

27 April 2005

HINDMARSH RESOURCES LIMITED

Hindmarsh Expands South Australian Uranium Exploration Portfolio

The Directors of Hindmarsh Resources Limited ("**Hindmarsh**") are pleased to announce that Hindmarsh has signed agreements with Southern Gold Limited ("**Southern Gold**") to farm-in for uranium on various tenements on the Gawler Craton in South Australia.

These arrangements expand the portfolio of uranium exploration tenements Hindmarsh is acquiring through the recently announced acquisition of Gladstone Resources Limited ("**Gladstone**"). The Gladstone transaction was approved by Hindmarsh shareholders last week.

Pursuant to the agreements entered into with Southern Gold:

- (i) Hindmarsh has the right to earn a 51% interest in each of EL's 3080, 3097 and 3308 (in respect of uranium only) by expending \$250,000 on each tenement within two years. Hindmarsh has the right to increase its interest in each tenement from 51% to 80% by expending an additional \$250,000 on each tenement within an additional 18 months;
- (ii) Hindmarsh has the right to earn a 25% interest in each of EL's 3158 and 3217 by expending \$250,000 on each tenement to earn a 25% interest. These tenements are prospective for uranium / copper / gold style deposits. Hindmarsh has the right to increase its interest from 25% to 35% by expending an additional \$250,000 on each tenement;
- (iii) Southern Gold has the right to earn a 30% interest in each of ELA's 96/05 and 199/05 (in respect of uranium only) by expending \$400,000 within 2 years.

ELs 3080, 3097, and 3308

These tenements that extend to the north and east of Hindmarsh's Mt Christie and Samphire ELAs cover approximately 80 kilometres of the Garford and Anthony palaeochannels. Southern Gold determined that the paleochannels (ancient river beds) are highly prospective for redox (e.g. roll front) uranium deposits similar to the Beverley and Honeymoon deposits in the Curnamona Craton. First pass exploration during the 70's and early 80's in the Anthony paleochannel downstream, within the Mt Christie and Samphire tenements, identified up to 0.64kg/t U₃O₈ in lignitic sediments. Primary targets are redox fronts in the 40-80 metre deep Cainozoic sediments of the Garford and Anthony palaeochannels. These will be explored in conjunction with Hindmarsh's Mt Christie, Samphire and Wybring ELAs.

EL 3158

The Southern Gawler Arc project EL 3158, contains untested drill ready gravity and calcrete anomalies with potential for new copper/gold/uranium discoveries similar to Prominent Hill discovered by Minotaur Resources Limited and Western Mining's Olympic Dam. Drilling of these targets will commence in mid year.

EL 3217

The Yarlbirinda project, EL 3217, also prospective for new copper/gold/uranium discoveries similar to Olympic Dam and Prominent Hill, covers prospective areas over and near the Yarlbirinda shear zone, some 130 to 170 kms northeast of EL3158. In addition to gold and base metal targets identified by Southern Gold, Hindmarsh anticipates significant gravity targets within gravity data currently being acquired by PIRSA.

These agreements, together with the Gladstone portfolio provide Hindmarsh with a solid base from which it can explore, discover and commercialise uranium deposits in South Australia.

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