

28 August 2012

Manager of Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

By E-Lodgement

High Grade Sapes Gold Project – New Resource Model

Glory Resources Limited (ASX: GLY) (“**Glory**” or the “**Company**”) is pleased to provide this update on the Resource Evaluation studies on its 100% owned, high grade 830,000 oz (Measured and Indicated)¹ Sapes Gold Project (“**Sapes Project**”).

- ❖ New geological and mineralisation models for the Sapes Gold deposits highlight a potential to increase the resource tonnage volumes by two to three times from the original 2.6mt quantified in the current standing Sapes Mineral Resource estimate
- ❖ Independent Geological Consultants Aurum Exploration Services Ltd (“**Aurum**”) have completed re-logging of a significant proportion of all diamond drill core.
- ❖ 3D IP Geophysics Survey in the northern sector of the Sapes Mining Lease is completed and geophysical experts are reviewing the final results and data package.
- ❖ JORC compliant Mineral Resource estimates to be completed following Glory’s proposed 6,000 m drilling program that is planned to commence in mid-September.

New Resource Geological Model at Sapes Gold Project – Overview

Mineral Resources have been identified and evaluated at the Sapes Project in a typical high-sulphidation epithermal gold deposit. JORC Measured and Indicated Resources of 830,000 oz at 9.8 g/t Au with Proved and Probable Ore Reserves of 637,000 oz at 15.1 g/t Au were previously estimated for the Viper, Scarp and St. Demetrios deposits using gold cut-off grades of 4 g/t Au for Viper and 1 g/t Au for the other deposits (Tables 1 and 2), at a time when the gold price was a fraction of what it is today.

A new mineralisation model has been defined by Aurum using a 0.5 g/t Au cut-off envelope for the Viper deposit and a 1.0 g/t Au cut-off envelope for the St. Demetrios and Scarp deposits (Figure 1). In addition to lowering the cut-off grade, there were many other high-grade intercepts present which had not been previously modelled, particularly at the Viper deposit – this was the catalyst which drove the new geological modelling exercise. These historical high-grade intercepts (Table 3) were reported by Glory to the ASX on 14 February 2012 and included:

- SD08: **57 m at 8 g/t Au**, including **31 m at 13.3 g/t Au** with **9 m at 40 g/t Au**, from 128 to 185 m
- SD04: **51 m at 1.79 g/t Au**, from 149 to 200 m, including **5 m at 13.5 g/t Au**, and **67 m at 2.46 g/t Au**, including **22 m at 6.5 g/t Au** with **10 m at 9.2 g/t Au**, from 216 to 283 m

¹ Measured and Indicated Resources as compiled by SRK Consulting (UK) Ltd (Table 1)

BOARD

Jason Bontempo
Jeremy Wrathall
Bernard Aylward
Lui Giuliani

COMPANY SECRETARY

Pip Leverington

CORPORATE INFORMATION

Shares on issue	224m
Options on issue	27m
Cash	\$8m

ASX CODE

GLY

CONTACT DETAILS

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The result of the new geological and mineralisation models for the Sapes Project deposits (Viper, St. Demetrios and Scarp) highlights a potential increase in the volumes of gold bearing material by two to three times what was previously reported.

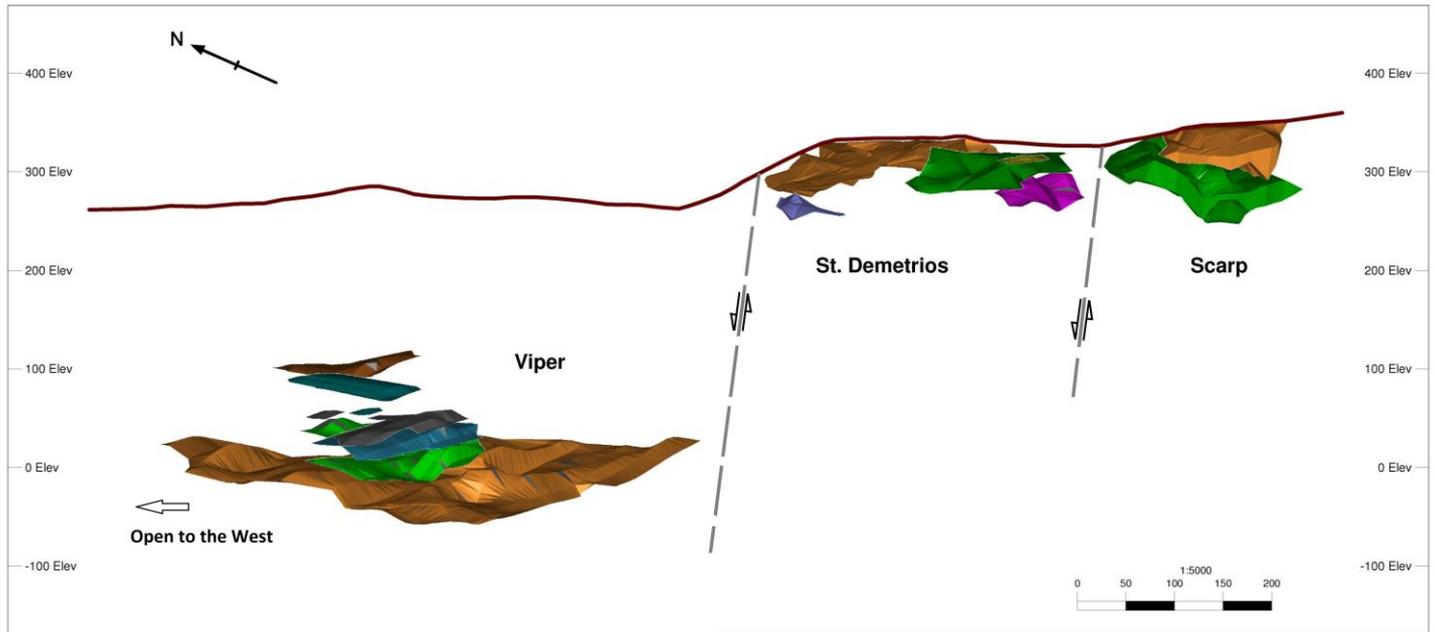


Figure 1: Wireframe models of the Viper, St. Demetrios and Scarp deposits demonstrating their relative positions and elevations

Viper Deposit – Geological Model Review

The new geological and resource modelling of the Viper deposit has interpreted twelve discrete buried lenses of variable dimensions with a central core of six stacked flat-lying lenses (Figure 2). The complete mineralised zone extends over a strike length of 620 m, although it remains open to the west, and it varies from 100 to 150 m in width.

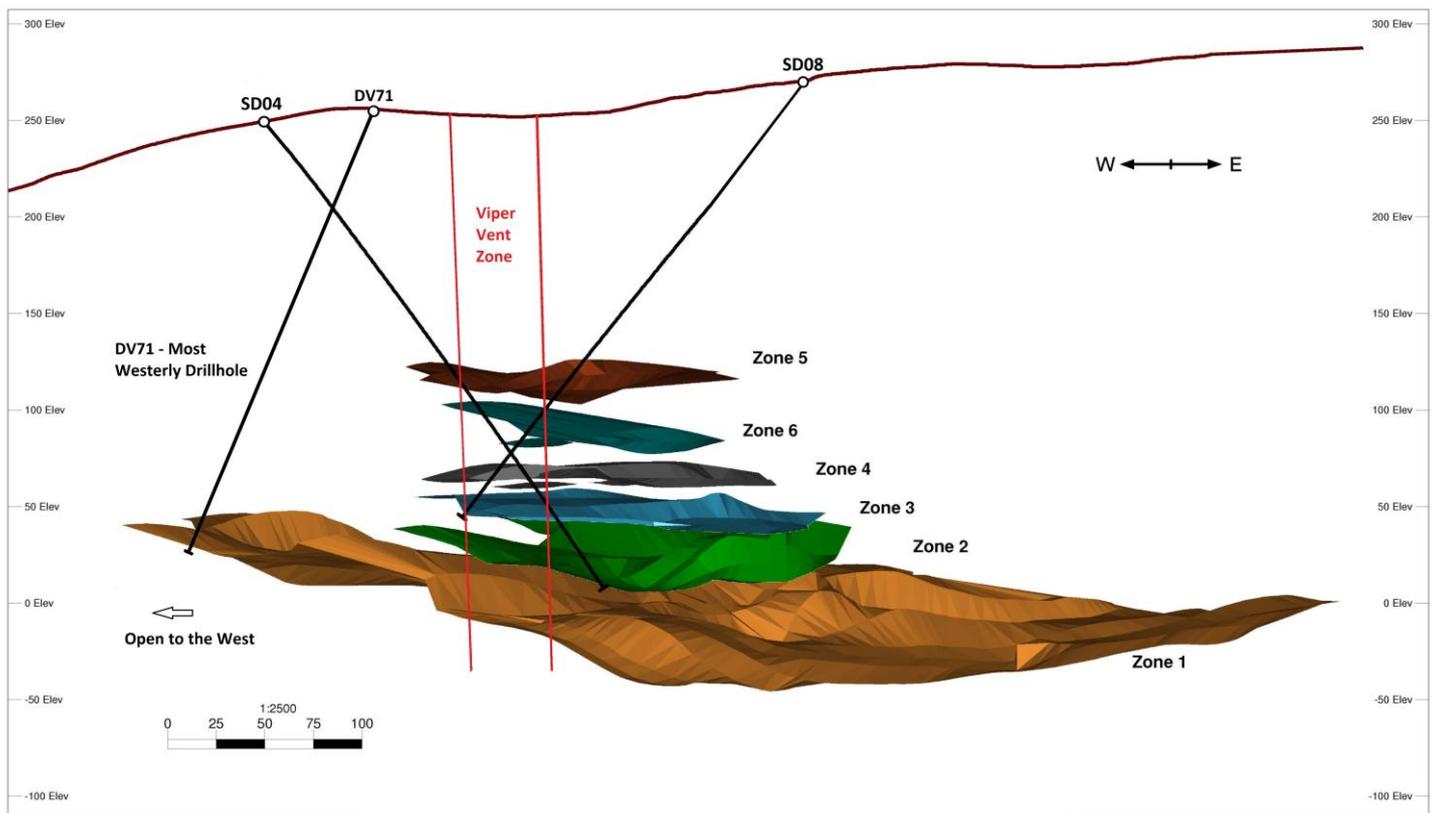


Figure 2: Wireframe model of Viper viewed North, Zones 1-2-3-4-5-6 are stacked and form the central core within and adjacent to the VVZ

The new modelling is based on a 0.5 g/t gold envelope to define the coherent gold mineralisation. The total volume of material within all of the lenses identified to date amounts to about 1.64Mm³ of which 96 per cent is contained in the six stacked lenses. The lower lens (Zone 1 in Figure 2) with some 1.2Mm³ and hosting 73 per cent of the total, encapsulates the original Viper resource (Table 1), which also remained open along strike to the west. The estimates from this new review indicates a significant two- to three-fold increase in gold bearing material from the original 990,000 t quantified for the original main Viper Resource.

The Viper 1 lens lies at a depth of 200 to 250 m below surface and was defined by 36 drill intersections of up to 63.0 m in down hole width with an average of 21.25 m. The overlying Viper 2 lens, containing 13% by volume of the deposit and lying between 170 and 190 m below surface was intersected by 12 boreholes with maximum down hole intercepts of 27.30 m and an average of 12.94 m.

As depicted in Figure 2, the overlying series of lenses extends upwards in and around the Viper Vent Zone to 100 to 150 m below surface. The drill traces of SD04 and SD08 show that the holes intersected the upper lenses only and proved significant widths of gold mineralisation (Table 3) that were not fully evaluated nor the limits identified during previous drilling programmes. The drill trace of DV71 is marked in Figure 2, being the most westerly hole drilled to date at Viper and ending within the deposit, it demonstrates that Viper remains open to the west. The upper lenses and the westerly strike extension of Zone 1 will be targeted during the forthcoming drilling campaign.

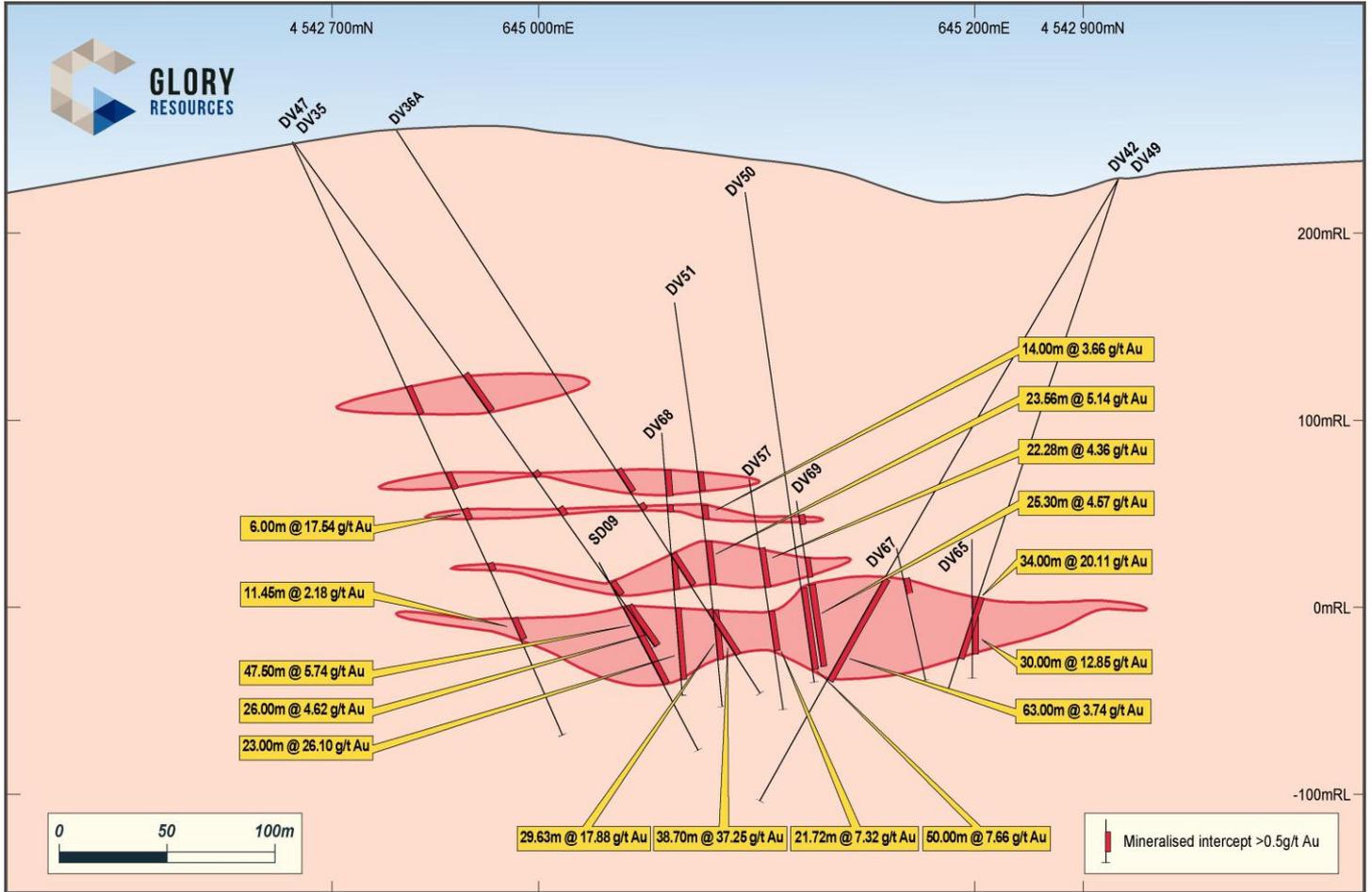


Figure 3: Viper Resource model - oblique section 13 (vertical) through the Viper deposit showing the stacked nature of the mineralised lenses with the borehole traces and the average gold grades through intersections with greater than an average gold grade of 2 g/t Au

An indication of the lens shapes is shown in relation to the borehole intersections in the Oblique Sections 13 (Vertical) at Azimuth 329.81° through Viper (Figures 3), which highlights the average gold values for borehole intersections with an average of grade of over 2 g/t Au and no upper cut-off grade.

Ongoing and future activities

The 3D IP Survey in the northern sector of the Mining Lease which comprised the Sapes Project is completed and geophysical experts are reviewing the final results and data package.

Diamond drilling is programmed to start in the second half of September and will target the westerly strike extension to the Viper ore body, which has never been drilled and remains open, the higher level mineralisation in the Viper Vent Zone that was never fully evaluated and the other lenses recognised during the geological modelling exercise. The aim of the additional drilling at Viper is to further increase the Resources and once completed, a revised JORC compliant Resource will be estimated.

Additional drilling will target the IP anomalies identified during the evaluation of the recently completed geophysics survey.



Commenting on the ongoing resource evaluation at the Sapes Project, Executive Director Jason Bontempo said “it is exciting to see that the modelling of the Viper, St. Demetrios and Scarp deposits including historical high grade drill intercepts not previously included in the resource wireframe and using a revised cut-off grade has significantly increased the volumes of gold bearing material. The company now looks forward to receiving its drilling permit and commence a drilling program in September to test extensions at the Viper deposit and new targets generated by the 3D IP Geophysics within the highly prospective Sapes Lease area.”

Jason Bontempo

Executive Director

Background Information

The Company is an Australian listed precious metal development & exploration company. The Company’s flagship project is the Sapes Gold Project, an advanced high-grade gold development project located in north-eastern Greece approximately 30 km northwest of the Aegean Sea port city of Alexandroupolis. Key details are:

- A feasibility study conducted in 2001 and updated in December 2010 shows JORC Measured and Indicated Resource of 830koz at 9.8g/t Au (Measured 647koz at 8.9g/t Au and Indicated 183koz at 14.9g/t Au) with identified JORC Proved and Probable Ore Reserve of 637koz at 15.1g/t Au (Proved 23koz at 3.5g/t Au and Probable 614koz at 17.2g/t Au).
- The feasibility study reports gold production of 510,000oz, total capex of US\$100m and cash opex cost of US\$297/oz over a seven-year mine life.
- Substantial opportunity for further exploration upside as no systematic exploration on the Sapes Project lease for 12 years.

The Company is also exploring the Onion Lake Project, which is prospective for Copper-Nickel-Platinum Group Elements and is comprised of approximately 190 km² of contiguous mining claims which are adjacent to Magma Metals Ltd (ASX:MMW) Thunder Bay North Polymetallic Property (732,000oz Pt equivalent resource). GLY holds the right to earn a 75% interest in the Onion Lake Project pursuant to a joint venture with TSX listed Benton Resources Limited. GLY has earned a 30% interest to date.

Competent person statement

The information in this release that relates to exploration results is based on information compiled by Mr Bernard Aylward. Mr Aylward is director of and a consulting geologist to Glory Resources Limited. Mr Aylward is a member of The Australasian Institute of Mining and Metallurgy and 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 Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Aylward consents to the inclusion in the report of the matters based on information in the form and context in which it appears

Resource Statement

The Mineral Resource statement in this ASX Release has been compiled by Dr Mike Armitage of SRK Consulting (UK) Ltd. Dr Mike Armitage is a member of the Institute of Materials, Minerals and Mining which is a “Recognised Overseas Professional Organisation” (ROPO) included in a list promulgated by the Australian Stock Exchange (ASX) from time to time and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Orebody	Category	Cut-Off Grade (g/t)	Tonnes	Grades			Ounces of Gold
				Au Gold (g/t)	Ag (g/t)	Cu (%)	
Viper	Measured	4.0	710,000	22.2	11.5	0.4	507,000
St. Demetrios	Measured	1.0	730,000	3.5	3.2		82,000
Scarp	Measured	1.0	820,000	2.2	1.5		58,000
	sub-total		2,260,000	8.9	5.2	0.2	647,000
Viper	Indicated	4.0	280,000	19.5	9.0	0.4	176,000
St. Demetrios	Indicated	1.0	50,000	2.6	2.8		4,000
Scarp	Indicated	1.0	50,000	1.7	1.1		3,000
	sub-total		380,000	14.9	7.1	0.3	183,000
Rounded	Total		2,640,000	9.8	5.5	0.1	830,000



Reserve Statements

The Viper Ore Reserve statement in this ASX Release has been compiled by Mr Malcolm Dorricott of AMC Consultants Pty Ltd. Mr Malcolm Dorricott is a member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The St Demetrious Ore Reserve statement in this presentation has been compiled by Dr Mike Armitage of SRK Consulting (UK) Ltd. Dr Mike Armitage is a member of the Institute of Materials, Minerals and Mining which is a "Recognised Overseas Professional Organisation" (ROPO) included in a list promulgated by the Australian Stock Exchange (ASX) from time to time and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Orebody	Category	Cut-Off Grade (g/t)	Tonnes	Grades			Ounces of Gold
				Au Gold (g/t)	Ag (g/t)	Cu (%)	
St. Demetrios	Proved	1.0	200,000	3.5	5.2		23,000
	sub-total		200,000	3.5	5.2		23,000
Viper	Probable	4.0	1,109,000	17.2	8.8	0.3	613,000
St. Demetrios	Probable	1.0	10,000	3.6	4.4		1,000
	sub-total		1,119,000	17.2	8.8	0.3	614,000
Rounded	Total		1,319,000	15.1	8.2	0.3	637,000

Hole Id	East	North	Azim	Dip	Depth	Thick (m)	Au (g/t)	
SD08	655076	4542900	270	-50	128-185	57	8.0	Incl. 31.86 m at 13.3 g/t Au with 9.43 m at 40.1 g/t Au
SD04	644844	4542891	91.5	-50	121-140	19	0.47	
					149-200	51	1.79	Incl. 5 m at 13.5 g/t Au
					216-283	67	2.46	Incl. 22 m at 6.5 g/t Au with 10 m at 9.2 g/t Au

Notes: Intersections for SD04 and SD08 are based on 1/2HQ and NQ diamond core using a 0.2 g/t gold lower cut-off, no upper cut applied and maximum internal dilution of 4 consecutive metres. Diamond drilling was completed by Newcrest in 1994. QAQC procedures were routinely used to ensure assay quality. All drill information included in a database prepared by Glory Resources Limited in 2011