NEWCREST JOINT VENTURE ON MOUNT LEYSHON PROPERTIES

The Directors of Leyshon Resources Limited (‘Leyshon’) are pleased to announce that Leyshon has entered into a joint venture with Newcrest Operations Limited (‘Newcrest’) on the five mining leases covering the historic Mount Leyshon mine site. The key terms of the JV require a minimum expenditure by Newcrest of $750,000 within an eighteen month period before withdrawal and if Newcrest incurs total expenditure of $3.5 million within 5 years, it will earn a 70% interest in the project.

The Mount Leyshon operations closed in 2002 after producing over three million ounces of gold and generating over A$300 million in dividends. Leyshon is now focussing on its gold exploration interests in China and is in the process of divesting its Australian exploration interests into a wholly owned subsidiary, Echelon Resources Limited (‘Echelon’). Subject to shareholder approval on 24 January 2005, Echelon is expected to be demerged and listed on the ASX in the first quarter of 2005.

Newcrest has selected the project as part of its acquisition program in Queensland and is targeting high-grade gold mineralisation. It has advised that following a data review drill targets have been broadly defined beneath and adjacent to the current open pit and that drilling is expected to commence in the first quarter of 2005.

The joint venture will operate in tandem with the current Fenian joint venture between Newcrest and Leyshon, bringing exploration expenditure to $6,000,000 within the Mount Leyshon region over the next five years.

The Directors are pleased that Newcrest is assuming management of the project as Newcrest has an excellent track record of exploration success in Australia as well as delivering a significant amount of exploration expenditure directly into drilling.

Record date for demerger of Echelon

The record date for the demerger of Echelon, by way of in specie distribution of Echelon shares, has not yet been determined by the Board of Leyshon. The Board currently expects the record date to be mid to late February 2005. Once the record date has been determined by the Board, at least 7 business days notice will be given to the market prior to the record date.

Enquiries-

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