



**KALGOORLIE-BOULDER
RESOURCES LTD**
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Acquisition of Uranium Projects

Kalgoorlie-Boulder Resources Ltd ("Company") is pleased to announce it has entered into an option agreement for a 6 year period which, following payment of the exercise consideration, will give the Company a 90% interest in the Lyndon Uranium Project. In addition the Company has made priority applications for three Exploration Licences that are prospective for uranium mineralisation.

The Company has taken this opportunity to acquire strategic holdings in tenements with existing uranium mineralisation.

The Lyndon project, ELA 09/1180 was the subject of exploration during the early seventies which resulted in the delineation of calcrete hosted uranium mineralisation. Subsequent work identified at least five medium to high intensity radiometric anomalies, four of which remain untested. The published data has identified 700,000 tonnes of mineralisation at a grade of 0.68kg/tonne for 350 tonnes of U₃O₈ from the one anomaly tested. At current spot prices for uranium, this represents an in-situ mineral value of approximately A\$30 million. The Company believes there is excellent potential to substantially increase the existing inventory.

The Eudamullah, ELA 09/1224 and 09/1225 and Winmar Creek, ELA 09/1226, projects are located in the Gascoyne Mineral Field. Both have been the subject of reconnaissance style uranium exploration dating from the late seventies which has generated a number of radiometric anomalies requiring further investigation.

Lyndon Project

The Lyndon Uranium project is situated 180 km north east of Carnarvon. The company has acquired an option to acquire the 90% interest in the exploration licence application ELA 09/1180.

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Shallow, calcrete hosted uranium mineralisation within ELA 09/1180 is derived from surrounding granitoid rocks which have a high background uranium content. The mineral is leached from the granitoids during weathering and deposited in favourable locations usually controlled by prevailing drainage patterns at the time. The mineralisation at Yeelirrie, 35Mt at 1.5kg/tonne U_3O_8 , occurs in a similar geological environment.

Pacminex Pty Limited first explored the tenement in the early seventies as part of a regional uranium project to evaluate both hard rock and secondary uranium occurrences. The Jailor Bore tenements (now ELA 09/1180) became the prime targets and extensive ground and airborne radiometric surveys were undertaken. This was followed up by bulk sampling at shallow depth and reverse circulation drilling and resource and reserve studies were completed in 1973.

Visible carnotite, a uranium bearing mineral, was observed in a bulk sample that returned a uranium assay of 1.81 kg/tonne. Drilling intercepts have returned results as high as 1.80kg/t and 1.70kg/t from 5 and 2 metres in depth respectively, with most mineralisation within 4 metres of the surface.

Drilling has adequately tested only one of at least five medium to high intensity radiometric targets within the property. Pacminex's drilling programme identified approximately 700,000 tonnes of mineralisation at a grade of 0.68kg/tonne for 350 tonnes of U_3O_8 from the one anomaly tested. The Company plans to test the remaining four anomalies and expects to significantly increase the mineral inventory.

Eudamullah and Winmar Creek Projects

Eudamullah South, ELA 09/1224 was first explored for uranium by Esso Australia Ltd in 1997. The tenement overlies a portion of the Lower Proterozoic Wyloo Group and is surrounded by granite. Radiometric anomalies overlie ferruginous sandstones interbedded with a kaolinitic talcose clay containing carnotite. Assays up to 255ppm uranium have been recorded.

The Company has an initial 50% interest in the ELA's. With funding of exploration and other expenditure it can increase its interest to 95%.

Market Forecasts

As demand has risen in the last 5 years, the spot price of uranium has increased from US\$8/lb in 2001 to US\$29/lb in May 2005. Market analysts have forecast further increases in the spot price for uranium in the next few years as demand continues to outstrip supply. The Company is of the opinion that a re-appraisal of the defined mineralisation at Lyndon and extensions resulting from exploration will provide strategic exposure to a commodity with expected increased demand and prices.

Jackpot Project Update

The Company has recently completed a drilling programme at its Jackpot Project to provide information to complete the initial pit design. The results of this drilling programme will be released in the near future. Further drilling is being planned to improve the information on the remainder of the resource and provide information for planning of further mine development.

The Company remains focussed on its primary objectives to develop the Jackpot Project and progress exploration at its other Kalgoorlie based projects. As opportunities through acquisition, development or arrangements with third parties arise the Company will assess them and take advantage of them where they create shareholder value.

Yours sincerely

Trevor Matthews
Managing Director

Information contained on this report pertaining to mineral resources and exploration results was compiled by Lindsay Cahill who is a member of the Aus.I.M.M. with not less than 5 years experience in the relevant fields, and who consents to the report appearing in the form and context in which it appears.