

**13 October, 2006**

## **CHURCHILL MINING PLC**

(“Churchill” or “the Company”)

### **South Woodie Woodie Manganese Project – Update**

#### **Highlights:**

- *6,600km airborne geophysics programme and interpretive work completed*
- *Structural controls drilling at Enacheddong Creek completed*
- *New VTEM technology to be deployed*

The Directors of Churchill Mining Plc (AIM: CHL) announce that the Company has completed the next phase of exploration at its 100%-owned South Woodie Woodie manganese project in the East Pilbara region of Western Australia.

Churchill commissioned geophysical specialists Fugro to fly a 6,600 kilometre airborne magnetic and radiometric survey over the entire South Woodie Woodie Project at a line spacing of 100m with infill over the Enacheddong Creek area at 50 m line spacing.

In addition, the Company drilled 10 RC holes for 1,064 metres (on a drill spacing of 50m on lines 150m apart) at Enacheddong Creek to test known outcrops and better understand the geological setting of the prospect. The combination of the two initiatives has significantly improved the Company’s understanding of the South Woodie Woodie area, in particular the surface distribution of the basement rocks that host the manganese mineralisation and also the overlying regolith that has resulted in its physical and chemical remobilisation. Importantly, the extent of the regolith continues to demonstrate the potential for large, buried manganese deposits in the project area.

Churchill has produced a new surface geology and bedrock geology map for the entire project area. These maps have been used to identify broad areas considered most prospective for manganese.

The next phase of exploration is likely to involve the use of versatile time-domain electromagnetic (VTEM) geophysics in these broad areas to define new targets for drilling. VTEM is a leading heli-borne technology that can detect conductive mineralization and related structures to depths of 400m below surface. Similar technologies have directly helped lead to the discovery of five manganese deposits at the nearby Woodie Woodie mining centre.

Churchill has begun negotiations to conduct a survey with Geotech, the Canadian company that has brought the cost-effective VTEM technology to Australia; VTEM was recently flown by ASX-listed Fox Resources. It is understood that there is now a

number of other Pilbara-focused explorers planning to use the technology given its multi-commodity application.

Results from the proposed survey will be integrated with the new maps produced from the magnetic and radiometric data to define specific drill targets.

## **ENDS**

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### **Notes to editors**

Churchill Mining Plc listed on AIM in April 2005. It has two projects and in early 2006 raised GBP5.25 million to acquire and explore the Sendawar coal project.

#### **South Woodie Woodie**

The South Woodie Woodie project covers approximately 490 square kilometres in the East Pilbara region of Western Australia. Owned via Churchill Mining's wholly-owned subsidiary, Planet Mining Pty Ltd, the project sits approximately 400km southeast of Port Hedland in the highly prospective Pilbara manganese province.

Churchill owns the project 100%. To date much of the project area has never been explored due to the presence of surface cover.

#### **Sendawar**

Churchill Mining's Sendawar project in Kalimantan, Indonesia, covers more than 1,000 square kilometres of prospective ground and lies in close proximity to two operating open-cut mines: Thai miner Banpu's newly commissioned Trubaindo operation, which will shortly be producing at a rate of approximately six million tonnes per annum (tpa); and the privately-owned Gunung Bayan mine which has been

operating since 1998 and produces approximately 3.4 million tpa. Coal from these mines is transported via barge via the Mahakam River to the port of Samarinda. The Sendawar project is located approximately 50km from the Mahakam River.

In accordance with the AIM Guidelines, Dr Michael G Jones of *Lithofire* Consulting Geologists is the qualified person that has reviewed the technical information contained in this press release.

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