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DRILLING COMMENCES AT REDCLIFFE GOLD PROJECT

The Company is pleased to advise that drilling has commenced at the Golden Terrace South (GTS) gold deposit.

- **Ten RC holes are planned for approximately 1220 metres**
- **Aim is to more accurately define the critical high grade oxide zones at GTS within the conceptual phase 1 open pit**
- **Provide information for updating geology and resource modelling**
- **Update to JORC 2012 compliance**

The Company's 100% owned Redcliffe Gold Project is located 45-60km northeast of Leonora in the Eastern Goldfields Region of Western Australia. The Leonora district hosts several multi-million ounce gold deposits including Sons of Gwalia (5.1 Moz), Tarmoola (3.1 Moz) and Tower Hill (1.5 Moz). A number of projects are currently being mined or considered for development within the area by several companies.

The Redcliffe Project tenements cover a substantial strike length of the Mertondale Shear Zone where the Company hopes to build on previously estimated gold resources that lie within granted mining leases.

Estimated resources over eight deposits delineated to date amounts to 278,100 ounces of which 969,000tonnes @ 2.70g/t (84,100 ounces) is indicated, the remainder inferred. (See appended information in this report for further detail).

The Golden Terrace South resource of 90,500 ounces consists of 56,100 ounces indicated (707,000t @ 2.46g/t) and 34,400 ounces inferred (684,000t @ 1.56g/t)

The infill RC drilling is seen as a priority to confirm and extend the GTS high grade component of the current resource. A total of 10 holes for 1220m are planned (Figures 2 & 3).

These new holes will enable more precise definition of the critical high grade zone within the conceptual phase 1 open pit. The new data will be fed into a re-run of the geological and resource modelling which will then be used to upgrade to JORC 2012 compliance.

Results will be reported as they come to hand in the coming weeks.



Lloyd Jones

Managing Director

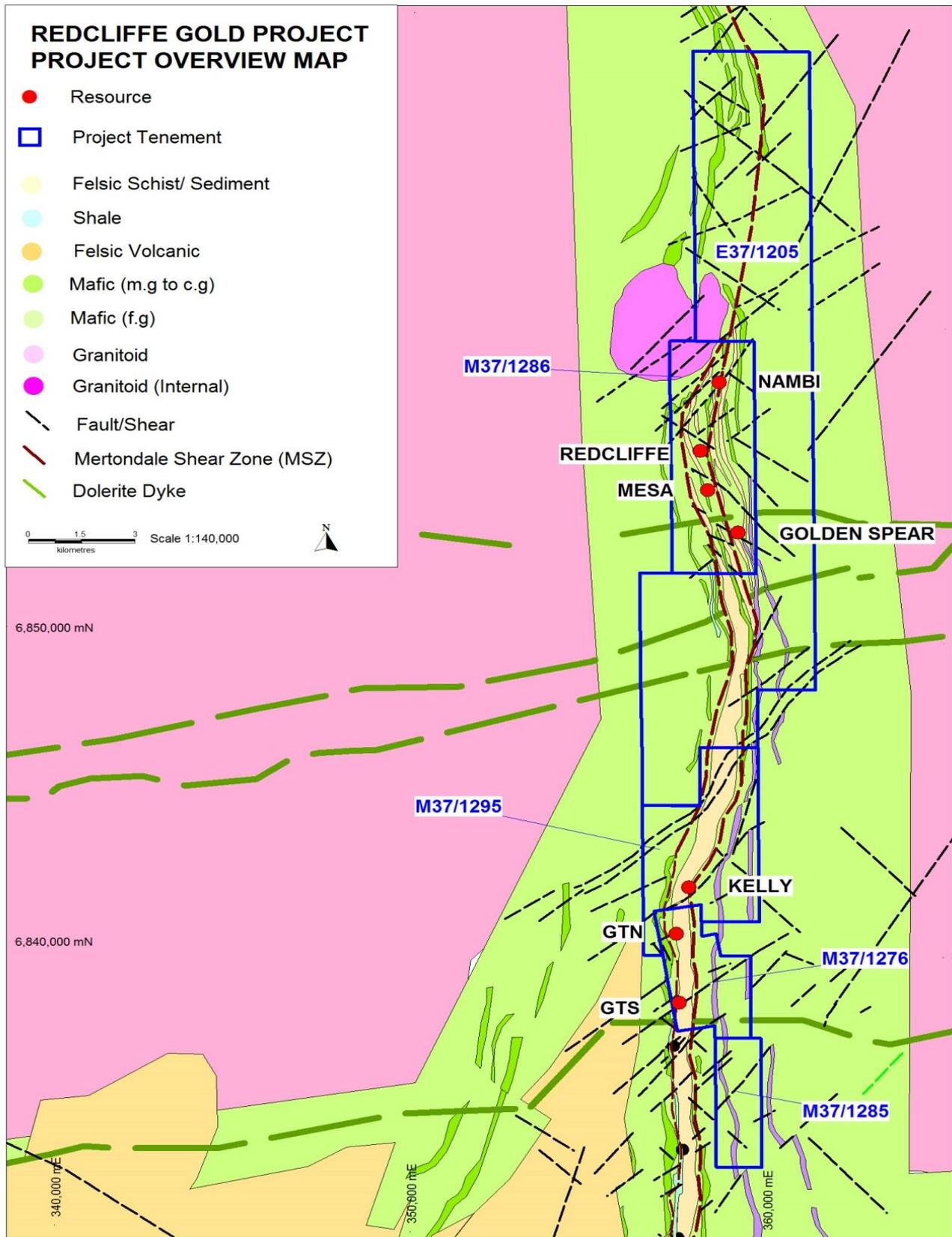


Figure 1 – Location Map- Redcliffe Gold Project. Note Pig Well Project (P37/7948 & 7646) not shown.

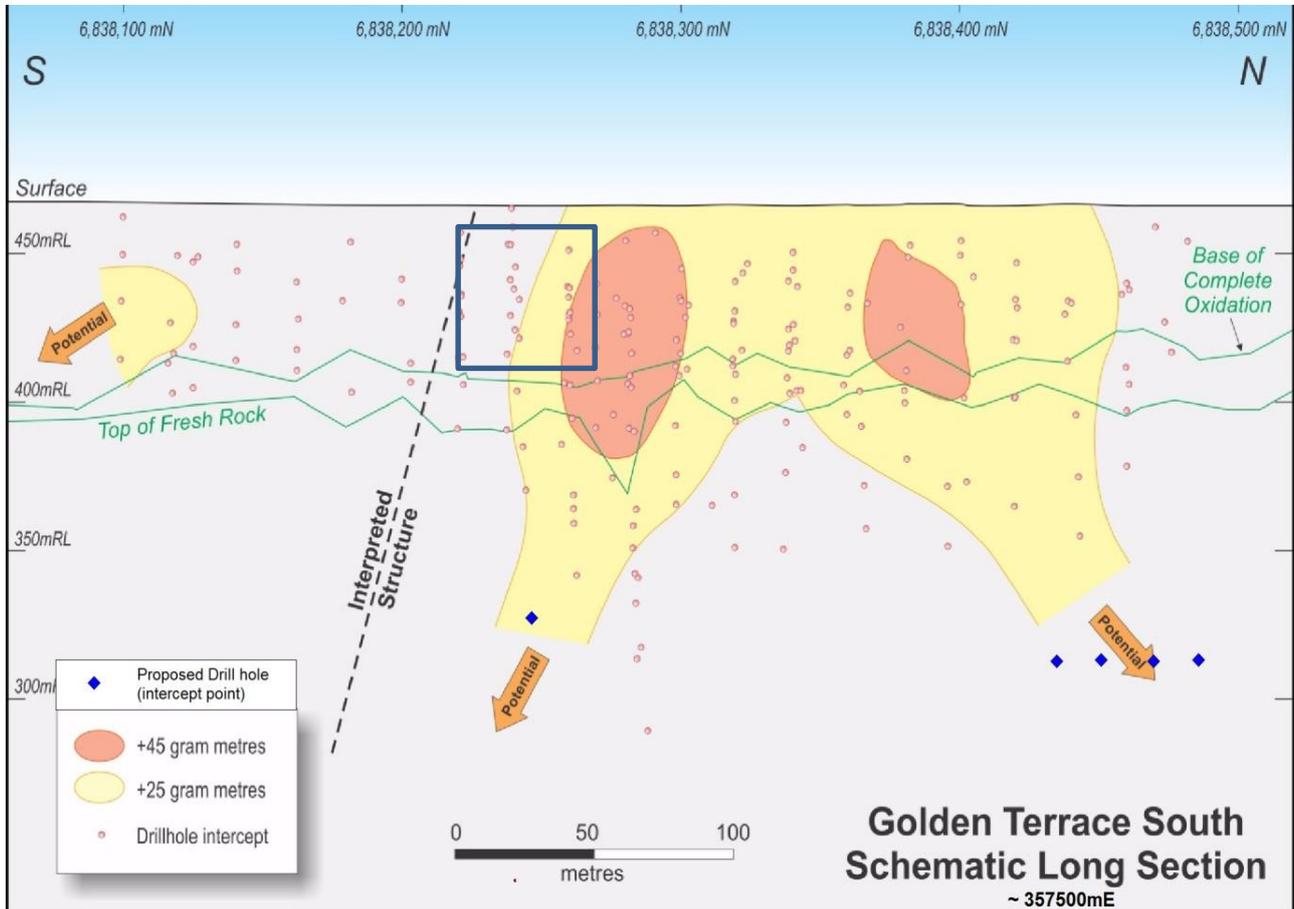


Figure 2 – GTS Deeps– Long Section (~357500mE). Area of planned infill RC drilling is shown in blue box (GTS Resource Drilling).

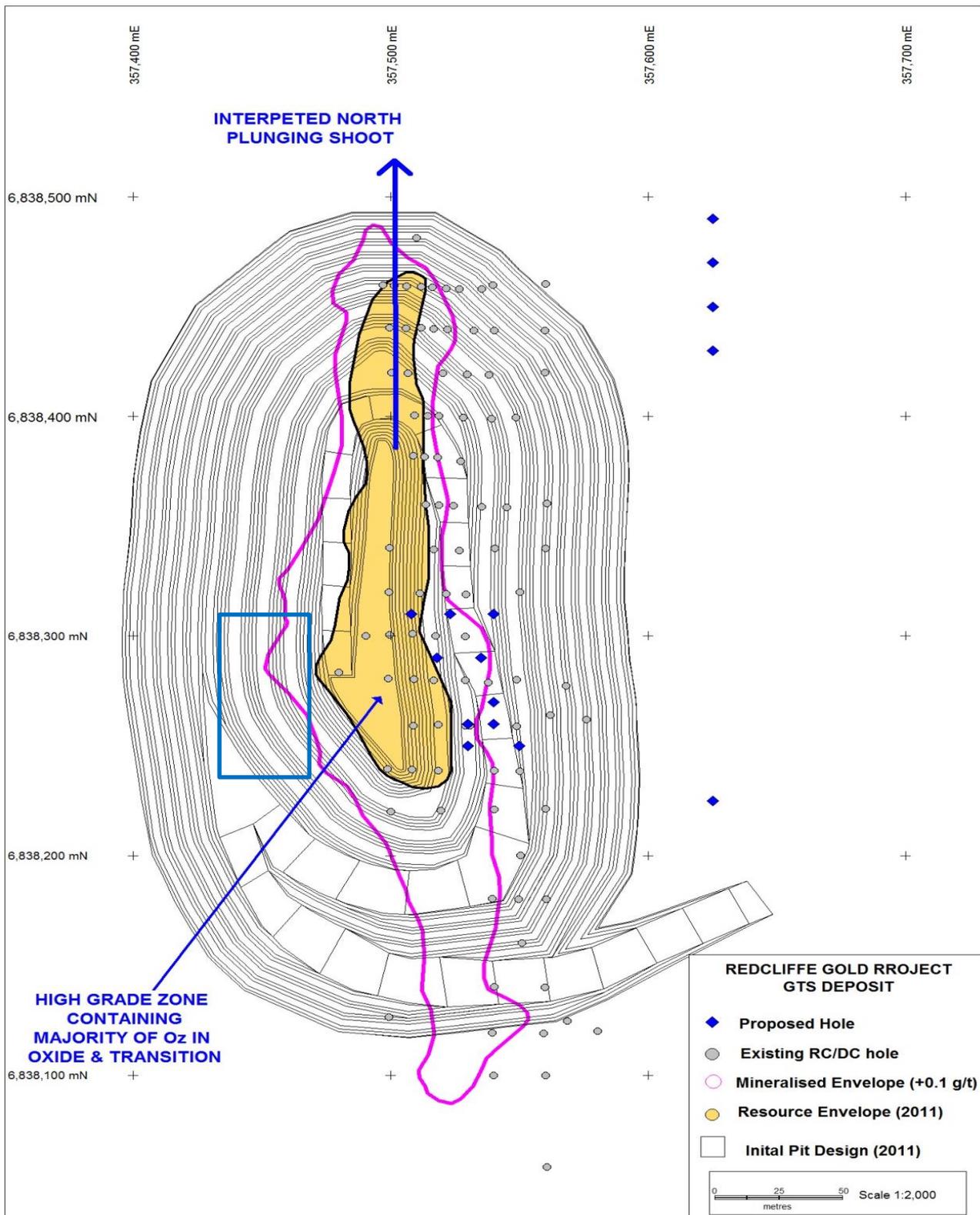


Figure 3 – GTS Deeps – Collar Plan displaying planned RC drilling including GTS Resources and Deeps Drilling

Competent Person Statement

The information in this report, as it relates to Exploration Results, is based on information compiled and/or reviewed by Rodney Foster who is a Member of The Australasian Institute of Mining and Metallurgy. Rodney Foster is a Director of the Company. He 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 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Rodney Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This information with respect to Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Redcliffe Gold Project

The Company’s Redcliffe Gold Project (“RGP”) is located 45-60km north-east of Leonora and around 230km north of Kalgoorlie in Western Australia. The Project consists of four granted mining leases and includes a considerable strike length of the Mertondale Shear Zone (MSZ) where the Company has estimated gold resources of 278,000 ounces in a number of deposits as outlined in the following table. The highly prospective area offers considerable scope for new discoveries and extension of existing deposits.

Redcliffe Gold Project Resource Table (at 0.5g/t Au lower cut off)

Deposit	Indicated			Inferred			Total		
	Tonnes	g/t	ounces	Tonnes	g/t	ounces	Tonnes	g/t	ounces
GTS	707,000	2.46	56,100	684,000	1.56	34,400	1,391,000	2.02	90,500
Nambi	262,000	3.30	28,000	298,000	2.50	24,000	560,000	2.88	52,000
Redcliffe				560,000	1.70	31,000	560,000	1.70	31,000
West Lode				373,000	1.20	15,000	373,000	1.20	15,000
Mesa				95,000	1.50	5,000	95,000	1.50	5,000
GT North				64,000	1.53	3,200	64,000	1.50	3,200
Golden Spear				26,000	1.60	1,000	26,000	1.60	1,000
Kelly				2,412,000	1.04	80,400	2,412,000	1.04	80,400
TOTAL	969,000	2.70	84,100	4,512,000	1.33	194,000	5,480,000	1.57	278,100

Note: 1. Resource tonnes and ounces have been subjected to rounding of component elements. 2. Resource Estimations for Kelly, BMGS (2012); GTS and GTN, BMGS (2011). All other deposits – Coffey Mining (2008)