ALCASTON MINING N. L.

ABN 39 006 710 774

18 October 2005

Companies Announcement Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

By: e-lodgment

Dear Sir/Madam

RESTRUCTURED TUVATU DEAL AND STRATEGIC ALLIANCES WITH EMPEROR AND DRD GOLD

Alcaston Mining NL ("Alcaston") has today reached agreement with Emperor Gold Mines Ltd ("Emperor") on a restructured deal for the acquisition of the Tuvatu gold project in Fiji. Under the revised new agreement, Emperor will receive A$4 million cash and 38 million shares (issued at a deemed issue price of 15 cents per share) in Alcaston for 100% of Tuvatu. The previous agreement was for A$8.5 million cash and 6 million Alcaston shares.

The revised agreement reflects the desire of both Alcaston and Emperor to form a strategic alliance to jointly realise the upside in the Tuvatu gold project and Alcaston's other exploration areas in Fiji and Vanuatu. Tuvatu and Alcaston's Sabeto gold project in Fiji are contiguous and therefore there will be considerable synergies for their joint exploration and in the future for any development options. It is the intention of the parties that this alliance may be extended to include other gold exploration properties in Fiji held by Emperor.

Alcaston and DRD Gold (Emperor's 45.33% shareholder) also intend to discuss further strategic alliances, focusing on DRD Gold's other Pacific Rim exploration properties. DRD Gold produces approximately 770,000 ounces of gold per annum and is listed on the Johannesburg and Australian Stock Exchanges and has secondary listings on the NASDAQ, London and Port Moresby stock exchanges.

Plans are now being finalised for the financing of the A$4 million payment to Emperor and working capital of A$3.6 million to be used for the Tuvatu bankable feasibility study and exploration. Shares will be issued to sophisticated investors and the current prospectus has been withdrawn by Alcaston.

The new agreement is subject to fresh shareholder approval, including pursuant to section 611 of the Corporations Act, as Emperor will exceed the 20% takeover threshold. Full details of the transaction will be contained in the Notice of Meeting and Explanatory memorandum (including an independent expert's report) to be despatched for a Meeting of Shareholders in early December. Funds raised in the meantime from subscribers will be

32 Parliament Place, West Perth, WA 6005, Australia
PO Box 378, West Perth, WA 6872, Australia
Telephone: +61 8 9481 5758 Facsimile: +61 8 9481 5759
e-mail: ppg@highway1.com.au

held in an escrowed account and not released until this approval is obtained from shareholders.

Following approval of the deal by shareholders Alcaston intends to welcome Richard Johnson to its' board as a non-executive Director. Richard is a mining engineer with 36 years industry experience. He is currently a director of Emperor Mines Ltd and is the Divisional Director Australasia for DRD Gold. His experience will be a very useful addition to that of the Alcaston team and will assist with a successful mine development at Tuvatu.

Alcaston directors are pleased with the restructured deal with Emperor as they see obvious benefits from strategic alliances with both Emperor and the DRD Gold group. The lesser cash consideration will also allow more funds to be available for exploration at an early stage of the project in order to increase the current resource base of 450,000 ounces of gold at the Tuvatu Project.

Yours faithfully
ALCASTON MINING NL

David Porter

DAVID PORTER
Managing Director