

15 February 2010

The Manager
Company Announcements
Australian Securities Exchange Ltd
Level 5, 20 Bridge Street
Sydney NSW 2000

Dear Sir,

One Kilometre Drill Hole Commences at the Malmsbury Gold Project in Victoria

Drilling commenced today on a 1 kilometre deep diamond drill hole to explore the Intrusive Related Gold System (IRGS) on the Malmsbury Gold Project.

Previous exploration has highlighted the potential for substantial gold resources to be hosted in structurally controlled zones in the Belltopper Hill area which has an initial Inferred Resource containing 104,000 ounces of gold at an average grade of 4.0 g/t. Historical mining and previous drilling strongly support the existence of further resources in the fault and fracture related zones extending north and south from Belltopper Hill.

The hole will probe deeper into the IRGS system, targeting* large breccia and stockwork deposit styles which may be hosted by sedimentary wallrocks or the intrusive margin itself and will advance the understanding of the potential of this area to host other styles of mineralisation.

The drill program will be partly funded by a grant awarded as part of the Rediscover Victoria Initiative from the Victorian Department of Primary Industries which the company successfully secured last year. The grants are awarded for conceptual projects which are deemed by Geoscience Victoria to have the potential to add significant new resources to Victoria's inventory. Interpretation of available data supports the conclusion that the Malmsbury gold system is related to a buried intrusive centre at depth.

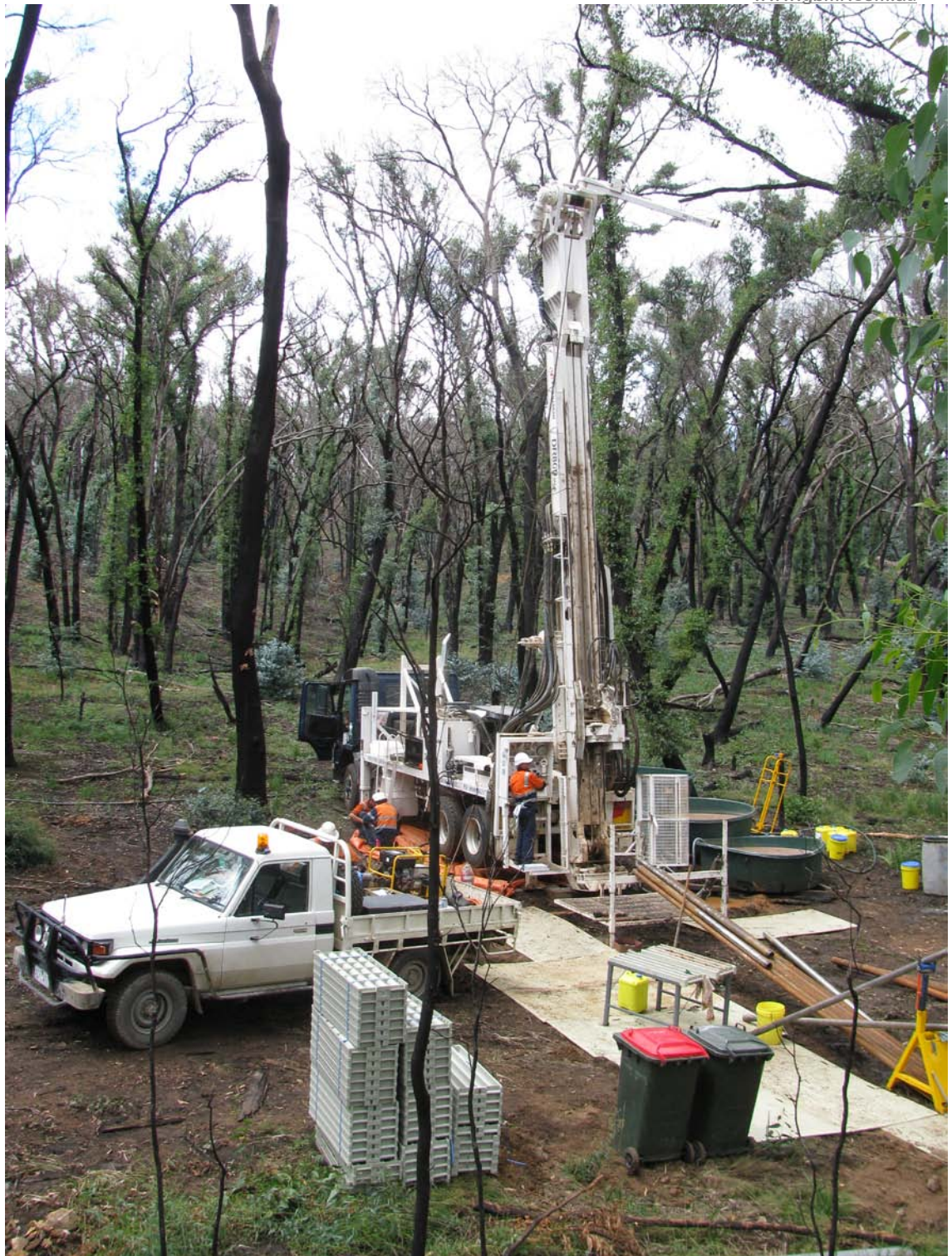
Registered Office: Level 1, 335 Churchill Ave
Subiaco WA 6008
PO Box 608

3450

Subiaco WA 6904
T 08 9388 6899
F 08 9388 6977

Exploration Office: 10 Parker Street,
P O Box 658
Castlemaine VIC

Tel / Fax 03 5470 5033



Diamond drilling underway at Belltopper Hill – Malmsbury Gold Project

Registered Office: Level 1, 335 Churchill Ave
Subiaco WA 6008
PO Box 608

3450

Subiaco WA 6904
T 08 9388 6899
F 08 9388 6977

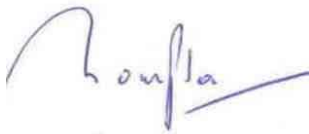
Exploration Office: 10 Parker Street,
P O Box 658
Castlemaine VIC

Tel / Fax 03 5470 5033

The extent of the hydrothermal system is interpreted to be in excess of 4km in strike length. The significance of this is that Intrusive Related Gold Systems have a pedigree for delivering world class deposits. On a district scale the hydrothermal system analogy would include the Fosterville Gold Mine, owned and operated by Northgate Minerals with a current resource base of 3 million ounces.

The deep diamond hole is a key step in progressing the development of the project and its potential as a large gold system.

Yours Sincerely



Peter Thompson
Managing Director

**The term target should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral resource or Ore Reserve.*

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of the company. Mr. Norris 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. Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

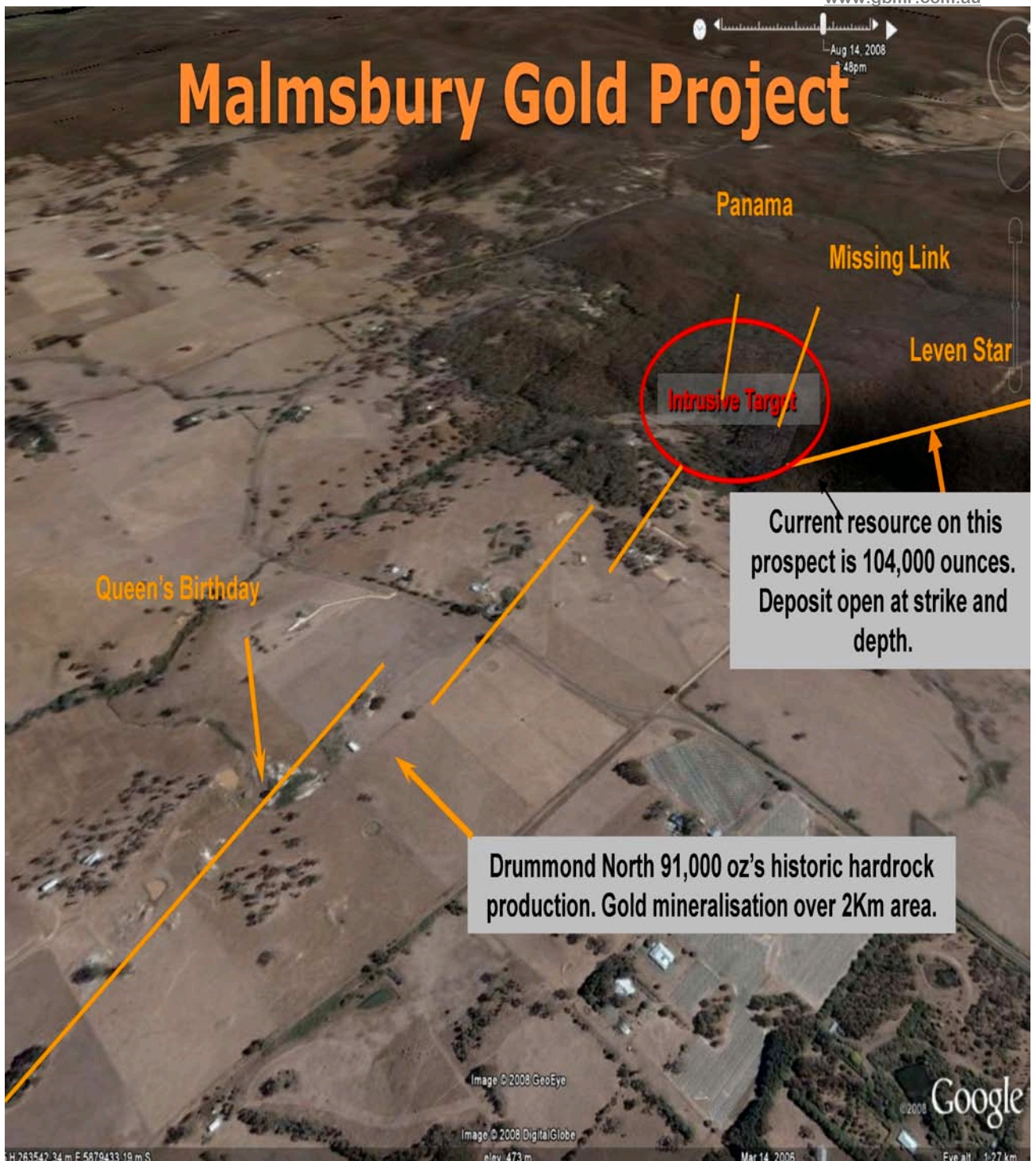
Registered Office: Level 1, 335 Churchill Ave
Subiaco WA 6008
PO Box 608

3450

Subiaco WA 6904
T 08 9388 6899
F 08 9388 6977

Exploration Office: 10 Parker Street,
P O Box 658
Castlemaine VIC

Tel / Fax 03 5470 5033



Registered Office: Level 1, 335 Churchill Ave
Subiaco WA 6008
PO Box 608

3450

Subiaco WA 6904
T 08 9388 6899
F 08 9388 6977

Exploration Office: 10 Parker Street,
P O Box 658
Castlemaine VIC

Tel / Fax 03 5470 5033

This page has been left blank deliberately.