



Tianshan and Corvette Agree to AU\$60M Merger

ASX ANNOUNCEMENT

17 November 2009

- Tianshan Goldfields and Corvette Resources have agreed in principle to merge via a Scheme of Arrangement;
- Merged entity will have approximately AU\$30M cash reserves and the highly prospective Plumridge Gold Project in Western Australia;
- The key asset of merged entity will be the Plumridge Gold Project, located 60km south of AngloGold Ashanti Australia/Independence's 5Moz Tropicana-Havana gold deposit.

ASX listed Australian gold company Tianshan Goldfields Limited (ASX: TGF) ("Tianshan") and fellow ASX listed Australian gold company Corvette Resources Ltd (ASX: COV) ("Corvette") have agreed in principle to enter into a conditional merger implementation agreement to merge the two companies by way of a Scheme of Arrangement (**Scheme**). The parties will work towards the preparation and execution of a formalised merger implementation agreement to fully document the terms of the Scheme.

It is proposed that, under the Scheme, Tianshan will acquire all of the issued shares in Corvette in exchange for the issue of shares in Tianshan. The consideration for the Scheme will be two (2) Tianshan shares for every one (1) Corvette share held on the implementation date of the Scheme. The boards of Tianshan and Corvette have unanimously agreed on the consideration for the Scheme and believe the merger represents an opportunity to create a new entity better positioned for growth than either company on a standalone basis.

Upon implementation of the Scheme the merged entity will have a market capitalisation of approximately AU\$60M. The board and management of the merged entity are currently being determined, but it is likely that key executives of each company will be retained. Further details of the board and management of the merged entity will be detailed to the market in due course.

The Tianshan and Corvette boards believe the combined corporate, management and technical strengths of both companies will result in increased financial and support capabilities, providing a sound platform for on-going exploration and future development activities.

The merged entity will have approximately AU\$30M in the bank and the highly prospective Plumridge Gold Project in Western Australia. On 20 October 2009 Corvette announced significant results (including **3m @ 40.33g/t gold**) from drilling at the Camaro Prospect within the Plumridge Project in Western Australia. Plumridge is located 60km south of the 5Moz Tropicana-Havana gold deposit, owned by the AngloGold Ashanti Australia/Independence Group JV, and where the owners have announced plans to commence production from 2013.

The Plumridge Project is located in the Tropicana Gold Belt, a new gold province that is shaping up to host world class gold deposits. Within Plumridge, the Corvette Resources exploration team has already discovered an extensive (>10 km long) mineralized gold system containing high grade and bonanza gold intersections. Two significant, high grade intersections have been reported at Camaro and Stingray:

- **CVRC88 – 3m @ 40.33g/t Au from 97m at Camaro** (ASX announcement 20 October 2009)
- **CVRC58 – 8m @ 10.0g/t Au from 119m at Stingray** (ASX announcement 28 July 2009)

These exciting results are similar to early intersections of the high grade gold shoots at Tropicana/Havana.

With the commencement of diamond core drilling in October 2009, the focus will be on detailed interpretation of the structural setting at these prospects, and the delineation of drill targets for resource definition drilling in 2010. Initial observations of the diamond core twinning the RC intersections shows host rocks, sulphides and biotite alteration similar to Tropicana.

There are numerous untested auger soil and aircore gold anomalies and targets within the Plumridge Project which will require both a systematic approach and a significant expansion of the current programmes. These field programmes, involving AC and RC drilling and aeromagnetic surveys, have commenced, and are likely to extend the areas of known mineralisation and discover additional prospects for detailed drilling.

Corvette will appoint an Independent Expert to determine whether the Scheme is in the best interests of Corvette shareholders. Tianshan and Corvette shareholders **do not need to take any action at this time**. In due course, a Scheme Booklet outlining the proposal in greater detail, and including the Independent Expert's Report, will be issued to all Corvette shareholders and released to the market.

Implementation of the Scheme is subject to conditions including:

- Corvette shareholder approval and court approvals in respect of the Scheme;
- all relevant regulatory approvals; and
- other conditions customary for a public transaction of this nature.

Key steps to be undertaken as part of the merger include:

- preparation and execution of a formal Merger Implementation Agreement;
- obtaining Tianshan shareholder approval (if required);
- lodgment of Scheme documents with the ASIC (a two to three week review process);
- obtaining Court approval to hold the Scheme meeting for Shareholders to vote on the Scheme;
- obtaining Corvette Shareholders' approval for the Scheme (a four week notification period);
- and
- if Corvette Shareholders approve the Scheme, Court ratification of the Scheme.

Further information, including a transaction timetable, will be announced to the market following the execution of the formal Merger Implementation Agreement.

For further information, please visit www.corvetteresources.com.au or do not hesitate to contact someone from the list below:

Corvette Resources
 Patrick McManus (Managing Director)
 Tel: +61 8 9211 0635
 Em: pmmcmanus@corvetteresources.com.au

Professional Public Relations
 David Tasker
 Tel: +61 89388 0944/ +61 433 112 936
 Em: david.tasker@ppr.com.au

The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Teakle, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Teakle is employed as the Chief Geologist of Corvette Resources Ltd and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves. Mr Teakle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.