

For immediate release
23 April 2008

Gold target – Completion of drilling at Victor

Introduction

Drilling at the Victor prospect, which commenced on 24 March, was terminated on Saturday 19 April following completion of the first hole at depth down hole of 308.5 metres. Victor is part of RLC's Jericho project, located 10 kilometres south of the township of Woods Point in the Walhalla – Woods Point goldfield of eastern Victoria. Victors Quartz Reef produced 25,000 oz of gold at an average grade of 18 g/t from depths up to 200 metres below surface.

Detailed logging of the drill-core recovered is expected to be completed over the next few weeks and selected samples will then be taken and submitted for assay, however the initial assessment indicates the drill hole intersected the target reef at a down-hole depth of 263 metres.

Drill target successfully intersected

Drill-hole VD-01 is interpreted to have successfully penetrated the Victors Quartz Reef structure and associated thin dyke rock, beneath the historic mine workings.

VD-01 was drilled dipping 61° towards 285° magnetic.

A fine-grained, totally altered, dyke was intersected at 245.3 to 246.9 metres down-hole. Below this, the drill-core is strongly fractured, with common intense shearing, for nearly 22 metres down-hole. The bottom of this strongly fractured zone comprises a 4.5 metre thick (down-hole) fault zone, interpreted to be the Victors Quartz Reef structure (262.9 to 267.4 metres down-hole). Core recovered from this interval comprises 1.7 metres of fault gouge, pug and shattered rock, with minor quartz veining. There is 2.8 metres of core loss over the interval. The interpreted reef structure intersection includes some dark carbonaceous material. Victors Quartz Reef was historically associated with very broken ground and some graphitic material, which accords with these observations of the drill-core.

The relative positions of the dyke and reef are consistent with projections from historic mine plans providing further support to the interpretation that the drilled structure is an extension to the Victors Quartz Reef. The reef and dyke are documented historically as striking at a low angle to each other, with rich gold mineralisation in the reef at and near their intersection.

The identification of sulphides in the drill core may indicate auriferous potential. It is also noted that more than half of the fault reef zone was not recovered in core. Gold and sulphide mineralisation can occur in margins to veins of quartz which are often more prevalent in the intensely faulted and broken ground most at risk of loss during core drilling.

Early termination of the drilling programme

The program initially planned 2 diamond holes. However, slow drilling, caused by a combination of mechanical problems with the rig and adverse ground conditions, resulted in the first of the two holes taking 27 days to complete.

The longer than expected time to complete the first hole meant insufficient time remained to drill the second hole before seasonal closure to the area on 1 May. As a consequence the drilling programme was stopped at the completion of VD-01.

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The information in this report that relates to Exploration Results is based on information compiled by Geof Fethers, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Geof Fethers is a director of the Company and has sufficient experience which is relevant to the style of mineralization 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 the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Geof Fethers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Share price: \$0.06
22 April 2008

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