

ASX ANNOUNCEMENT 4 SEPTEMBER 2012

Key terms of Heads of Agreement for Joint Venture between Geodynamics and Gulkula Mining Company

Further to the ASX announcement dated 3 September 2012, Geodynamics Limited (ASX:GDY) provides the following additional information regarding the Heads of Agreement signed between Geodynamics and Gulkula Mining Company Pty Ltd (Gulkula Mining).

Under the Heads of Agreement, Geodynamics will provide the initial \$200,000 of funding to develop an initial exploration plan and a business plan and pay initial permit fees required by the Northern Territory Government and any statutory costs of the Northern Land Council.

Gulkula Mining will assist to secure with the Northern Land Council the necessary agreements and consents for a targeted exploration project.

Both Geodynamics and Gulkula Mining will work together to secure external funding for the project and offtake arrangements and, subject to respective Board and other third party approvals, will enter into a definitive joint venture agreement if appropriate progress is made on the principal commercial aspects of the project.

In consideration of Gulkula Mining entering into the Heads of Agreement, Geodynamics has agreed to issue 500,000 fully paid ordinary shares to Gulkula Mining, subject to escrow terms to be agreed. No shareholder approval is required or will be sought for the share issue.

For further information, please check our website (www.geodynamics.com.au) or contact Mr Geoff Ward on + 61 7 3721 7500. Media and investor inquiries may also be directed to Meredith Bird, Corporate Affairs Manager on +61 7 3721 7581.



Geoff Ward
Chief Executive Officer and Managing Director

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