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The Manger
Company Announcements
Australian Securities Exchange Ltd
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Sydney NSW 2000

Deep Hole Confirms Intrusion-Related Gold System (IRGS) at the Malmsbury Gold Project, Victoria

Results from the deep diamond hole, MD012 strongly support the conclusion that the **Malmsbury Gold Project is part of a large IRGS** centred on Belltopper Hill. The extent of the hydrothermal system is in excess of 4km in strike length and this drilling confirms the potential depth in excess of 1km.

Key results from the deep hole are summarised as follows (see line graph fig):

- *Gold mineralisation was widespread throughout the hole. Of the 145 samples of mineralised material analysed over half contained between .1g/t Au to greater than 2 g/t Au.*
- *The hole contained the suite of metals which is characteristic of an Intrusion-Related Gold Deposit and include; Tungsten, Molybdenum, Bismuth ,Tellurium, Antimony and Arsenic.*
- *Tungsten is associated with gold mineralisation as the mineral scheelite throughout the hole and increases in abundance at depth with a peak value of 4930ppm (0.49%) at 838 m downhole.*
- *Copper and silver are notably more abundant at deeper levels with peak values of 1.2% and 22ppm respectively at 714m downhole. Molybdenum, Bismuth and Telurium are also present at lower levels (peak levels 88ppm, 300ppm and 2.2ppm respectively).*

The success of this hole in demonstrating the existence of an IRGS at Malmsbury provides confidence to target the area for this economically class of deposit.

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Importantly, gold mineralization was encountered at depths of up to 950 metres in this hole and confirms the potential for gold mineralization of one kilometre in this gold field.

On a district scale the structurally controlled hydrothermal systems analogy include the Fosterville Gold Mine, owned and operated by Northgate Minerals with a current resource base of 3 million ounces, and mineralisation confirmed and open at depths approaching one kilometre.

About IRGS Deposits

Such deposits have not been widely recognised previously in the prolific Central Victorian Goldfields. IRGS contain a metal suite that includes some combination of bismuth, tungsten, arsenic, tin, molybdenum, tellurium and antimony are characterised by more evenly disseminated gold mineralisation with grades that also display a degree of continuity. IRGS in Australia and North America host a number of large deposits supporting modern operating gold mines in a range of geological settings. Several deposits in this class contain 3 Moz of gold, including; Cadia-Ridgeway (44Mozs Au, 8Mt Cu), Fort Knox (4.3Mozs Au), Donlin Creek (29Mozs Au), and Pogo (5.6Mozs Au).

Future Exploration Programs

Previous exploration by GBM has highlighted the potential for substantial gold resources to be hosted in structurally controlled zones in the Malmsbury Goldfield 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 for some 4 kilometres.

Based on these results and previous work future exploration programmes will now incorporate structural analyses to locate areas of more intense structural preparation in addition to drill testing of the multiple known mineralised zones at moderate depth.

The results of exploration activities support the conclusion that the Malmsbury gold project is emerging as a potential major 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.

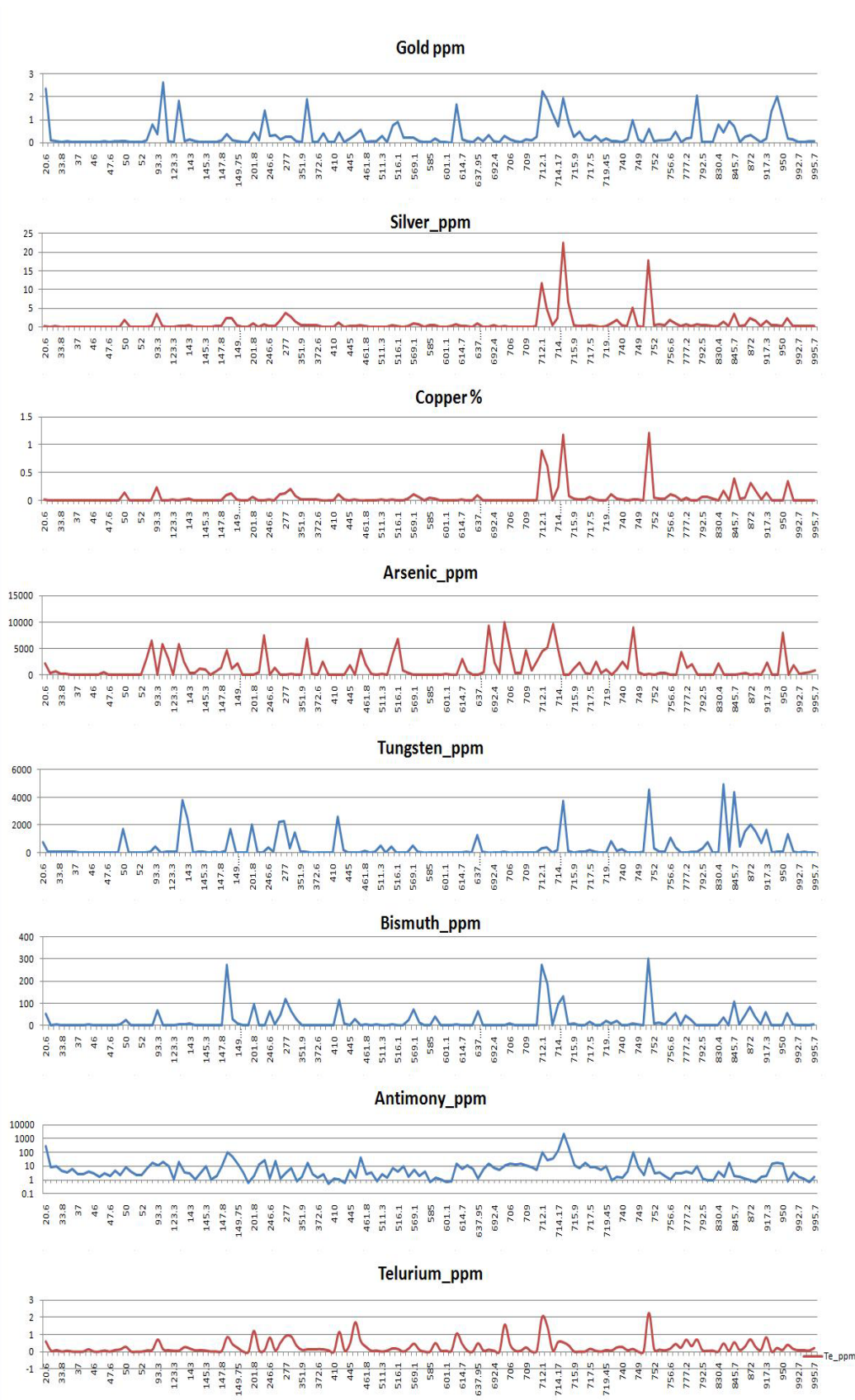
The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of the company. Mr. Norris has sufficient experience which 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.

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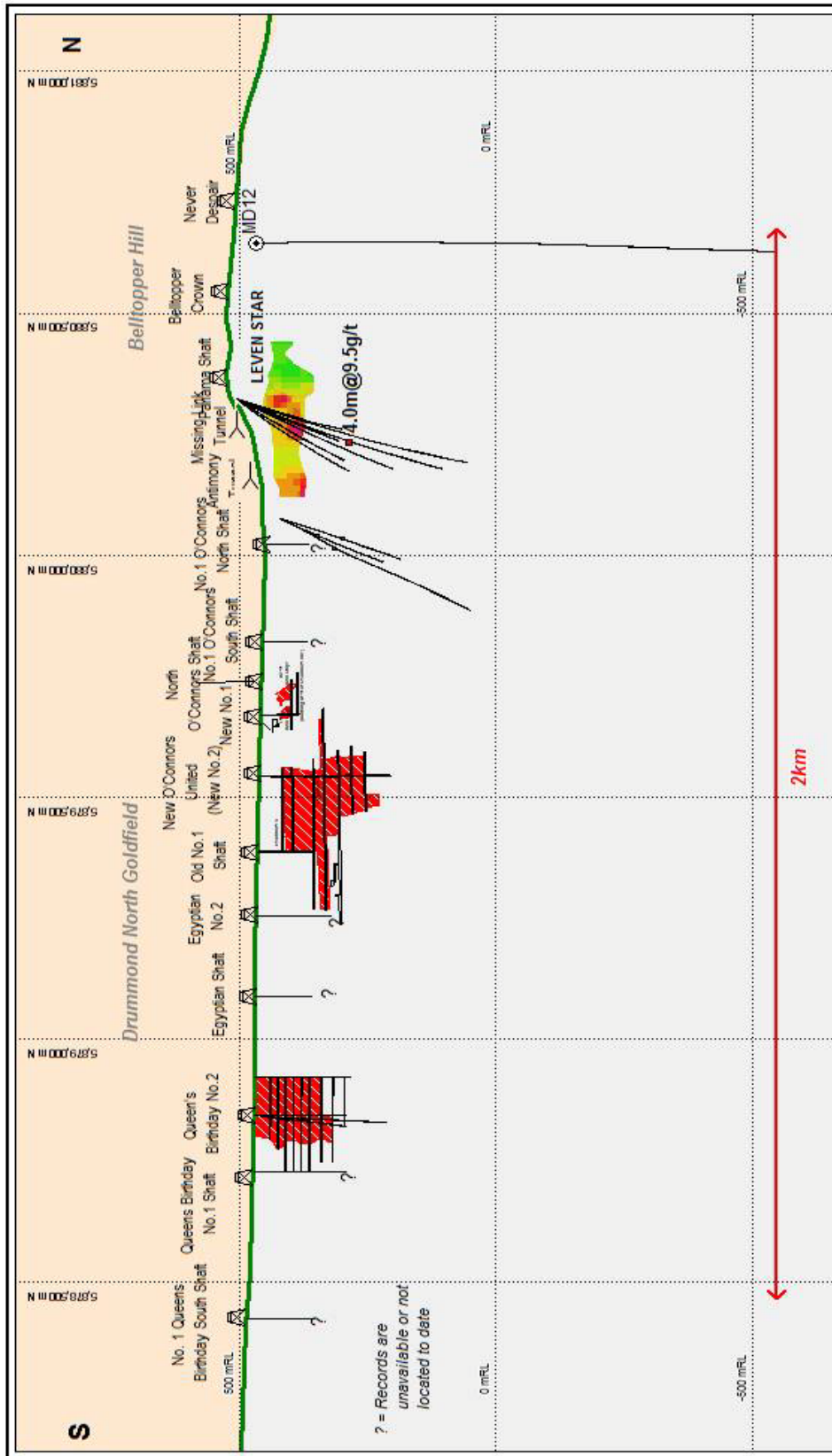
Line graphs for analyses of samples from Malmsbury Project drillhole MD012. Analyses by ALS Chemex Laboratories ICP-OES/MS, and for gold by Au-AA21 (0.001ppm detection) and AuAA25 where values greater than 1 ppm. Sample locations shown as downhole depths in metres.

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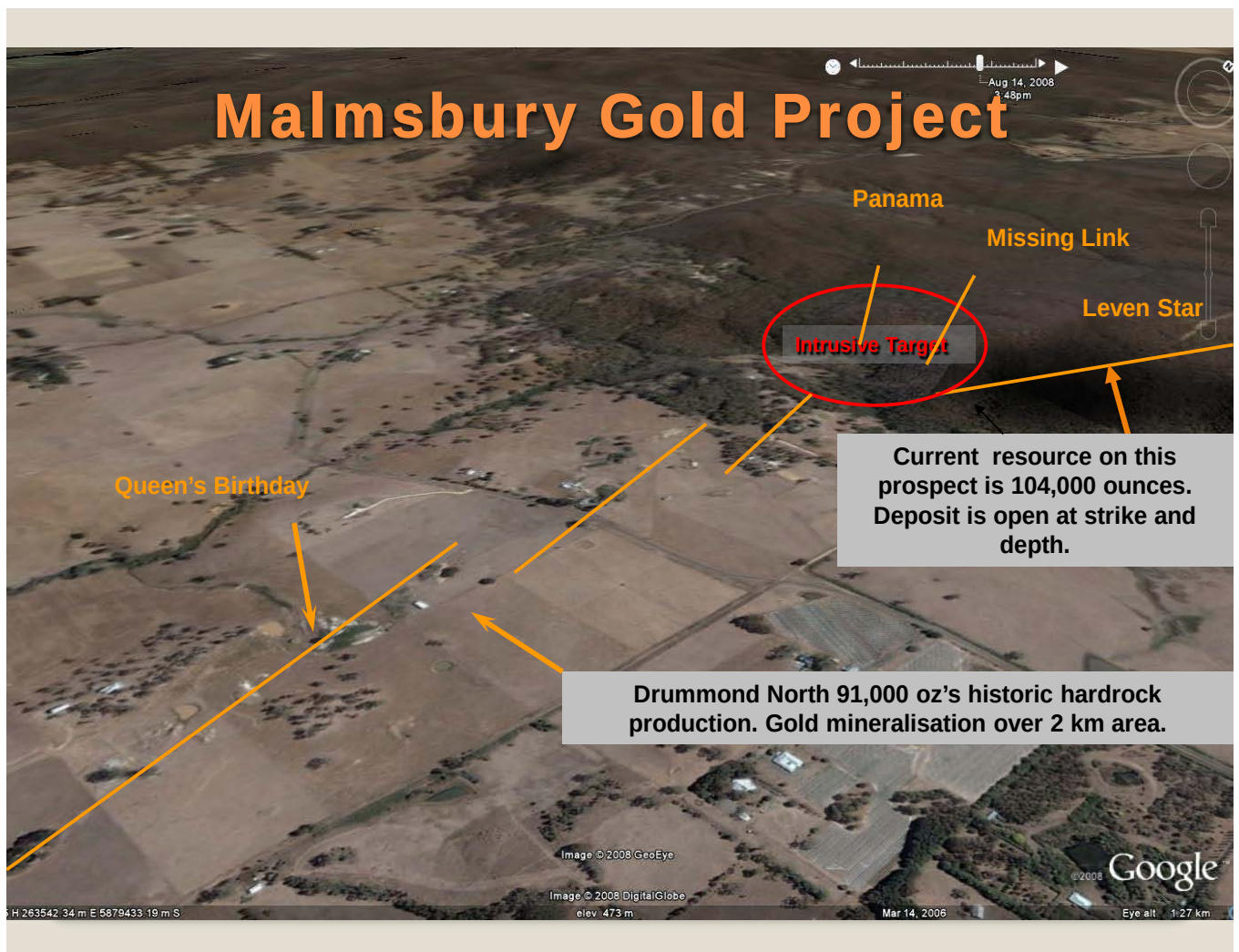
About the Malmsbury Gold Project

The Malmsbury gold project covers the locations of Belltopper Hill and the historical Drummond North gold fields. Work completed in 2008 has resulted in the Leven Star inferred resource on Belltopper Hill increasing to 800,000 tonnes at an average grade of 4.0 g/t gold containing 104,000 ounces of gold using a 2.5g/t gold cut off. The resource remains open at deep and along strike. The Leven Star deposit can be described as a distinctive gold –sulphide association and sulphide-carbonate alteration similar to gold mineralisation at Northgate's Fosterville gold mine which now has a known gold endowment of 4 million ounces.

The historical Drummond north goldfield produced 98,000 tonnes of ore at an average grade of 29g/t in the late 19th century and has little targeted exploration activity, and remarkably, no record of drilling has been located to date. Many zones remain to be drill tested and resources evaluated. The Drummond North Goldfield includes a number of structurally controlled mineralised zones which are significant and hold similarities to the Belltopper Hill mineralisation suggesting that these too are part of a large IRGS.

The Malmsbury gold project is distinctly different from the typical central Victorian Slate Belt style deposits. Key differences include; association of gold with the disseminated auriferous arsenical sulphide minerals, elemental associations, disseminated and stockwork gold host and fine grained gold distribution.

The Malmsbury gold project has the potential to emerge as a major gold system.



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