

25 November 2010

The Manager Companies  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

(6 pages by email)

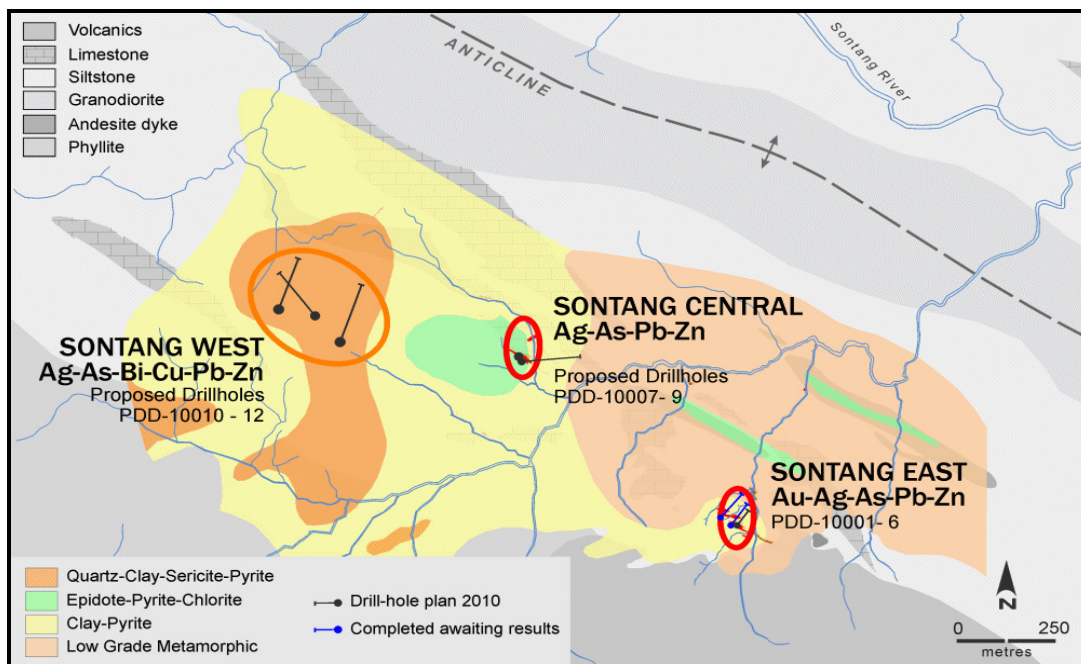
Dear Madam

## **FIRST DRILLHOLE AT SONTANG INTERSECTS SIGNIFICANT GOLD RICH POLYMETALLIC MINERALISATION**

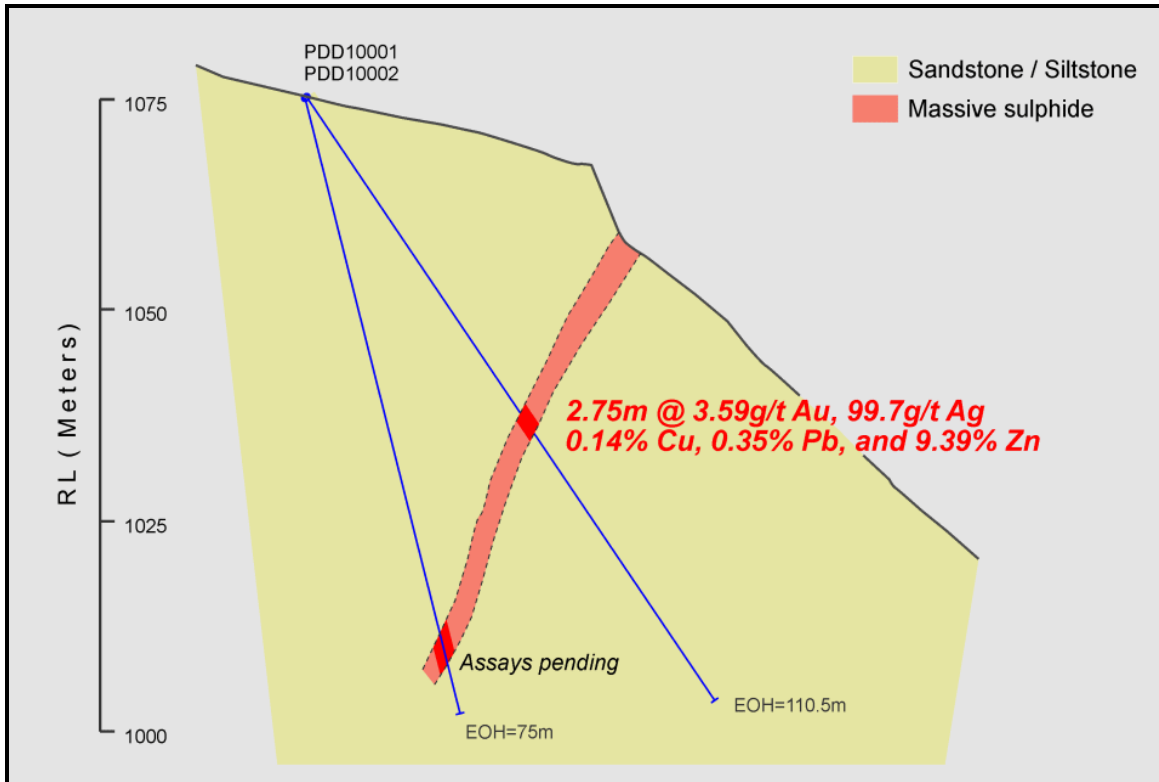
### **Sontang Drilling Update**

The first drill hole PDD10001 at East Sontang has intersected **2.75 metres @ 3.59 g/t Au, 99.7 g/t Ag, 0.14% Cu, 0.35% Pb, and 9.39% Zn**. This hole was drilled underneath a trench which returned 4.5 metres @ 0.8 g/t Au, 48 g/t Ag, 0.2% Pb and 7.6 % Zn. The zone is characterised by fine grained massive sulphide “manto style” mineralisation within a prospective limestone host rock. The hole confirms a steep dip to the south west as well as the depth continuity of mineralisation. Assays for the remainder of the hole are still awaited to see if local breccia units also host mineralisation. Visible massive sulphide mineralisation has also been intersected in PDD10002 down dip and also 50 metres along strike to the east in PDD10003.

Sontang comprises the virgin discovery of a high-grade polymetallic manto made by the Company's geologists in 2007/8 which is now being drilled for the first time. Hydrothermal alteration and mineralisation is dispersed over a wide area extending approximately 1.5km along strike. Four centres of mineralisation have been identified; East, Central and West Sontang and North Sontang, a newly discovered area where a large gold-copper anomaly has been identified.



**Sontang Geology and Drillhole Location Plan**



### East Sontang Drill Section PDD10001,2

Drilling is on-going in Sontang East and should be complete in early December before the rig moves to Central Sontang. Priority is being given to massive sulphide intercepts whose dispatch to the Intertek Laboratory in Jakarta is being expedited.

Sontang is situated in an exploration IUP 297.25 km<sup>2</sup> in area 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.

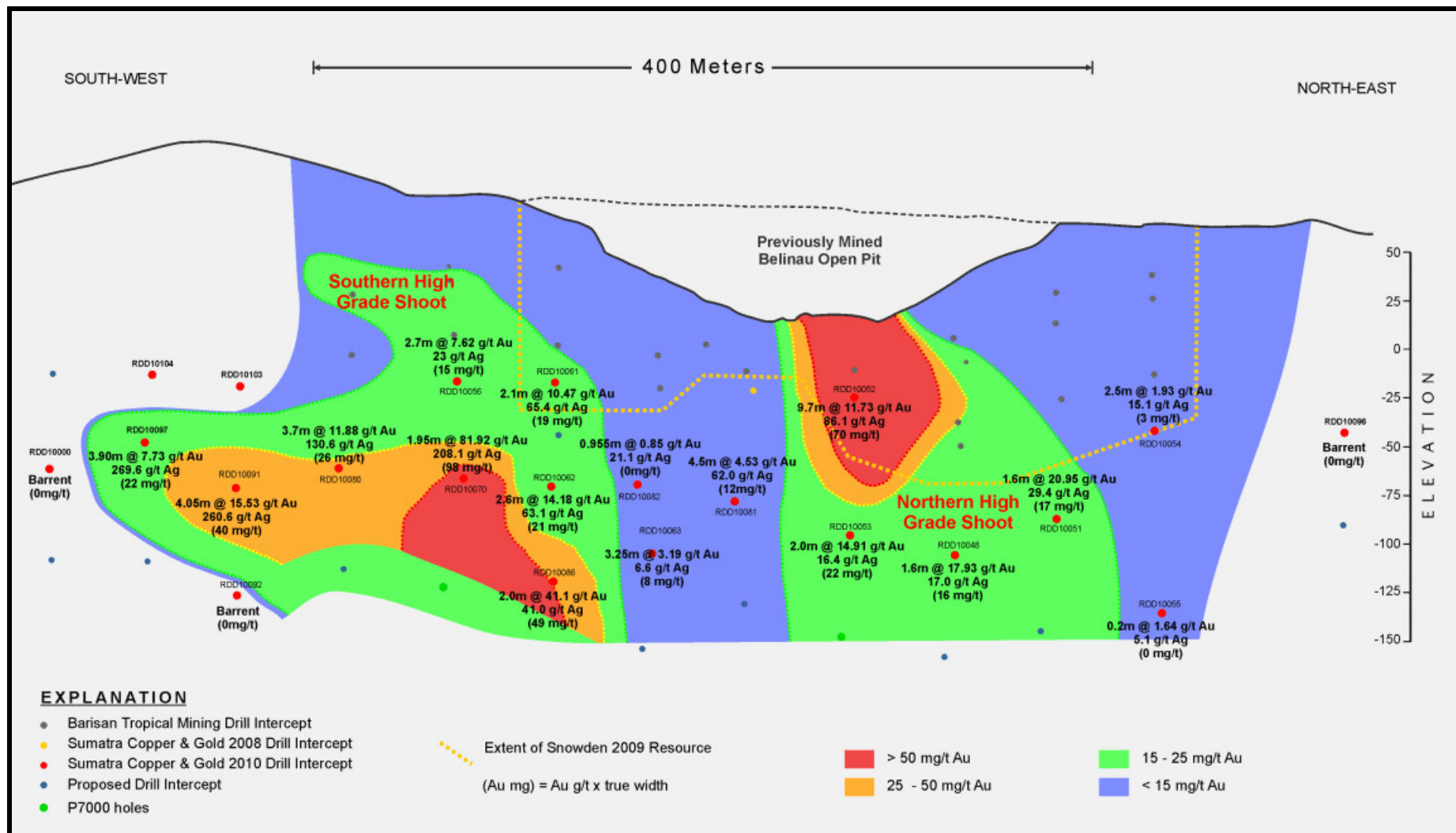
### Tembang Drilling Update

Drilling has been on-going at the Company's Tembang project located in the Musi Rawas regency of South Sumatra province. Latest results have been mixed with one further good high grade result at Belinau whereas at Nuri only weak and narrow mineralisation has been encountered in the latest holes

At Belinau RDD10097 returned a vein intersection of **3.9 metres @ 7.73 g/t Au, 269.6 g/t Ag** from a depth of 181.9 metres downhole extending the strike of the southern high grade zone by 50 metres. This includes a higher grade zone of 2.0 metres @ 12.95 g/t Au, 506 g/t Ag. A further hole along strike, RDD 10100, has been drilled but intersected only a narrow 20cm quartz vein at the expected depth which was barren. Although this is disappointing in terms of width these types of constrictions along the Belinau system are common and high grade shoots can lie at different elevations close by.

The P7000 rig with drilling capacity to 1,000 metres has recently arrived on site and is currently drilling a deeper hole into the Belinau vein system. Upon completion of this hole two deep holes will be drilled as planned beneath the Berenai/Nuri high grade shoots.





Long Section through Belinau Showing Drill Pierce Points



**Tembang 2010 Resource Drilling Significant Intersections Au >0.35 g/t from October 13<sup>th</sup> to November 18<sup>th</sup> 2010**

RDD10096	Belinau					<b>BARREN</b>			<b>Includes 2.0m @ 12.95 g/t Au, 506 g/t Ag</b>
RDD10097	Belinau	Vein	181.90	185.80	<b>3.90</b>	<b>7.73</b>	<b>269.6</b>		
RDD10098	Nuri/Berenai	Halo	49.00	51.00	<b>2.00</b>	<b>0.56</b>	<b>65.9</b>		Includes 1m <0.35g/t Au
RDD10098	Nuri/Berenai	Halo	57.00	58.60	<b>1.60</b>	<b>1.57</b>	<b>185.8</b>		Includes 1m <0.35g/t Au but with high silver assays
RDD10098	Nuri/Berenai	Nuri Vein	120.70	123.80	<b>3.10</b>	<b>0.30</b>	<b>5.3</b>		Includes 1m <0.35g/t Au and 0.7m core loss treated as null grade
RDD10098	Nuri/Berenai	Halo	136.00	137.00	<b>1.00</b>	<b>2.23</b>	<b>35.3</b>		
RDD10098	Nuri/Berenai	Berenai Vein	194.00	195.20	<b>1.20</b>	<b>1.58</b>	<b>3.1</b>		
RDD10098	Nuri/Berenai	Berenai Fault	290.00	292.00	<b>2.00</b>	<b>0.62</b>	<b>1.5</b>		
RDD10099	Berenai	Halo	2.00	5.00	<b>3.00</b>	<b>0.51</b>	<b>36.5</b>		Includes 2m <0.35g/t Au but with high silver assays
RDD10099	Berenai	Halo	10.00	13.00	<b>3.00</b>	<b>0.60</b>	<b>42.5</b>		Includes 1m <0.35g/t Au but with high silver assays
RDD10099	Berenai	Halo	22.00	23.00	<b>1.00</b>	<b>0.14</b>	<b>120.0</b>		Low Au, High Ag
RDD10099	Berenai	Halo	127.00	131.00	<b>4.00</b>	<b>0.36</b>	<b>7.5</b>		Includes 2m <0.35g/t Au
RDD10099	Berenai	Halo	133.65	139.15	<b>5.50</b>	<b>1.36</b>	<b>14.1</b>		Includes 1m <0.35g/t Au
RDD10099	Berenai	Berenai	214.20	215.40	<b>1.20</b>	<b>0.02</b>	<b>22.3</b>		Berenai vein absent, fault zone only
RDD10100	Belinau					<b>BARREN</b>			
RDD10101	Nuri/Berenai	W.Dump	0.00	10.00	<b>10.00</b>	<b>0.52</b>	<b>5.7</b>		Includes 4m <0.35g/t Au
RDD10101	Nuri/Berenai	Nuri Vein	186.50	187.70	<b>1.20</b>	<b>0.64</b>	<b>14.3</b>		Includes 1m <0.35g/t Au
RDD10101	Nuri/Berenai	Berenai Vein	221.40	222.45	<b>1.05</b>	<b>0.67</b>	<b>29.7</b>		Includes 0.7m <0.35g/t Au
RDD10101	Nuri/Berenai	Berenai Fault	262.35	263.90	<b>1.55</b>	<b>0.40</b>	<b>1.4</b>		Includes 1.1m <0.35g/t Au
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## Summary

**Managing Director, Jocelyn Waller, comments: The first drill result with elevated gold, silver and zinc values is an excellent start to the drilling at Sontang and confirms we have significant gold rich polymetallic mineralisation at depth. We look forward with considerable anticipation to the next round of results from the massive sulphide intercepts in our latest drill holes. It's exciting to have a new discovery taking shape in a brand new area to add to the good results we have been getting to the south at Tembang.**

**At Tembang the deployment of a more powerful rig will enable us to test more fully the depth potential of that system where grades have been generally improving as we have gone deeper.**

## 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

pjn5731