

25 October 2010

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

Dear Madam

DRILLING RIG MOBILISED AT SONTANG

Drilling Update

The Company has rights to an exploration IUP 297.25 km² in area located in the regency of Pasaman in the province of West Sumatra, approximately 160 kilometres north of Padang, and immediately adjacent to the boundary with the province of North Sumatra. North Sumatra is host to the advanced gold projects of Martabe and Sihayo Gold.

A man portable drilling rig has now been mobilised to site by helicopter. The first hole will be sited on the best surface outcrops at the Company's Sontang East manto discovery which returned channel samples of 20.2 metres @ 2.59 g/t Au, 56.9 g/t Ag, 0.16% Pb and 8.4% Zn.



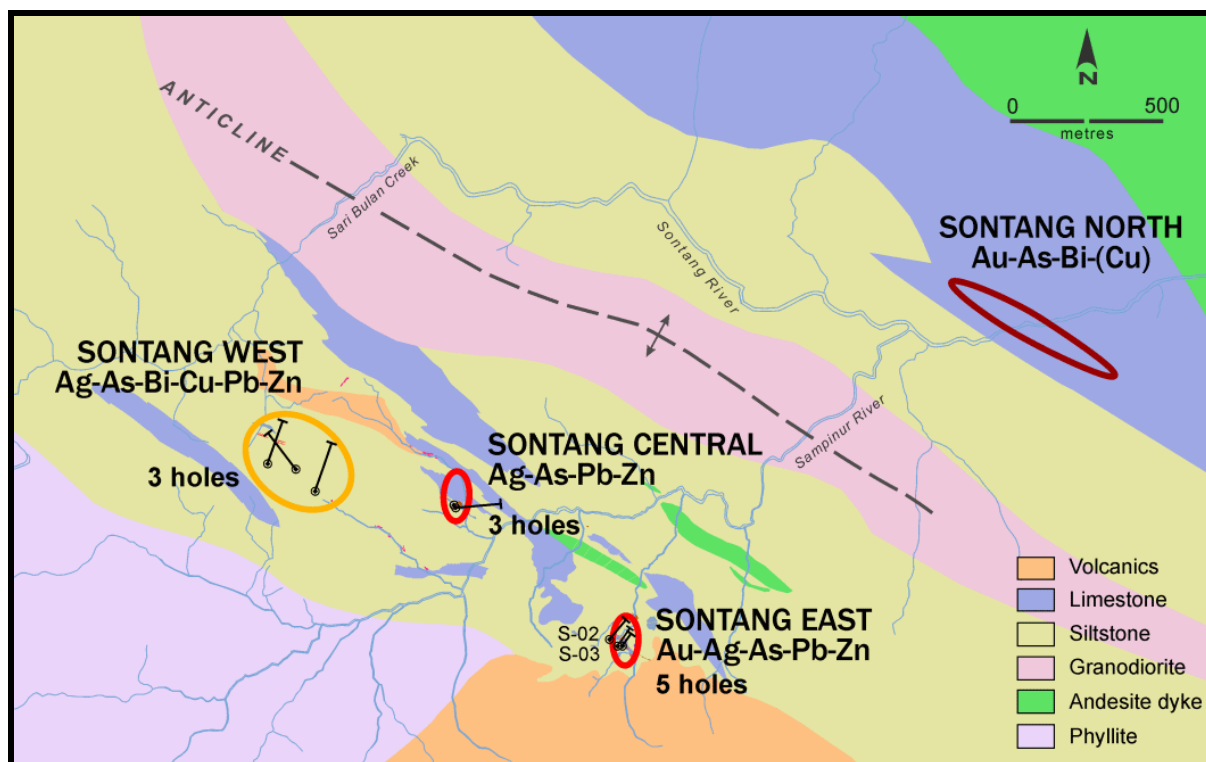
Staging area prior to moving the drilling rig.



Mobilising drilling equipment and supplies.

At West Sontang, a strong coherent copper-arsenic soil anomaly has been recognised on the margin of a high magnetic feature which may be intrusive in origin. Drill hole locations have now been finalised based on an integration of the geology, geochemistry and geophysics and we look forward to drilling this target after the Sontang East mantos.

Promising assay results continue to be returned from North Sontang which shows a large gold-copper soil anomaly hosted by limestone. Further contour trenching is planned to understand controls on mineralisation prior to siting scout drill holes at the end of the program.



Sontang geology and proposed drillholes.

Summary

Managing Director, Jocelyn Waller, comments: 'We are excited to be deploying a drill rig at our Sontang prospect, a virgin poly-metallic discovery by our own geologists. We are hopeful that the good metal values encountered at surface will be replicated at depth.'

Other

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Matthew Farmer, geologist, who is a member of the Australian Institute of Mining and Metallurgy. Matthew Farmer is an employee of the Company who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Matthew Farmer has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

For further information, please contact Warrick Morris, Peter Nightingale or Richard Edwards on (61 2) 9300 3377.

Yours sincerely

Warwick Morris
Chairman

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