

ASX ANNOUNCEMENT

21 December 2012

HALLEYS EAST RESOURCE & PROGRESS UPDATE

The July 2012 round of drilling (23 RC and two diamond holes) at Beacons Halleys East project has allowed a revised resource to be calculated and more importantly has provided a suite of samples for more detailed metallurgical work to be conducted.

Goldfields Mining Services have updated the data base and recalculated the resource estimate.

The resource modelling resulted in an inferred mineral resource for Halleys East as follows.

Halleys East Global Inferred Resource Estimate			
Cut-off Au g/t	Tonnes	Grade Au g/t	Au Ounces
0.5	678,419	3.15	68,814
0.6	637,991	3.32	68,105
0.7	617,607	3.41	67,675
0.8	578,795	3.59	66,733
0.9	547,132	3.74	65,874
1	516,297	3.91	64,926
1.1	491,972	4.05	64,109
1.2	463,057	4.23	63,041
1.3	437,277	4.41	62,005
1.4	413,786	4.58	60,989
1.5	397,292	4.71	60,223
1.8	360,616	5.03	58,295
2	329,468	5.32	56,384
2.5	260,925	6.13	51,456
3	213,460	6.89	47,260
5	108,459	9.85	34,332

The Halleys East resource has been classified as an inferred resource in accordance with the 2004 Australian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code).

As there is insufficient Quality Assurance / Quality Control (QA/QC) documentation available the resource cannot be classified any higher than an inferred resource. The QA/QC data is critical for validating the integrity and repeatability of the assays. Without this information being documented the confidence in the resource estimation cannot be at the required level for a higher mineral resource classification.

An optimization study by Minecomp, using a gold price of A\$1,600, has outlined a potential mining inventory of 120,189 tonnes @ 7.23 g/t Au for 25,936 oz recovered at a cash operating cost of A\$783.

18% of the ore in this model is in the primary or fresh category.

Metallurgy

Metallurgical work on composites from the oxide, transitional and primary (fresh) zones in the orebody have been completed by ALS Metallurgy (AMMTEC).

Recoveries in the oxide and transitional zones using conventional CIP/CIL processing confirm recoveries of plus 90% can be achieved.

Recoveries in the primary (fresh) ore are variable and unacceptably low using CIP/CIL processing, however, processing by flotation and cyanidation of the flotation tailings achieves recoveries well above 90%.

Previous metallurgical test work conducted during 2010 was confined to the oxide and transitional ore horizons only.

The oxide / transitional ore can be processed at a number of facilities in the Goldfields. Fresh ore processing options exist and preliminary discussions have commenced with a facility that can process this ore type.

Mining Proposal

The Company has lodged a revised Mining Proposal with the Department of Minerals and Petroleum. This proposal includes the Mine Closure Plan and addresses the issues of heritage, native title, geotechnical design and mine water management.

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Managing Director

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Competent Persons Statement

The information in this report which will relate to the Halleys East project is based on information compiled by Andrew Moulds, a full time employee of Goldfields Mining Services and who is a member of the Australian Institute of Geoscience and Gary McCrae, a full time employee of Minecomp Pty Ltd, who is a member of the Australasian Institute of Mining and Metallurgy. Andrew Moulds and Gary McCrae both have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the March 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Resources Committee, the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia." Andrew Moulds and Gary McCrae consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.