

25 March 2010

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

Dear Sir

KILOMETRE DRILL HOLE SUCCESSFULLY COMPLETED AT THE MALMSBURY GOLD PROJECT IN VICTORIA

Drilling of the 1 kilometre deep diamond drill hole to explore the Intrusive Related Gold System (IRGS) on the Malmsbury Gold Project has been successfully completed.

The hole was completed 2 weeks earlier than planned as a result of night shift approval being obtained during the programme. Logging and cutting of drill core is proceeding with assay results expected in May.

The drill program was 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.

Key technical points from initial inspection of core completed to date are summarised below;

- *Scheelite (CaWO_4), Molybdenite (MoS_2) and Fluorite (CaF_2), considered key minerals in distinguishing IRGS from orogenic gold systems*, were observed as accessory minerals in veins, particularly at deeper levels in the hole.*
- *Two zones of disseminated sulphide (variably arsenopyrite, chalcopyrite and pyrite) mineralisation, thin quartz veins and pervasive silicification and sericite alteration were observed.*
- *Quartz veinlets containing variable arsenopyrite, chalcopyrite, pyrite and pyrrhotite sulphide assemblages, with associated wall rock bleaching, silicification and disseminated sulphide mineralisation was scattered throughout the drill hole.*

This is considered supportive of a large intrusion related hydrothermal system centred at Belltopper Hill.



Night Shift Diamond drilling in progress at Belltopper Hill – Malmsbury Gold Project

The completion of the deep diamond hole is a major step in progressing the project's development and continues to support the conclusion that the Malmsbury gold system is related to a buried intrusive centre at depth. The extent of the hydrothermal system is interpreted to be in excess of 4km in strike length.

Yours sincerely

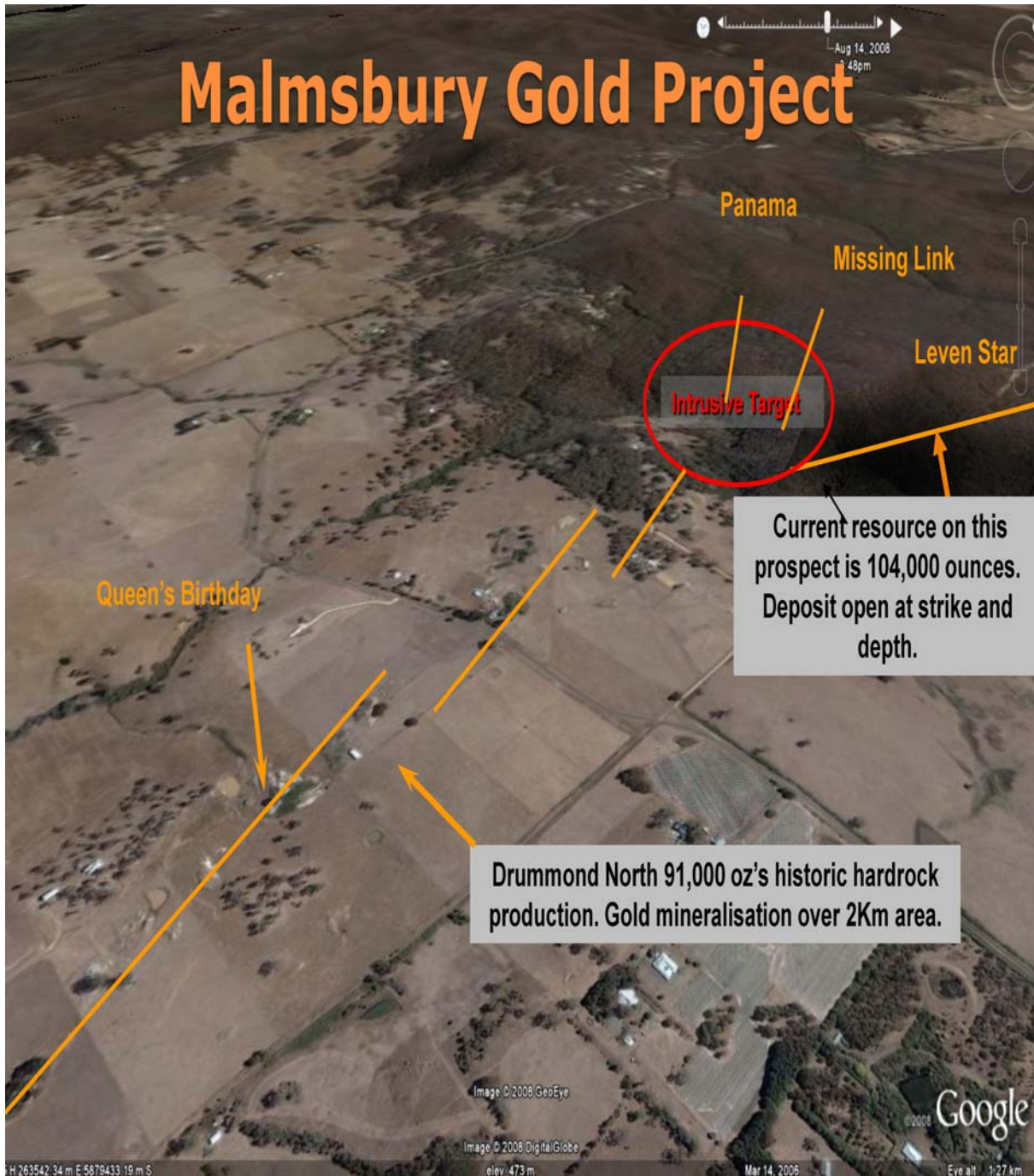
Peter Thompson
Managing Director

**Thompson and Newberry, 2000. 'Gold Deposits Related to Reduced Granite Intrusions'. SEG Reviews Vol 13, pp377-400.*

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.

Malmsbury Gold Project



Panama

Missing Link

Leven Star

Intrusive Target

Queen's Birthday

Current resource on this prospect is 104,000 ounces. Deposit open at strike and depth.

Drummond North 91,000 oz's historic hardrock production. Gold mineralisation over 2Km area.

Image © 2008 GeoEye

Image © 2008 DigitalGlobe

Google

H: 263542.34 m E: 5879433.19 m S

elev: 473 m

Mar 14, 2006

Eye alt: 1.27 km