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ASX Release

Scimitar Exploration Update: Northern Territory and Western Australia

Scimitar Resources Limited (**ASX: SIM**) has commenced exploration drilling programs at the Company's 100% owned Amadeus Uranium Project in the Northern Territory, in addition to the Yanrey Uranium Project in Western Australia and the Eclipse Project in the Northern Territory.

Amadeus Project, NT

The Amadeus Uranium Project covers 2,532 km² in the Amadeus Basin. It is located south of the Angela and Pamela uranium deposits which the Northern Territory Government recently awarded to the Angela Project Joint Venture (Paladin Energy Minerals NL (50%) (**PDN**) and Cameco Australia P/L (50%)).

Scimitar is re-commencing a 5000m drilling program at the Orange Creek prospect, located 25 km south of the Angela and Pamela deposits. The Company initially commenced drilling in mid April targeting the Undandita Sandstone which hosts the Angela and Pamela deposits. Due to hard ground conditions the drilling program was temporarily suspended while a larger drill rig was located. The initial drilling comprised a total of twelve holes over 707m and intersected near surface uranium mineralisation in a number of holes. Results from down hole gamma logging includes 0.45m at 190ppm eU₃O₈ from 39.70m in AMRC008.

Exploration at the Orange Creek prospect conducted by Uranerz Australia P/L in the 1970s identified a regionally extensive redox boundary. This area proved to be a well-defined synclinal feature dipping at shallow angles to a maximum depth of 90m in the centre of the syncline. Follow up broadly spaced percussion drilling by Uranerz (64 holes for 3,873m) intersected uranium mineralisation associated with this regional redox front between depths of 13 to 72m over a 5 km strike length. Recent field exploration by Scimitar has identified a number of these holes which were re-logged by Borehole Wireline using a down hole gamma probe. Significant results were recorded including 2.55m at 460ppm eU₃O₈ from 13.45m in OC008. A total of 58 holes have been identified to date of which 12 have been re-logged. Further logging will be undertaken in the program.

The initial drilling confirms suitable conditions for uranium mineralisation within the Orange Creek Syncline. Also potential remains for the discovery of further uranium mineralisation within the project area both at depth and along strike. This drilling begins a more detailed exploration momentum by the Company on its 100% owned projects within the Northern Territory.

Yanrey Project, WA

Scimitar has also commenced an 8,000m drilling program at the Yanrey Uranium Project, 85 km south of Onslow, Western Australia. The Company is targeting uranium mineralisation that is amenable to In-situ Recovery (ISR) mining, similar to that used for Paladin Resources Ltd's adjoining Manyingee deposit. The Manyingee uranium deposit has a resource estimate of 8080 tonnes U_3O_8 at 0.1% indicated and 2810 tonnes U_3O_8 at 0.05% inferred. The deposit was successfully field trialled by ISR mining during the 1980s.

The program is targeting mineralised extensions to the Bennet Well Prospect where drilling by Scimitar in 2007 identified significant uranium mineralisation. Scimitar is about to complete an initial resources estimate. The drilling will also target uranium mineralisation within a new palaeochannel target, recently discovered by an airborne electromagnetic survey (REPTeM).

The new palaeochannel target is approximately 15 km south of the Bennet Well Prospect. A review of previous regional exploration drilling in the area indicated that nine holes had been drilled in the vicinity of the target zone. The best results obtained by CRAE were 0.35m at 580 ppm eU_3O_8 and 1.85m at 150 ppm eU_3O_8 . Follow up drilling had been recommended but not carried out.

Eclipse Project, NT

Scimitar recently completed an Aircore drilling program comprising 207 holes for a total of 4,386m at the Eclipse Project, 250 km northwest of Alice Springs. The drilling targeted near surface calcrete hosted uranium mineralisation, similar to the adjacent New Well uranium deposit held by Toro Energy Ltd and Deep Yellow Ltd.

Drilling at the Bloodwood Bore Prospect targeted uranium mineralisation to the east of the New Well Deposit where interpretation of TEMPEST airborne electromagnetic data indicates that suitable depositional environments for uranium mineralisation may exist. The drilling intersected a general stratigraphy of 1-6m of surficial red-brown sandy soil overlying up to 9m of red-brown calcrete and silts with a basal calcrete layer. This horizon which is the host to uranium anomalism at Bloodwood Bore overlies transported silts, clays and sands which in some places attain depths of more than 70m.

A total of 1,463 composite samples were collected and submitted to a Certified Analytical Laboratory for analysis. Results of this drilling will be released as they become available

Yours faithfully

Terry Topping
Managing Director

About Scimitar Resources Limited (SIM)

Scimitar Resources is a leading Australian uranium explorer. The company has an experienced board of directors and management team with proven successes in the resources sector.

Scimitar controls over 20,000 km² of uranium prospective tenements across NT, SA and WA allowing geological and political diversification. The 100% owned projects are among the largest uranium portfolios in historically some of the most uranium prospective areas in Australia.

The information in this report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Terry Topping, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Topping is a full-time employee of the Company. Mr Topping has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are 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 Topping consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.