

4<sup>th</sup> September, 2008

## **ASX ANNOUNCEMENT**

### **MESA MINING JOINT VENTURE UPDATE**

The company wishes to advise that Department of Industry & Resources approval has now been granted to commence development and operating of a limited mining operation at Ant Hill sufficient to allow the Mesa Mining Joint Venture partners, Auvex Resources Limited (Auvex) and HiTec Energy Limited (HiTec), to target a trial shipment of ore of between 50,000 and 55,000 tonnes within this calendar year. Auvex reports that all of the mining and crushing equipment needed to achieve this objective has been sourced and will be operative in the near term.

To successfully achieve this objective several other permits and agreements will also be required, including those relating to mine safety, road transport, temporary stockpiles at the port and access to the Port Hedland common user load out facility. Work to date on all these issues provides strong confidence that a trial shipment prior to year end is achievable.

HiTec as the joint sales manager has commenced discussions with a number of potential offtakers in China and India with a view to establishing long term relationships with manganese alloy producers. In doing this, the focus has been on identifying smelters that have the ability to extract the higher 'value-in-use' that a Mesa Mining lump ore can provide in the production of ferromanganese alloys, relative to a typical high grade manganese lump ore containing low iron.

A significant amount of detailed site mapping and surface sampling work has now been completed for the initial production areas, which will enable drilling on site to commence early this month. A rig has been contracted to undertake this work. Analyses from the sampling and drilling exercises will be reported as and when available, together with an enhanced geological interpretation of the southern tip of the Ant Hill mesa. This work is anticipated to lead to an upgrading of the Ant Hill published JORC Resource, despite the fact that it is in the main focused on only the initial production areas.

An extract from an Auvex investor presentation that was released today has been lodged with the ASX simultaneously with this announcement. The extract contains some additional commentary made by Auvex on the Ant Hill and Sunday Hill mining leases.



**Alan Scott**  
**Managing Director**