



5 May 2010

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(7 pages by email)

Dear Madam

EXTENSION OF PASAMAN IUP

- **4,874 hectare extension to Pasaman IUP granted**
- **Prospective ground at Sontang polymetallic prospect extends into new tenement area**
- **Further encouraging channel rock chip and float sample results obtained**
- **At Tembang a further significant drill result of 2.7 metres @ 7.62 g/t Au and 23 g/t Ag within the Belinau high grade shoot**

Pasaman Update

The Company has rights to an exploration IUP previously totalling almost 250 km² 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.

On 30 April, 2010, the Bupati of Pasaman approved an extension to the existing tenement boundaries for an additional 4,874.17 ha. The Pasaman IUP now covers an area of 29,724.17 ha.

The extension of the IUP adds a considerable area of prospective ground to the Sontang tenement to the west and north-west. This includes highly prospective drainage anomalies in the Upper Saribulan and Barilas rivers which have been the focus of current and past alluvial gold workings.

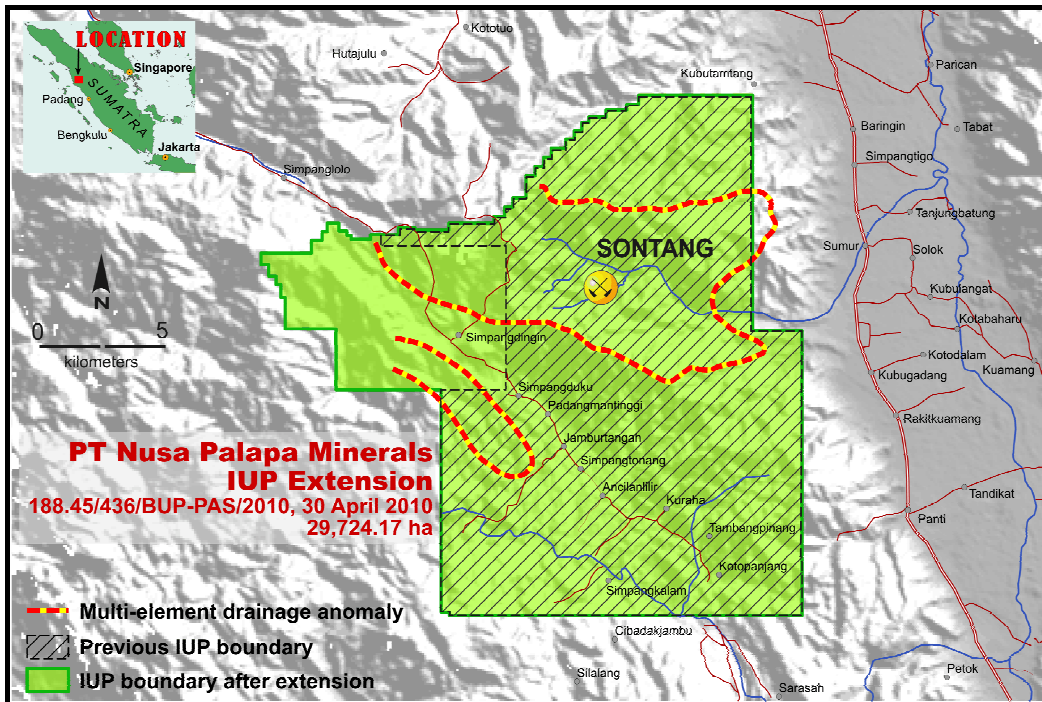


Figure 1 Pasaman IUP showing the newly granted extension

Sontang Project Update

The Sontang project comprises a notable virgin discovery by the Company’s geologists. The large hydrothermal system is related to intrusive activity, and the geological setting is particularly favourable as the intrusive(s) have been emplaced in a lithological package that hosts receptive calcareous beds including limestone and their metamorphosed equivalents.

Full assay results have now been received for two recently discovered massive sulphide outcrops in the Sontang river returning up to 7 metres @ 1.98 g/t Au, 9 g/t Ag, 0.11% Cu, and >1 % As and 0.98 g/t Au, 2.4 g/t Ag, 0.18% Cu and 0.4% As. The two outcrops are approximately 250 meters apart hosted in prospective limestone. Exploration work is on-going to trace these outcrops along strike. One float sample of massive sulphide north of these outcrops returned 10.5 g/t Au, 40.6 g/t Ag, 0.43% Cu and 4.26% As.

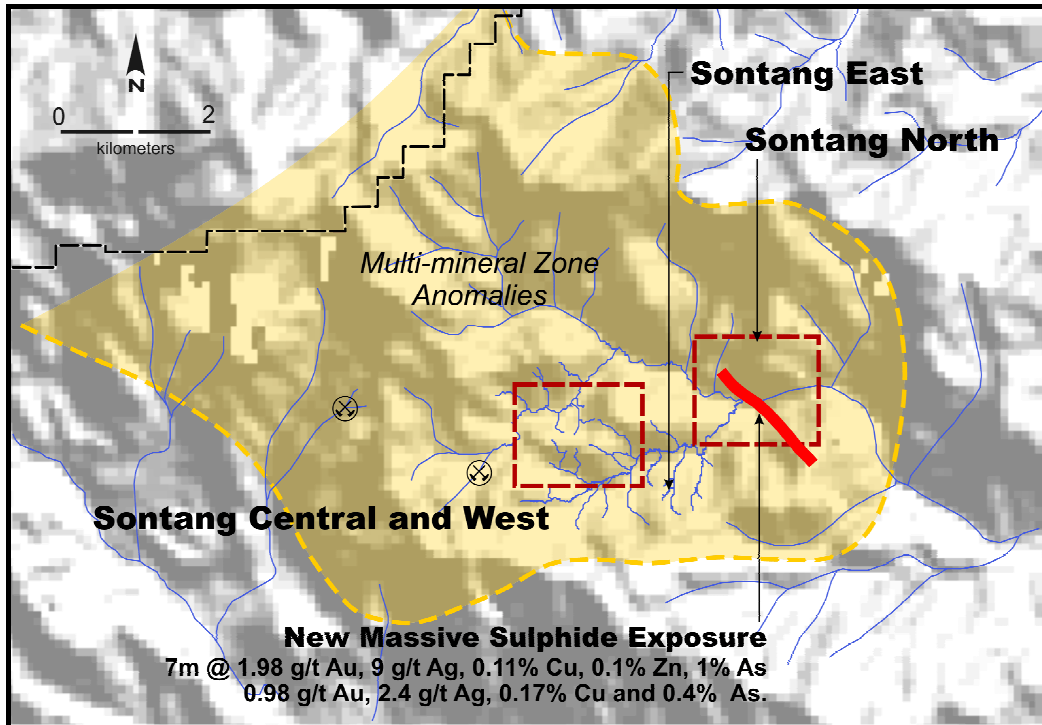


Figure 2 Sontang areas of exploration and recent massive sulphide outcrops

Detailed mapping and sampling is being carried out in the Sontang Central and West Au-Cu-As soil anomalies and has identified further zones of massive sulphide mineralisation and jasperoidal silica. Mineralized zones of silica and massive sulfide containing pyrite-sphalerite-galena-chalcopyrite±covellite have also been observed in the uppermost Saribulan River, within an area of high Cu-As soil anomalies.

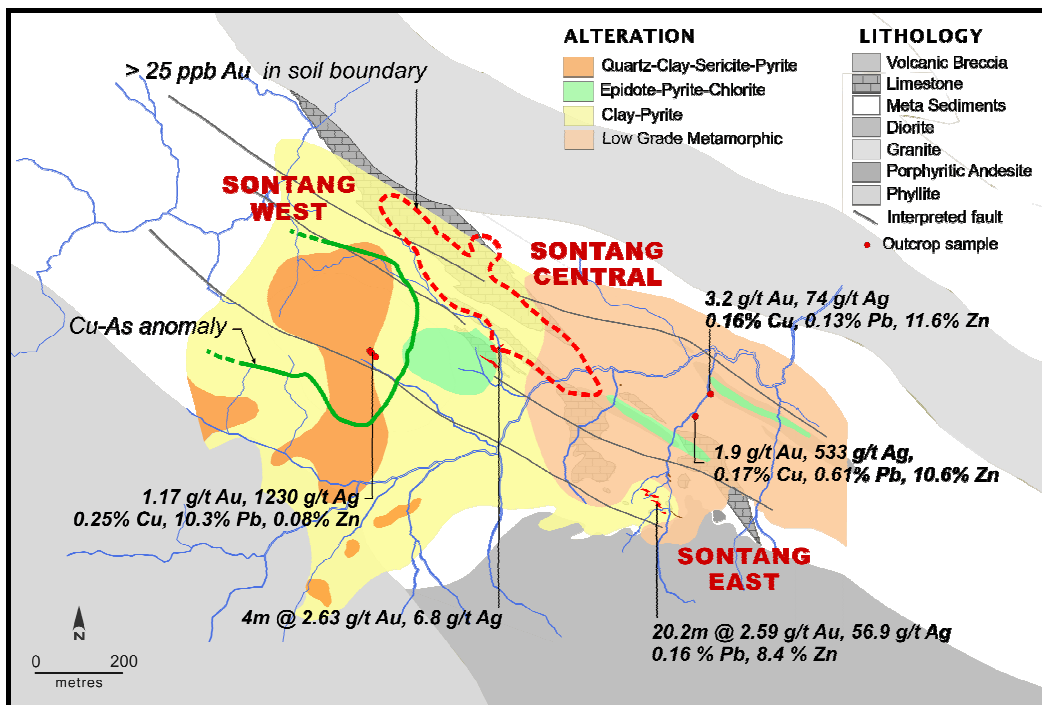


Figure 3 Sontang channel sampling results and geochemical anomalies

Tembang Drilling Update

The Tembang project is located approximately 120 kilometres north north-east of Bengkulu in South Sumatra province. Tembang is a large intermediate-sulphidation epithermal deposit comprising gold-silver bearing quartz veins hosted by Tertiary volcanics. The Company has rights to two IUPs totalling an area of some 850 km² over and around the former Rawas mine that operated between 1997 and 2000.

A total of 15 holes have been completed during the current programme of diamond drilling designed to test the down dip extensions of the higher grade vein systems at Buluh, Bujang and Belinau.

At Belinau RDD10056 returned 2.7 metres @ 7.62 g/t Au and 23 g/t Ag. Further in-fill drilling will target the continuity at depth and along strike of this high grade zone. The long section depicted below shows all the recent drill pierce points and intercepts.

Results from South Buluh are in line with previous results but the tenor of gold mineralisation is moderate to low. No further drilling is planned here during this campaign. However, further drilling is planned to target potential higher grade shoots at Tembang, Nuri and Berenai Central.

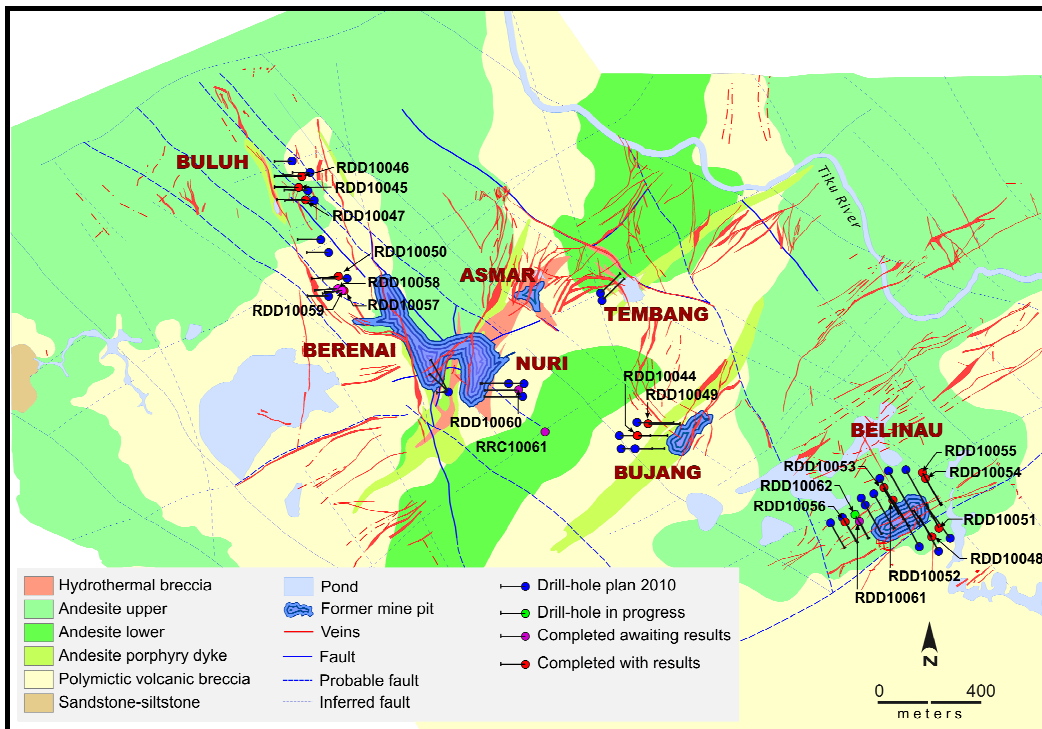


Figure 4 Plan of Tembang Drilling Program

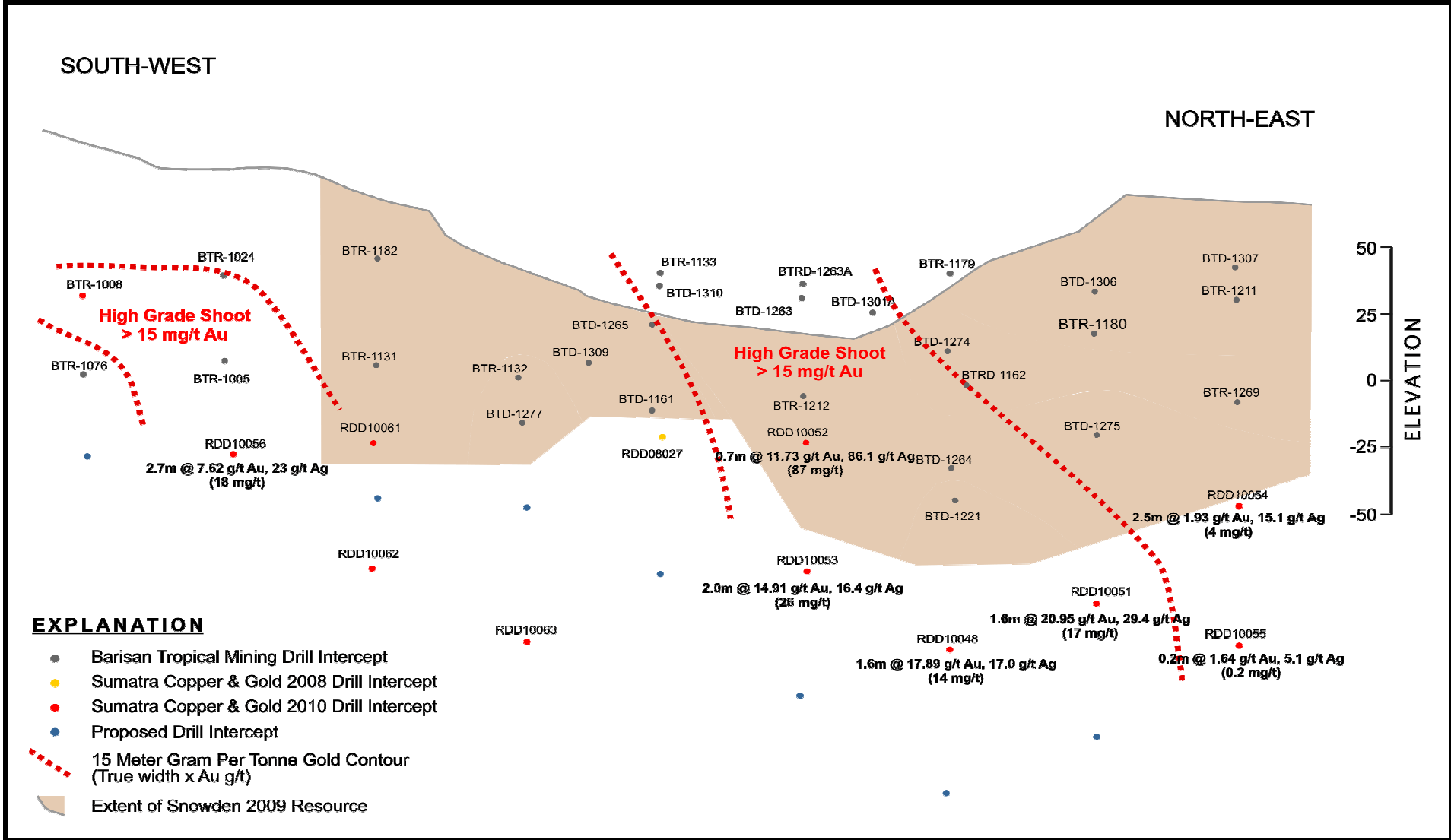


Figure 5 Long Section through Belinau Showing Drill Pierce Points

Tembang 2010 Resource Drilling Significant Intersections Au >0.35g								
Hole No	Location	Type	From	To	Length	Au g/t	Ag g/t	Comments
RDD10044	Bujang	Halo	149.85	153.00	3.15	0.81	28.5	
RDD10044	Bujang	Halo	165.40	166.40	1.00	0.47	3.1	
RDD10044	Bujang	Vein	213.00	214.10	1.10	2.02	4.9	
RDD10044	Bujang	Vein	223.30	224.35	1.05	1.01	3.2	
RDD10045	N. Buluh	Halo	4.60	7.90	3.30	1.01	6.3	
RDD10045	N. Buluh	Halo	12.60	13.60	1.00	2.08	6.4	
RDD10045	N. Buluh	Vein	144.60	149.15	4.55	3.56	106.3	Includes 0.75m at <0.35g/t Au and 0.3m with no core recovery (null value used) Includes 0.7m with no core recovery (null value used)
RDD10046	N. Buluh	Vein	123.70	125.20	1.50	0.60	11.8	
RDD10046	N. Buluh	Vein	153.05	154.70	1.65	BARREN		
RDD10047	N. Buluh	Halo	13.00	14.00	1.00	0.41	37.0	
RDD10047	N. Buluh	Halo	17.00	20.00	3.00	0.42	5.8	Includes 1m <0.35g/t Au
RDD10047	N. Buluh	Halo	26.00	29.60	3.60	1.06	2.4	Includes 1m <0.35g/t Au
RDD10047	N. Buluh	Halo	66.90	67.90	1.00	1.50	26.2	
RDD10047	N. Buluh	Vein	173.45	175.05	1.60	1.30	3.9	Includes 0.3m at <0.35g/t Au and 0.5m with no core recovery (null value used)
RDD10048	Belinau	Halo	34.80	35.80	1.00	2.00	1.3	
RDD10048	Belinau	Vein	125.00	129.30	4.30	3.55	6.0	Includes 0.65m <0.35g/t Au Includes 0.15m with no core recovery (null value used)
RDD10048	Belinau	Vein	196.30	197.90	1.60	17.89	17.0	
RDD10049	Bujang	Halo	29.00	31.00	2.00	0.43	7.6	
RDD10049	Bujang	Halo	147.00	148.00	1.00	0.67	38.0	
RDD10049	Bujang	Vein	175.30	177.40	2.10	0.38	5.4	Includes 1.45m <0.35g/t Au
RDD10049	Bujang	Vein	183.20	189.00	5.80	1.61	7.6	Includes 2.0m <0.35g/t Au
RDD10049	Bujang	Halo	195.00	196.00	1.00	0.76	2.5	Includes 1.6m <0.35g/t Au and 0.45m no core recovery (null value used)
RDD10050	S. Buluh	Vein	143.40	148.05	4.65	1.57	40.2	
RDD10051	Belinau	Vein	172.80	174.40	1.60	20.95	29.4	
RDD10052	Belinau	Vein	57.70	60.70	3.00	2.00	10.6	
RDD10052	Belinau	Halo	64.10	65.10	1.00	8.65	7.3	
RDD10052	Belinau	Vein	110.00	119.70	9.70	11.73	86.1	Includes 2.2m <0.35g/t Au
RDD10053	Belinau	Halo	74.70	77.70	3.00	0.60	5.7	
RDD10053	Belinau	Vein	215.80	217.80	2.00	14.91	16.4	
RDD10054	Belinau	Vein	144.60	147.10	2.50	1.93	15.1	Includes 0.3m <0.35g/t Au
RDD10055	Belinau	Vein	246.85	247.05	0.20	1.64	5.1	
RDD10056	Belinau	Vein	121.70	124.40	2.70	7.62	23.4	Includes 1.0m <0.35g/t Au
RDD10057	S. Buluh	Vein	73.10	74.60	1.50	1.39	54.1	Includes 0.7m <0.35g/t Au
RDD10057	S. Buluh	Halo	93.10	94.10	1.00	2.01	41.8	
RDD10057	S. Buluh	Halo	112.00	113.00	1.00	0.7	2	
RDD10057	S. Buluh	Vein	133.60	134.90	1.30	0.44	13.1	Includes 0.8m <0.35g/t Au
RDD10057	S. Buluh	Vein	157.20	157.90	0.70	1.35	20.7	
RDD10058	S. Buluh	Halo	24.50	25.50	1.00	2.12	3	
RDD10058	S. Buluh	Vein	79.00	80.00	1.00	0.45	25.6	Includes 0.45m <0.35g/t Au
RDD10058	S. Buluh	Halo	85.80	86.80	1.00	0.85	49.6	
RDD10058	S. Buluh	Vein	100.60	101.80	1.20	3.82	97.4	
RDD10058	S. Buluh	Vein	114.60	121.60	7.00	0.8	43.8	Includes 2.0m <0.35g/t Au

Table 1 Significant Intersections as of 30 April 2010

Summary

Managing Director, Jocelyn Waller, comments: “Obtaining this extension to our Pasaman IUP so that it now includes anomalous ground to the north-west and west of the tenement is potentially of considerable economic significance. We are grateful to the Bupati of the Pasaman Regency and his staff for processing this application prior to the 30 April 2010 deadline for conversion of tenements under the old mining regime to licences under the new Mining Law.

We are encouraged, too, that the work that is on-going at Sontang continues to deliver good results that upgrade the potential of the prospect. We are looking forward to getting a drilling a drill rig into the area as soon as possible. Meanwhile drilling continues to extend the area of high grade ore shoots at Belinau in our flagship Tembang project.”

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 Warwick Morris, Peter Nightingale or Richard Edwards on (61 2) 9300 3377.

Yours sincerely



Warwick G. Morris
Chairman

pjn5371