

18<sup>th</sup> October 2011

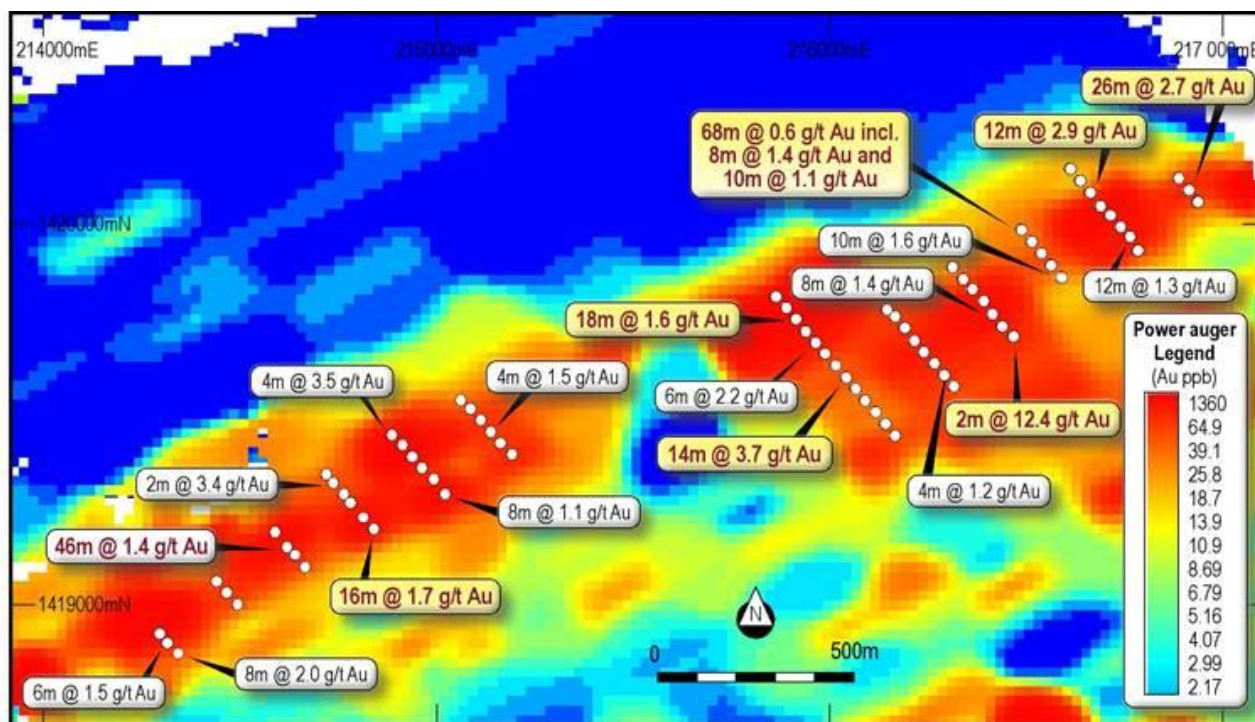
Companies Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

### MARKET UPDATE: RC DRILLING

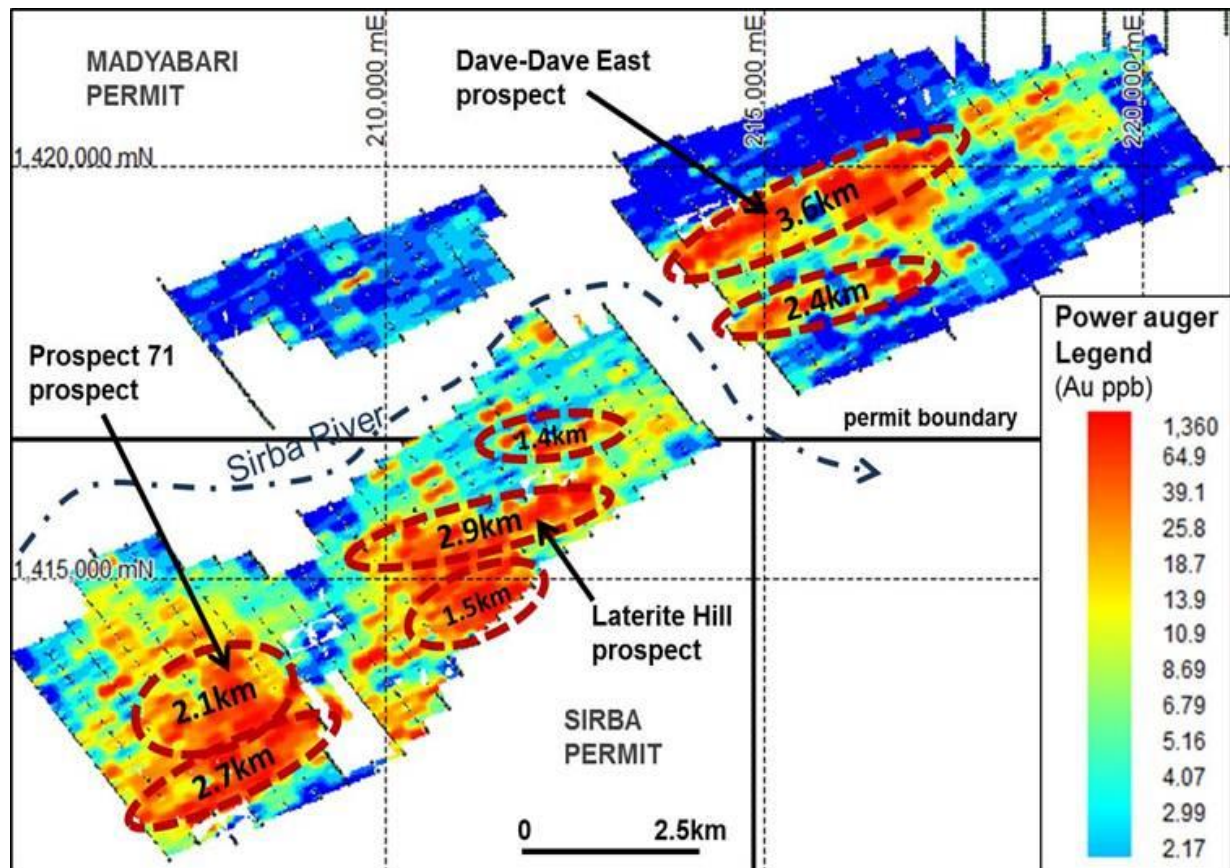
The Company's JV Partner Predictive Discovery Ltd (ASX: PDI) has informed the market of the commencement of their drilling campaign progressively starting next month. This will include Laterite Hill Grid on the Sirba and Madyabari permits (Eldore Joint Venture, PDI 60%).

Drilling on the Dave and Dave East Prospects within the Laterite Hill Grid drilled in June and July of 2011 (**Figure 1**) encountered a very broad gold mineralised zone over at least a 2km strike length including a series of highly encouraging intercepts including:

- 26m at 2.7g/t Au from 22m
- 46m at 1.4g/t Au from 16m
- 14m at 3.7g/t Au from 66m



**Figure 1:** RC drilling highlights - Dave Prospect superimposed on colour map of power auger gold results.



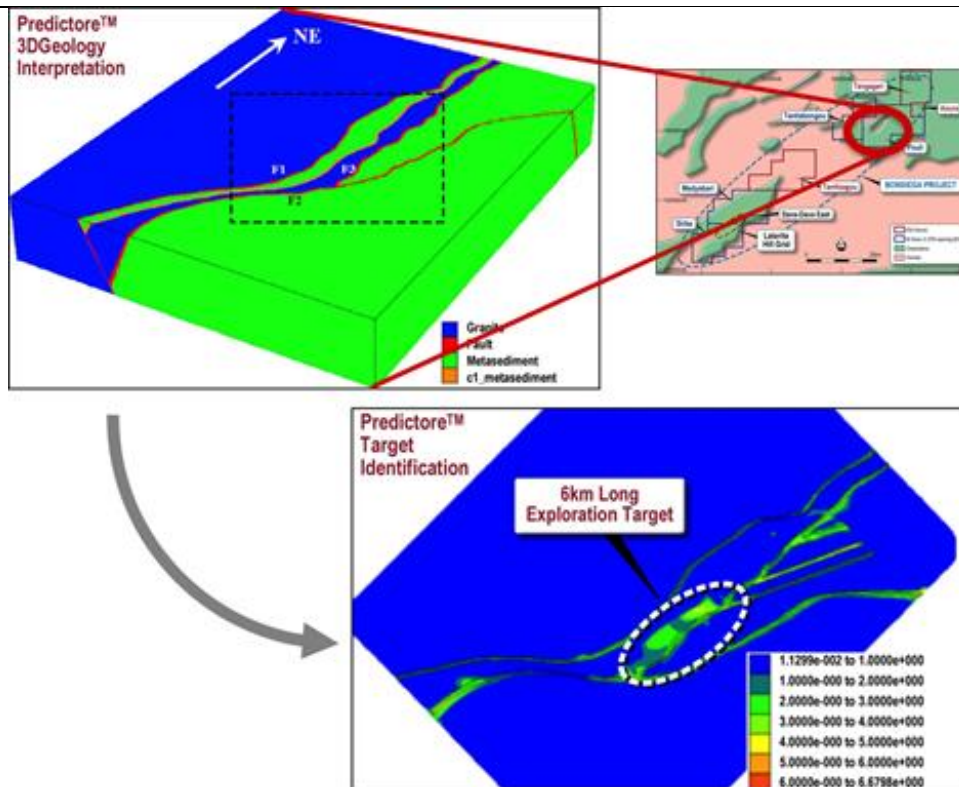
**Figure 2:** Extent of known strong power auger gold anomalies on the Laterite Hill Grid.

The Laterite Hill drill program will commence by establishing the relative priority of the large prospects identified by the power auger program earlier this year. This will involve a combination of:

- reconnaissance drilling of selected prospects on the Laterite Hill Grid in which over 14km of bedrock gold anomalies remain untested by PDI drilling (**Figure 2**); and,
- drill testing of the Dave-Dave East mineralisation in combination with in-hole imaging of the quartz veins to improve the Company's understanding of mineralisation continuity.

### Power Auger Drilling

The power auger rig will then move to the **Fouli** prospect on the Bonsiega Project where it will test several of the targets identified by Predictore™ during the rainy season (**Figure 3**).



**Figure 3:** Application of Predictore™ technology to target selection, Fouli permit, Burkina Faso. The image at top left is of a 3D geological interpretation of the area. The image at bottom right is of computationally simulated cumulative fluid flow through part of the area. Areas of high actual fluid flow during the period of gold deposition are typically where large gold ore deposits.

The Company will release further updates as they come to hand.

Yours sincerely

**JOHN GEARY**  
Director

#### **Competent Persons Statement**

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Paul Roberts (Fellow of the Australian Institute of Geoscientists). Mr Roberts is a full time employee of the company and has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr Roberts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.