



15 December 2010

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

(4 pages by email)

Dear Madam

FURTHER GOLD RICH POLYMETALLIC RESULTS FROM SCOUT DRILLING AT SONTANG

Sontang Drilling Update

The second drill hole PDD10002 at East Sontang has intersected **2.65 metres @ 3.33 g/t Au, 67.3 g/t Ag, 0.09% Cu, 0.24% Pb, 7.30% Zn** from 67.35 to 70 metres down hole. This hole was drilled down dip of PDD 10001 (2.75 metres @ 3.59 g/t Au, 99.7 g/t Ag, 0.14% Cu, 0.35% Pb and 9.39% Zn as previously announced on 25 November 2010) and shows significant massive sulphide mineralisation occurs at depth in this area at least 50 metres down dip. The third hole PDD 10003 was drilled 30 metres along strike and intersected **5.3 metres @ 3.54 g/t Au, 124.1 g/t Ag, 0.14% Cu, 0.38% Pb, 12.00% Zn**. PDD 10004 was drilled from the same location at a steeper angle and intersected **0.5 metres @ 1.04 g/t Au, 26.5 g/t Ag, 0.04% Cu, 0.11% Pb, 2.80% Zn** from 71 to 71.5 metres. PDD 10005 was drilled a further 50 meters to the south west and intersected **1 metre @ 1.72 g/t Au, 27.2 g/t Ag, 0.07% Cu, 0.18% Pb and 11.40% Zn** from 87.8 to 88.8 metres.

The zone of mineralisation 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. Although the mineralisation apparently thins at depth the results especially for gold and silver are consistent and commonly higher than the surface values. Mineralisation is also strongly structurally controlled and can both pinch and swell depending on local fault control. Selected oriented core measurements are being taken to better determine local controls on mineralisation.

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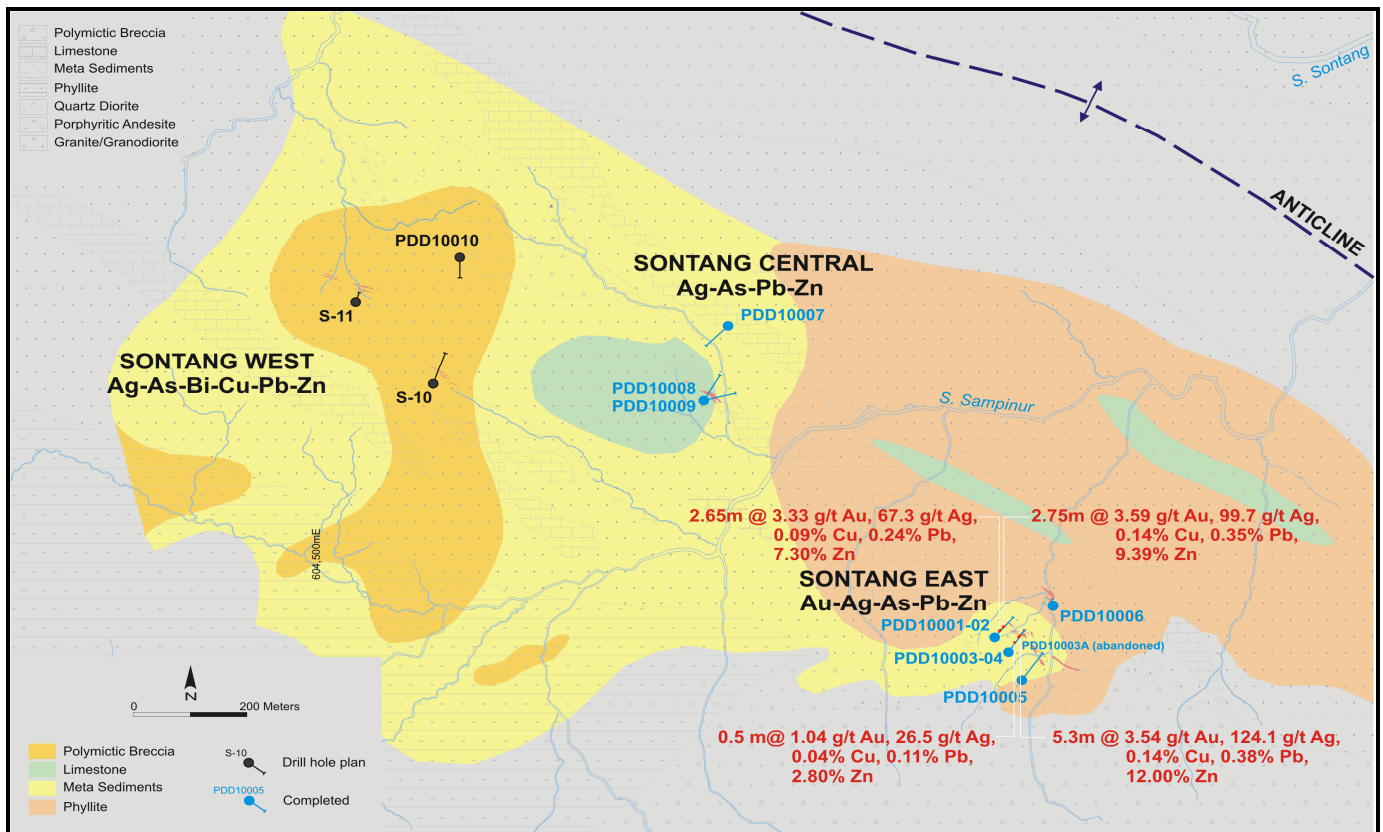
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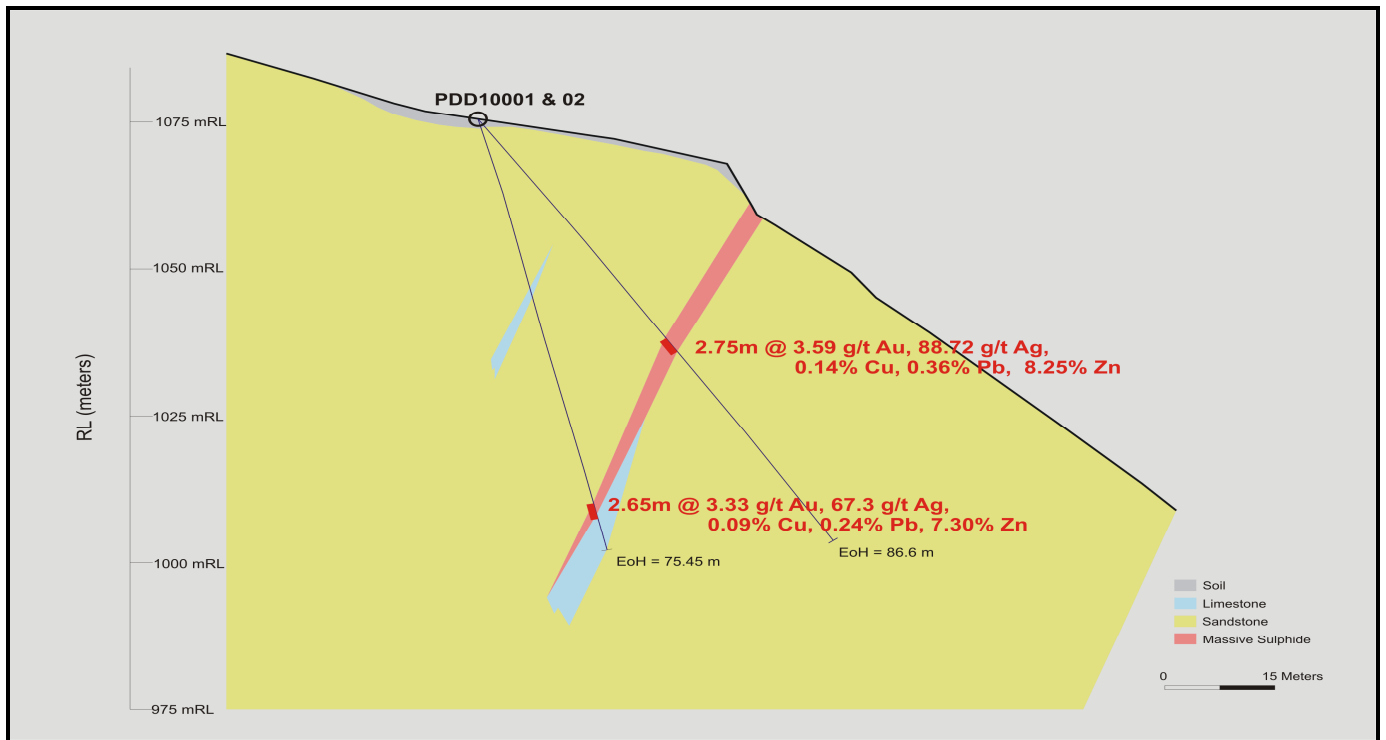
Pyrrhotite + pyrite + (galena + sphalerite) mineralisation has also been noted at the contacts of the limestone and interbedded sandstones but has yet to be analysed. Local brecciation occurs within the sandstone as well as disseminated pyrrhotite and galena and sphalerite in the footwall zones of the massive sulphide mineralisation. The final hole drilled at East Sontang, PDD 10006, intersected over 9 metres of disseminated pyrrhotite + pyrite mineralisation with localised galena and sphalerite. This indicates the sandstone may also be a receptive host for mineralisation.

At Sontang North trenching is being conducted to better define the orientation of significant gossanous massive sulphide mineralisation prior to scout drilling within the large copper gold soil anomaly. This is the largest soil anomaly discovered to date sitting on top of limestone.

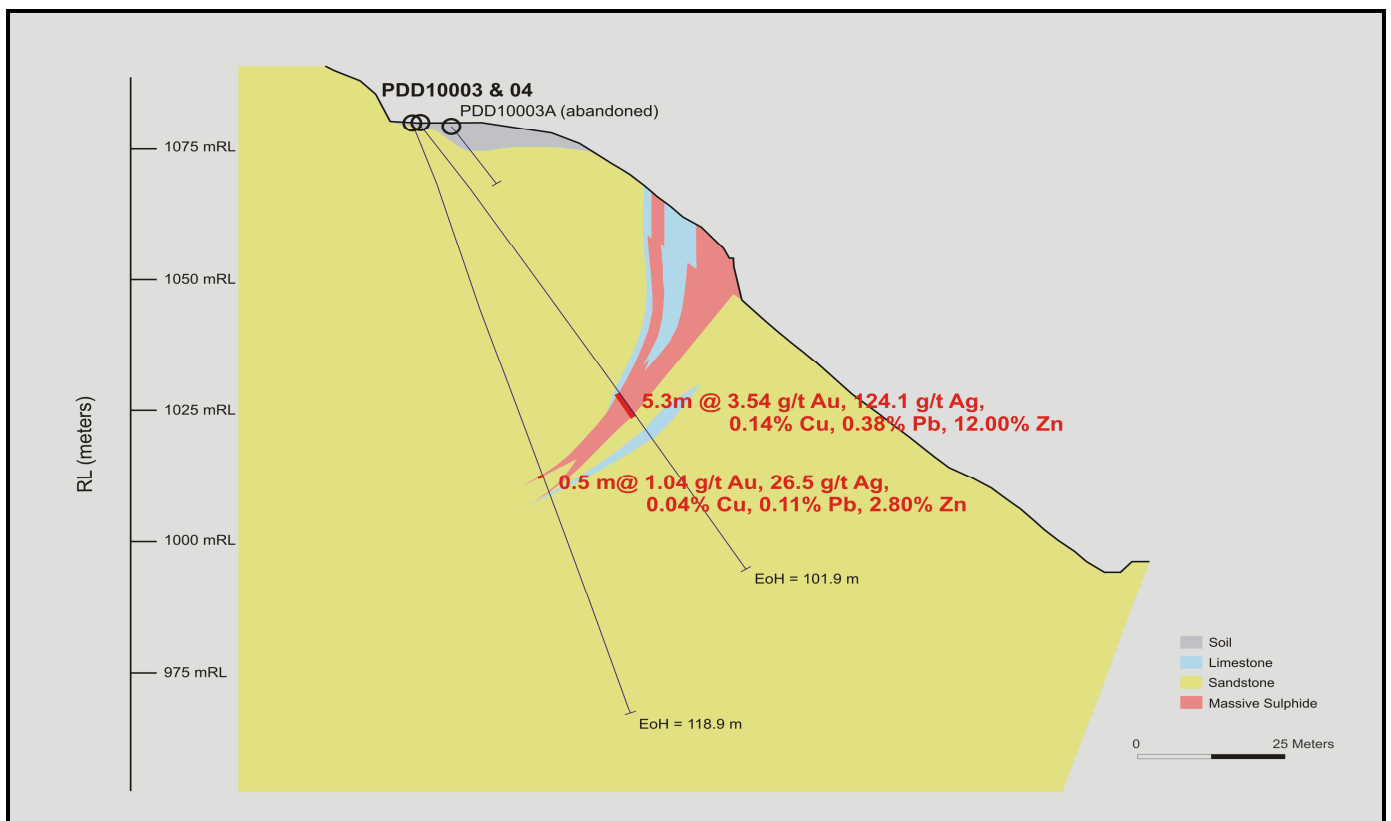
Sontang comprises the virgin discovery of a high-grade polymetallic manto made by the Company's geologists in 2007/8 which is now being drilled for the first time. Hydrothermal alteration and mineralisation is dispersed over a wide area extending approximately 1.5 kilometres along strike. Four centres of mineralisation have been identified and will all be drill tested as part of the scout program.



Sontang Geology and Drillhole Location Plan



East Sontang Drill Section PDD10001, 2



East Sontang Drill Section PDD10003, 4

This phase of drilling has now been completed at East Sontang and the rig is currently testing both manto and replacement type silicified sediments ('jasperoid') at 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 km² 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.

Summary

Managing Director, Jocelyn Waller, comments: "That the first 5 holes drilled at Sontang East have all returned significant precious and base metal values is an excellent start to our scout drilling campaign at this exciting prospect."

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



Jocelyn Waller
Managing Director

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