in its June 2012 quarterly report.

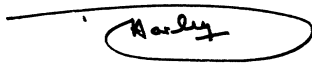
The Company's Joint Venture partner and operator of the exploration program, Noranda Pacific Pty Limited (Noranda), part of the Xstrata Copper Business Unit, has advised that hole MGD 70 was stopped at 998 m, in a dolerite dyke thought to be part of the Gairdner dyke suite common in the Gawler Craton geological province.

As advised in the Company's June quarterly report, basement in MGD 70 was intersected 170 m shallower than expected, at a down hole depth of 556 m and vertical depth of 480 m. A summary of the basement geology in this hole is given below.

Down Hole From (m)	Depth To (m)	Geology
556	753	Intensely fractured/brecciated fine grained grey-green volcanic rock with abundant carbonate. Traces of copper sulphide evident.
753	829	Intercalated 5-20m units of fine to medium grained felsic and intermediate mafic rocks, likely andesites with traces of copper sulphide.
829	896	Medium grained biotite-muscovite microgranite of the Donington Suite.
896	899	Dolerite, Gairdner dyke.
899	911	Biotite muscovite microgranite, Donington Suite
911	935	Medium to coarse dolerite/gabbro, Gairdner dyke
935	948	Biotite muscovite granite, Donington Suite
948	999.7	Medium to coarse dolerite/gabbro, Gairdner dyke.

The drill rig left the Project earlier in the month and further drilling will await evaluation of assay results from core samples submitted for geochemical analysis over the coming weeks.

Noranda has until mid June 2013 to meet the \$10 million farm-in expenditure target to earn a further 24% Joint Venture Interest. Cumulative expenditure to date is approximately \$3.6 million short. If the \$10 million expenditure target is not achieved, Noranda's equity in the Project will remain at 51% and a 51:49% Noranda-Gunson Joint Venture will be triggered, with Gunson able to elect not to contribute to ongoing expenditure after each annual budget is agreed. In the event that Gunson elects not to contribute funding, its interest will dilute in accordance with an agreed dilution formula.



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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.