

## **Media Release**

November 2, 2010

### **SALISBURY RESOURCES ANNOUNCES A\$5-7 MILLION**

#### **IPO FOCUSED ON COPPER-GOLD IN THREE STATES**

A \$5 million Initial Public Offer with oversubscriptions up to a further \$2 million to primarily fund copper and gold initiatives across three states, has been announced by Salisbury Resources Limited.

The flagship focus for Salisbury – which plans to list on the ASX by December – is an enhancement of historic copper mining operations at Mount Gunson, 30 kilometres west of the rich Carrapateena minerals discovery and 120 kilometres south of Olympic Dam in South Australia.

The Company says the current strong world copper price offers Salisbury the potential to recommence mining ( in a relatively short time frame) at Mount Gunson, via its Cattle Grid copper deposit, home to former CSR mining operations.

Salisbury's prospectus says Cattle Grid boasts an exploration target of 11-12 million tonnes (Mt) @ 1.0 – 1.5% copper, 5 - 10 grams per tonne (g/t) silver and additional cobalt credits. This is based on historical production at Cattle Grid and the exploration target on this project assumes between 120,000 and 150,000 tonnes of contained copper. The deposit has a granted mining lease in place as well as access to established infrastructure.

Salisbury's asset portfolio also includes:

- Joint ventures with Brisbane based, multi commodity resources house, Metallica Minerals Limited in three Olympic Dam style (IOCGU) projects within the Gawler Craton with drilling by Metallica of two reverse circulation holes to a depth of 400m proposed for the Merna Mora project (near Hawker), shortly after listing; and
- a potential large gold resource at the Redcastle project near Leonora in Western Australia (based on excellent soil sampling results over an area of at least 3sq. km) and copper-gold-uranium tenements in the Northern Territory and South Australia.

Under the JV's with Metallica, Salisbury is free carried for the first \$10 million to be spent on exploration on each of three South Australian IOCGU t Projects, with Salisbury retaining project manager responsibility.

Metallica has already taken a 2 million share position in Salisbury. If the IPO is fully subscribed, Metallica will emerge with a 3.99% holding in the newly listed explorer and mine developer.

### **Terms of Offer**

The Salisbury IPO proposes to issue 25 million ordinary shares at A\$0.20 each to raise a minimum A\$5 million, with the prospectus lodged with the ASIC on 1 November 2010 providing for oversubscriptions totalling a further 10 million shares to raise up to a further \$2 million.

A one for one issue of Loyalty Options will be undertaken approximately 6 months after listing, The Loyalty Options, will be exercisable at A\$0.25 within 12 months from the option issue date.

Subject to any changes, the Offer will open on 8 November and close on 3 December with Salisbury Resources expecting to list on the ASX on or around 20 December.

At the \$5 million take-up level, Salisbury will have 50.1 million ordinary shares on issue and be capitalised at listing at A\$10 million.

### **Strong position for early mining and cash flow**

“Our assets are in known world-class geological provinces and we are in a strong position to plan early development of the Cattle Grid copper mine,” Salisbury’s Managing Director, Mr David Costello, said today.

“We have an exploration target of 11-12 million tonnes (Mt) @ 1.0 – 1.5% copper and believe that is achievable, especially considering that at a time of lower copper prices in the 12 years from 1974, open cut mining at Cattle Grid delivered 7.2Mt @ 1.9% Cu and more than 8 g/t silver,” Mr Costello said.

“Significantly for a start-up explorer-developer, Cattle Grid is already on a granted mine lease – 5599 – and there is electrical, water and transport infrastructure already in place. That is a major operational and capital expenditure head-start for a junior.”

On Salisbury’s gold potential, Mr Costello said the Company believed the gold price is likely to continue to gain strength due to continued weakening of the United States dollar and global financial volatility. The Company is considering the acquisition of additional gold projects.

*Exploration Targets referred to above are NOT Mineral Resources or Ore Reserves. These Exploration Targets have been identified from limited past drilling, sampling and geological interpretation and are based on projections of mineralisation in drill holes and workings. The potential grades and tonnages mentioned above are conceptual in nature. Insufficient exploration has been undertaken to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

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## **SALISBURY RESOURCES – SUMMARY OF OTHER PROJECTS**

### **Redcastle gold project (WA)**

Located 65 kms east of Leonora in WA's eastern goldfields, near the Mertondale gold project and just west of the Wallaby gold mine. It is considered by the Company be a "step-up" project with known mineralisation and is highly prospective for shear-hosted gold mineralisation. Auger geochemical sampling has defined a strong gold anomaly covering in excess of 3km<sup>2</sup> with values up to 240ppb. Salisbury proposes RAB and RC drilling. The project is close to existing large-scale gold treatment facilities.

### **Keppler gold project (NT)**

Two exploration licences in the Pine Creek Geosyncline, a major gold producing province in the NT. The Keppler project tenements surround the Mount Tymn and Watson gold projects. Salisbury proposes geochemical soil sampling, EM geophysical surveys and RC drilling.

### **Northwest Gawler Craton (SA)**

Has highly prospective palaeochannel tenement applications in the northwest Gawler Craton considered targets for roll-front uranium deposits, and gold and copper. These will be explored following completion of Native Title negotiations.

### **Metallica JV tenements (SA)**

These highly prospective IOCGU tenements are Mount Toodle (Toby) (EL 3402 – copper, gold, uranium), Merna Mora (EL 3630 – copper, gold, uranium) and Lake Torrens (EL 4357 – copper, gold, uranium). Metallica plans to undertake drilling of the Merna Mora gravity anomaly immediately following the listing of Salisbury on the ASX.

### **Other projects (SA)**

Musgrave Basin - NWGC (uranium) and Murloocoppie (uranium)  
Willouran Ranges - south of Cooper Pedy (copper)  
Lyndhurst - south of Cooper Pedy (copper)

References to exploration results and Exploration Targets in this document are based on information compiled by Mr Cedric Horn who is a Member of the Australasian Institute of Mining and Metallurgy and who provides consulting geological services to Salisbury. Mr Horn has sufficient experience, relevant to the style of mineralisation and the type of deposits under consideration, to qualify as a Competent Person as defined in the 2004 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"