

24 July 2008

Centralised Company Announcements Office
 ASX Limited
 20 Bridge Street
 Sydney NSW 2000

CRJ – 2008/018 OPTION TO PURCHASE MT GRAINGER GOLD MINES, SOUTH AUSTRALIA

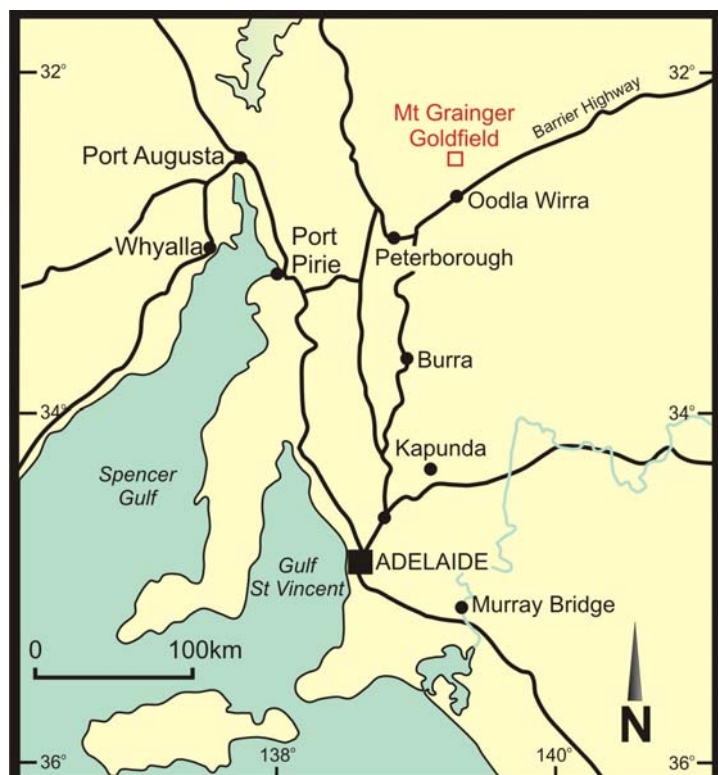
HIGHLIGHTS

- The Company has acquired an exclusive option to purchase three mining leases over one kilometre of mineralised strike length (47 hectares) within the Mt Grainger goldfield in South Australia.
- The Mt Grainger goldfield yielded over 2,000oz of gold at an average grade of 13g/t until the end of small-scale mining in 1915. Only minimal sub-surface exploration has been carried out since the mid-1970s.
- The 6-9m wide mineralised lode within the leases is known to be gold-bearing from surface to a depth of 101m, and is open and untested below this depth.
- The Company believes this project could have potential to produce early cash flow at a low capital cost.
- Exploration aimed at producing a JORC Resource will commence immediately.

History

Gold was produced in the vicinity of Mt Grainger from around 40 small mines between 1891 and 1915. The field is located some 264km NNE of Adelaide and 40km NE of Peterborough (population 2,200).

Initially, ore was treated at the Petersburg cyanide works with reported gold recoveries of around 13g/t. In 1901 a battery was erected on the field and the first 250t processed averaged 4g/t gold from the gravity circuit. Due to apparent problems with the onsite battery, ore was later milled at the Government battery in Peterborough. Total recorded production from the Mt Grainger goldfield up to 1981 was 2,116oz of gold bullion from 5,025t of ore at an average gold grade of 13g/t.



Geology

Known mineralisation is litho-structurally controlled with the bulk of production coming from a 6-9m wide lode developed within a zone of extensive hydrothermal (quartz-sericite and sericite-specularite) alteration in sandstone near the base of a tillite horizon within the Appila Tillite unit. This steeply dipping zone is located on the western limb and near the nose of the Mt Grainger Anticline.

The previously worked main lode at Mt Grainger is known to be irregularly mineralised and extremely "nuggety". However, available reports suggest that at depth values up to 12g/t gold occur within an enriched hanging wall vein up to 30cm thick within altered arkose, with unaltered or weakly altered arkose having little associated gold. (R. Lockhart Jack, 1913, Fairburn and Nixon, 1966).

Mining Potential

Limited underground mining has been carried out, with the deepest shaft, thought to be in good condition, at a depth of 101m and the deepest workings around 70m below surface. At a depth of 90m the lode was reported to be over 9m wide. Various bulk samples from the field processed during the 1970s at the Peterborough battery resulted in a gold grade estimate of 5g/t.

Commercial Terms

The option has been secured by a \$50,000 initial payment and a commitment to a minimum evaluation expenditure of \$150,000. The option has a term of 12-months and gives the Company the exclusive right to explore on the mining leases. The Company can withdraw from the agreement at any time once it has completed its minimum expenditure commitment. The agreement includes purchase terms, being payment of \$950,000 in cash in instalments over six months from the purchase date, and the issue of \$550,000 of shares in the Company at the then market price, being the month following the option exercise.

Sincerely,



Rob Scargill
Managing Director

The information in this report is based upon Exploration Results. Mr Mike Ware (FAusIMM,), an employee of Copper Range Limited, compiled the technical aspects of this report. Mr Mike Ware is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and the type of deposits under consideration, and to the activity that is being reported on, to qualify as a Competent Person as defined in the September 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Mike Ware consents to the inclusion of the matters in the form and context in which it appears.