5 December 2012

ASX ANNOUNCEMENT

Drilling Commences at Northern Territory Gold Project

1,400m drilling program underway at Johnnies Reward gold discovery

Key Points

- New phase of drilling underway to test for down-plunge extensions of high-grade mineralised zone extending 200m down-plunge from surface.
- Drilling earlier this year returned significant results including **24m @ 4.19g/t** and **23m @ 3.83g/t**, with the mineralisation remaining open in all directions and interpreted from geophysics to extend to at least 500m down-plunge.
- Assay results expected in January 2013, ahead of expanded exploration programs at Johnnies Reward in the New Year.

Transol Corporation Ltd ("Transol" or "the Company") (**ASX Code: TNC**) is pleased to announce that a program of Reverse Circulation (RC) drilling has commenced at its emerging **Johnnies Reward** gold discovery, located 75km north-east of Alice Springs in the Northern Territory.

As foreshadowed in the ASX Announcement of 14 November, the program will comprise 8 holes for approximately 1,400m of RC drilling and is designed to intersect the mineralised zone at Johnnies Reward down-plunge of the Phase 1 drilling completed by Transol in July this year.

This initial drilling program returned a number of significant results including **24m @ 4.19g/t Au and 0.33% Cu** from 79m and **34m @ 3.83g/t Au and 0.44% Cu** from 63m, delineating a mineralised zone which extends at least 200m down-plunge from surface and remains open in all directions (Figure 1).

The Phase 1 drilling also confirmed historic results from drilling by Alcoa in 1984, confirming the presence of a large, plunging skarn system with the potential to host a significant tonnage of mineralisation. Geophysics indicates that the system extends to over 500m vertical depth.

The new program will test for down-plunge extensions (see Figure 2), providing an indication of the size and potential of the mineralisation at the Johnnies Reward prospect.

This is one of several promising exploration prospects within the broader Johnnies Reward Project, which comprises an extensive iron ore copper gold (IOCG)-style system containing over 20 sq km of gold and copper mineralisation.

The current program is expected to be completed by mid-December. Samples will be dispatched for laboratory analysis before Christmas, however given the impending festive season assay results are not expected to be received until January 2013.

Final results from metallurgical test work on composite samples of material from Johnnies Reward are expected before Christmas, as well as from soil sampling programs over northern extensions of the Johnnies Reward prospect and a western magnetic anomaly, named Johnnies Revenge.

Repositioning of Transol

All of the resolutions at the Company's Annual General Meeting on 30 November were passed, including approval for a change in activities enabling Transol to reposition as a gold exploration company focused on the Johnnies Reward and Hatches Creek Projects in the Northern Territory.

This included approval for a variation of the current joint venture agreement with Sturt Resources Limited ("Sturt") for Johnnies Reward giving Transol the right to acquire 100% of the Project. The current interests in the joint venture are Transol – 51% and Sturt – 49%.

Under the terms of the variation, Transol and Sturt are funding up to $350,000 on the current work program, including the recently commenced RC drilling program. Upon completion of this program, Transol will have the right to acquire all of Sturt Group's interests to move to 100% ownership of the Johnnie's Reward Project.

In addition, Transol will have right to acquire the Sturt Group's 100% interest in the Hatches Creek Project, which comprises two 31.8km^2 mineral tenements totalling 63.6km^2 located 325km north-east of Alice Springs and 160km south-east of Tennant Creek in the central part of the Northern Territory.

Angus Edgar
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Competent Person Statement: The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr John Young, a Corporate Member of the Australasian Institute of Mining and Metallurgy and a Director of Sturt Resources Ltd, the Manager of the Southern Cross Bore Project. Mr Young has sufficient experience 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 Young consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

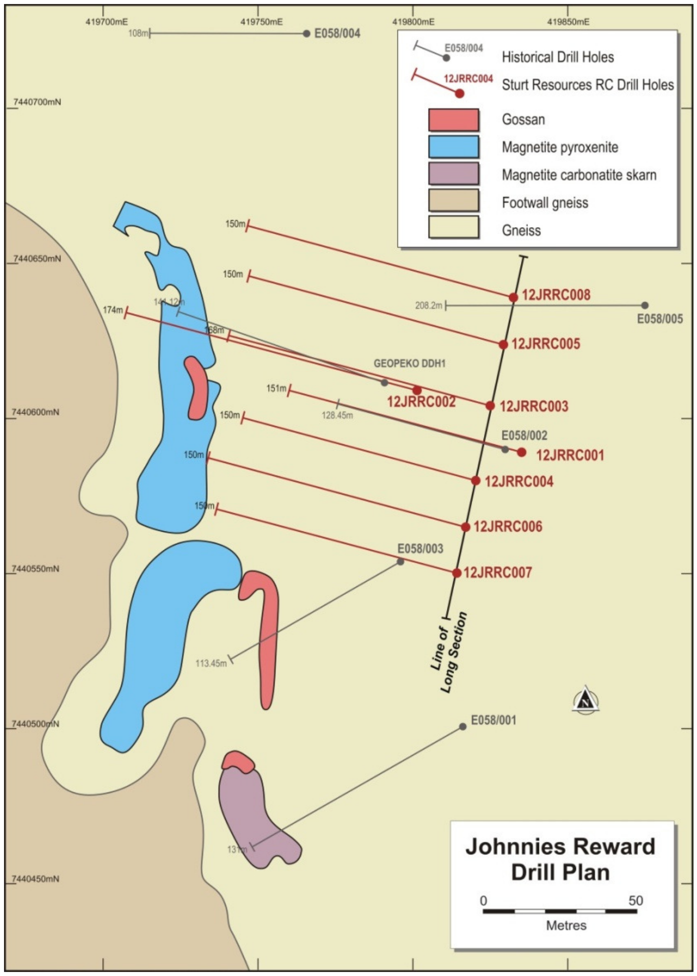

Figure 1: Schematic oblique section showing down plunge target to the north east of E58/005 and proposed drilling

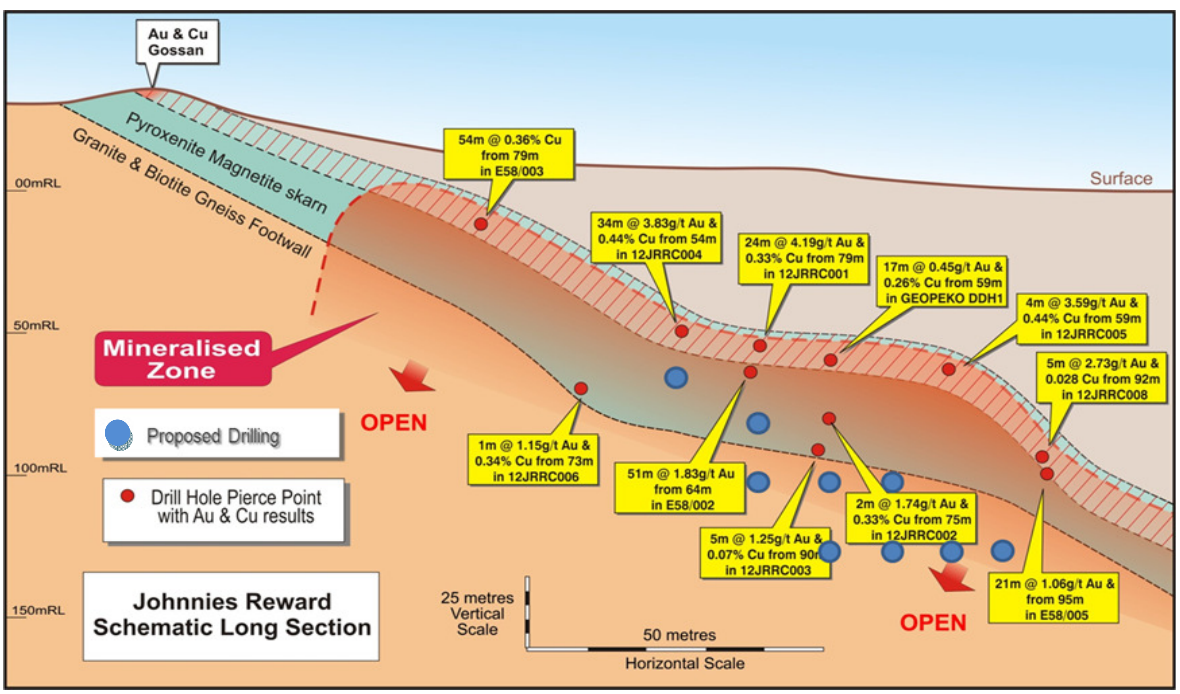

Figure 2: Schematic Long Section of Johnnies Reward