



28 October 2011

For Immediate Release

Quarterly Report for the Period ended 30 September 2011

Highlights

- Fine gold production for the quarter was 16,348 ounces. Gold Sales for the quarter were A\$35.49m
- Milled ore for the quarter was 39,056 tonnes at 12.42 g/t gold recovered, of which 27,967 tonnes at 14.67 g/t gold recovered was from Wattle Dam ore for a total of 15,601 ounces of gold.
- Mining commenced at the Mt Magnet project in September after receipt of final approvals and mobilisation of the mining contractor.
- Refurbishment of the Mt Magnet gold plant progressed during the quarter and is on schedule to begin commissioning in November.
- Further robust results from exploration undertaken at Mt Magnet gold project.

28 October 2011

ISSUED CAPITAL

Ordinary Shares: 291M

DIRECTORS

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WATTLE DAM GOLD PROJECT (WA)

Production

Gold production (milled) for the quarter was 39,057 tonnes at a recovered grade of 12.4 g/t Au for 15,601 oz produced. Wattle Dam ore contributed 27,967 tonnes at 14.7 g/t for 13,186 oz and non-Wattle Dam sources produced 11,090 tonnes at 6.8 g/t for 2,415 oz.

Table 1: Quarterly Production and Financial Information

Quarter	Sept 2011	June 2011	March 2011	Dec 2010
Gold Production Oz (milled)	15,601	25,571	23,281	26,668
Total Cash Cost per Oz ^	A\$505	A\$330	A\$304	A\$421
Gold Sales	A\$35.49m	A\$30.36m	A\$33.64m	A\$43.92m
Cash and Gold (at Qtr End)	A\$90m	A\$99m	A\$91m	A\$81m

^ Reconciled cash cost which includes all mining, milling and royalty costs (March, June and Sept Qtrs 2011 do not include capital development of \$4.6m, \$4.2m and \$4.0m respectively whereas previous quarters did include capital development).

A total of 36,270 tonnes was mined at Wattle Dam for the quarter from a combination of development and stoping ore. This comprised of high-grade ore totalling 29,591 tonnes at an estimated grade of 10.9 g/t and stockpiled low-grade ore of 6,679 tonnes at 1.7 g/t.

Stope production for the quarter was sourced from the Block B hangingwall stopes (185-200RLs). B Block stoping was completed during September and this finalised mining of the A & B Block mining area.

Decline development reached the lowest planned level (980mRL) during the quarter and was effectively completed.

Development focussed on the D Block footwall ore drives. The 060 and 040 drives were completed during the quarter and development was in progress for the 020, 1000 and 980 FW ore drives. Increased ground support measures have been found to be required in Block D development levels and this will delay milling of Block D stoping ore until January.

Milling of the initial D block ore drive parcels from the 060 and 040 FW drives was completed during the quarter. In general, visible gold occurrences in these levels were less frequent than in the upper mine. Mill grades returned were relatively low, averaging 4.5 g/t. While these results point to D Block grade being lower than in the upper mine, some significant variances in development grades were also seen in the upper mine with development ore parcels varying between 43.5 g/t and 4.7g/t. It should be noted that for mining purposes, these development drives were mined partially in waste and further milling of D block development and stope ore is required to better determine overall grade.

As a result of these factors production will be reduced in the December quarter 2011.

Underground Drilling

Drilling recommenced during the quarter with a total of 18 holes for 3,796 metres completed. Most holes were drilled from the 025mRL decline position targeting the lode position down plunge of D Block at around 400 to 500m below surface.

Drilling has generally failed to identify strong lode material. No significant visible gold or assays have been seen to date. Although some lode alteration is present, it is mostly weak. Further exploratory drilling is planned from the 989mRL (-11mRL) vent drive position.

Nine infill holes were drilled from the 105mRL and 80mRL cross-cut positions to further test the C Block area. These holes were generally drilled within, and parallel to, the lode. WDUD0246 intercepted a spectacular visible gold intercept at 12 - 12.2m downhole. This intercept is within the current lode zone at around the 100mRL and was around 4-5m away from a previous visible gold intercept seen in WDUD0212. Logging has showed visible gold in two other holes. Assays are pending for these holes.



Figure 1. Visible gold in diamond hole WDUD0246 at the 100mRL (240m below surface)

Note: Both outer sides of the cut core shown

MT MAGNET GOLD PROJECT (WA)

Operations at Mt Magnet continued to progress rapidly. Mining, blasting and grade control drilling commenced and mill refurbishment work continued on schedule. Milestones reached include;

Mining

- Watpac's mining equipment was mobilized and commissioned by the end of quarter
- 1st blast occurred on 23rd of September
- 150,00bcm of mostly waste mined
- construction of contractors workshop, office and site facilities well advanced
- run of mine ore and low grade ore stockpiles commenced
- initial waste dump area established
- bunding of new pits, access and roadways, site cleanup well advanced
- mining rates will accelerate to planned levels in the December quarter

Grade Control

- RC grade control drilling commenced using JSW Australia
- a number of shallow 'lateritic' ore zones defined and mined



Figure 2: RC grade control drilling in progress at Saturn

Mill

- civil concrete works for SAG and Ball mills, Elution and Reagent areas completed
- primary crusher swing stock repairs 90% complete
- new steel structure and cladding for gold room

- process storage dam relined
- new cyanide facility completed
- new gravity circuit near complete
- significant progress in many areas including SAG mill repairs, leach tank repairs, pump rebuilds, screens and electrical
- approximately \$2m of works has been identified additional to the original scope of work and will be carried out during the refurbishment phase
- progress made on recommissioning power and borefield services



Figure 3: SAG mill girth gear refurbishment

Administration

- recruitment of personnel continuing
- Network Aviation flight services occurring 3 days per week at end of the quarter
- systems for flight, accommodation and safety management being implemented

Milling of ore from the Mt Magnet gold project is expected to commence in January 2012.

EXPLORATION SUMMARY

MOUNT MAGNET GOLD PROJECT (WA) (Ramelius 100%)

Ramelius continued exploration reverse circulation (RC) drilling during the quarter with 8,904m from 51 holes completed outside the optimized Galaxy cutback; encompassing the Saturn, Mars and Perseverance pits at Mt Magnet (Figure 4).

Exploratory drilling was completed around the historical Morning Star, Brown Hill, Reno, Vegas and Hesperus pits while reconnaissance drilling was completed at Bullocks (700m southwest of Morning Star) plus below the historical Hill 50 tails dumps to the north of Galaxy.

Ten RC holes were drilled adjacent to and below the Morning Star pit (GXRC0291 – GXRC0303). Better results include:

- **GXRC0297: 9m @ 11.5 g/t Au from 66m, including 4m @ 22.7 g/t Au from 67m**
- **GXRC0303: 15m @ 1.28 g/t Au from 39m**

Ten RC holes (GXRC1197 – GXRC1208) were drilled around the Bullocks Prospect located 700m southwest of the Morning Star pit. Encouraging results include.

- **GXRC1206: 6m @ 7.36 g/t Au from 60m**
- **GXRC1207: 15m @ 5.37 g/t Au from 94m, including 1m @ 60.0 g/t Au from 99m**

Limited deeper drilling was completed into the Mercury Lodes below the Mars Pit, ahead of mining earthworks commencing during the quarter. Better results returned include:

- **GXRC1196: 14m @ 2.35 g/t Au from 216m**
- **GXRC1197: 24m @ 2.49 g/t Au from 186m**
 - **Incl: 1m @ 10.4 g/t Au from 187m and**
 - **+ 2m @ 13.9 g/t Au from 197m**

A complete list of significant (>0.5g/t Au) drill intersections received this quarter is presented in Attachment 1.

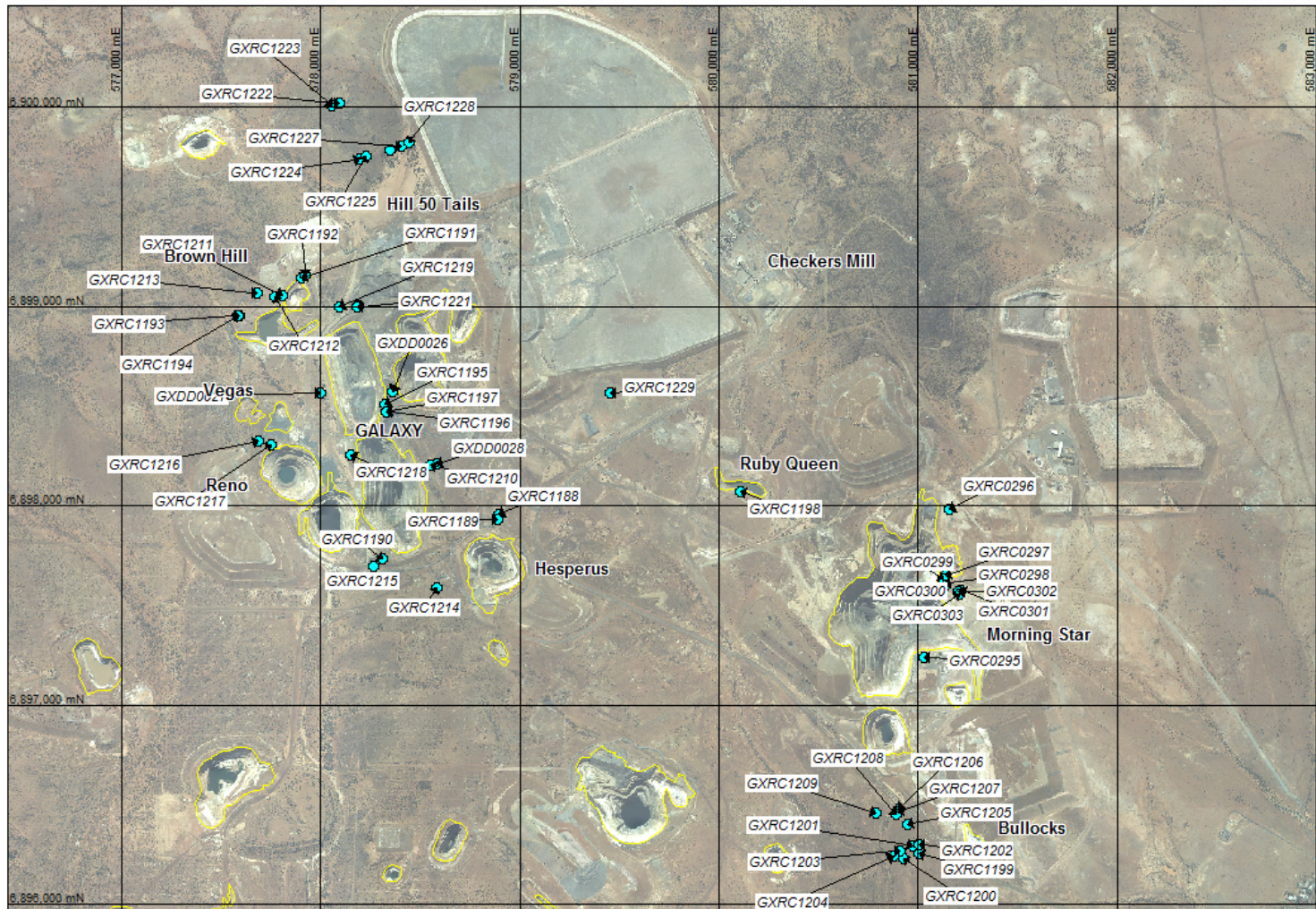


Figure 4: Mt Magnet Gold Project area showing Ramelius' September Quarter RC drilling around the historical Reno, Vegas, Brown Hill, Hesperus and Morning Star pits; all located within 3km of the Checkers Processing Plant, currently being refurbished.

SPARGOVILLE GOLD PROJECT (WA) (Ramelius 100%)

Wattle Dam Extensions

A geological re-interpretation of the Spargoville Belt covering the area between the Wattle Dam Gold Mine and Eagles Nest (10km south of Wattle Dam) was completed during the quarter. Deeper exploratory RC drilling is scheduled to commence next quarter.

MT WINDSOR GOLD PROJECT (QLD) (Ramelius earning 60%)

Nightjar

Further encouraging rock chip results were received from the balance of samples collected and reported from Nightjar (G-133) last quarter. Significant grab/rock chip sample results assayed up to 3.50 g/t gold, 38.0 g/t silver and 11.4% copper. Nightjar is located 2km north-northeast of the gold anomalous Plateau intrusive rhyolite breccia pipe where historical drilling by previous explorers returned encouraging drill intersections up to 10m @ 5.0g/t Au.

RC drilling and selected diamond drilling is scheduled to commence over Nightjar plus Plateau, Mt Redan, Mosquito Hill and Cardigan Dam next quarter (see Figures 5+6).

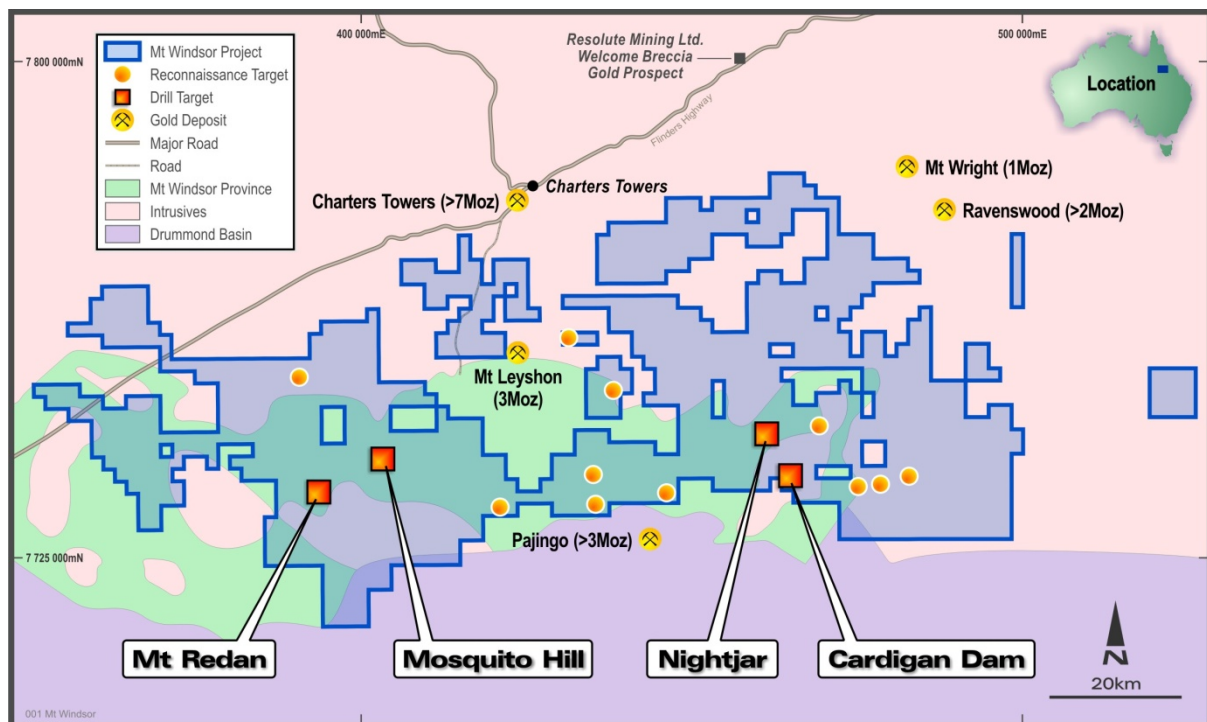


Figure 5: Mt Windsor JV Project tenements highlighting 2011 exploration drill targets

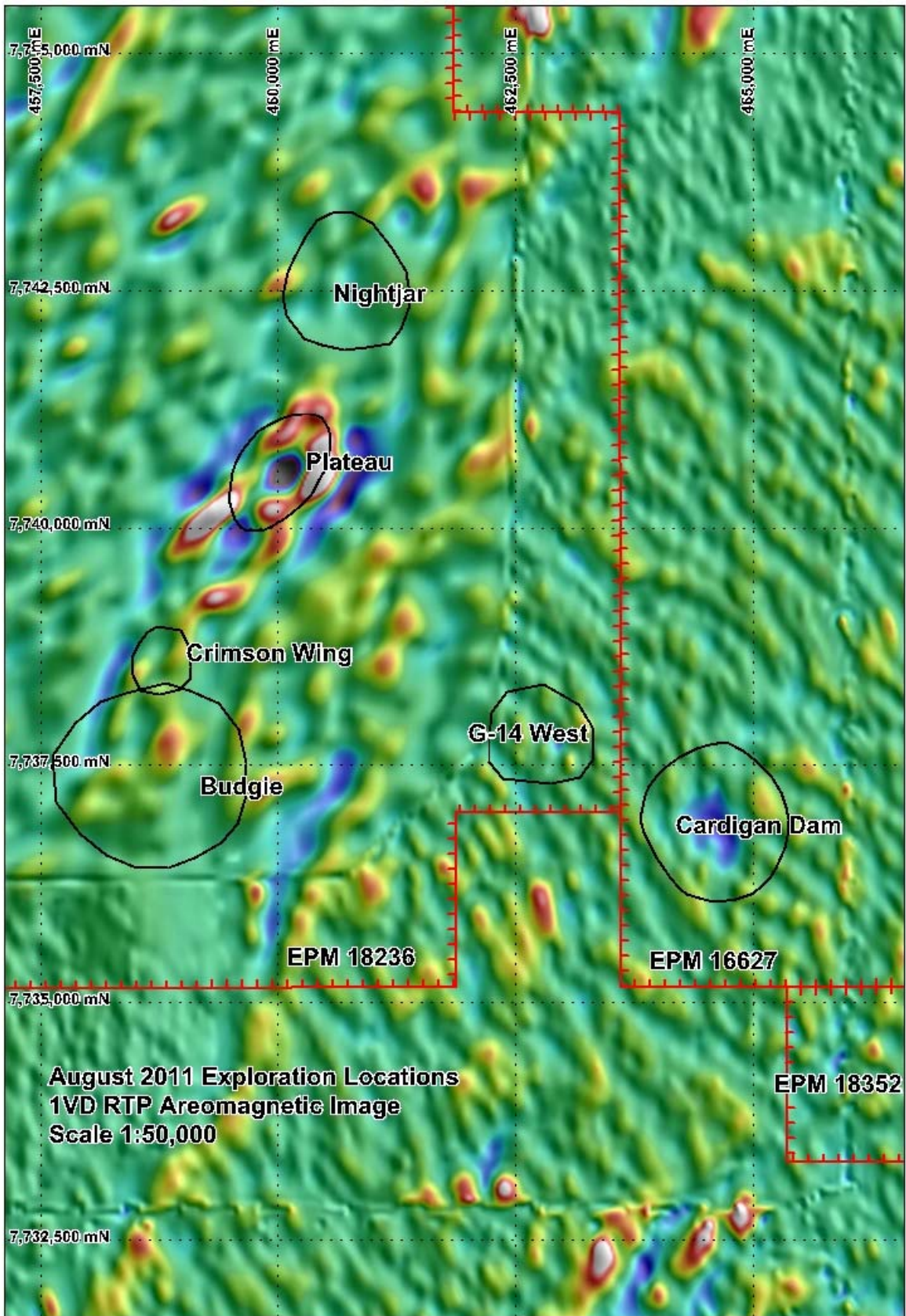


Figure 6: 1VD-RTP aeromagnetic image over the Mt Windsor JV Project's Nightjar, Plateau and Cardigan Dam prospects.

NEVADA PROJECTS (USA)

BIG BLUE JOINT VENTURE NEVADA (USA) (*Ramelius and Marmota earning 70%*)



Figure 7: Big Blue and Angel Wing project locations in Nevada USA

RC drilling was completed at Big Blue during the quarter. Three holes were drilled for 580.6m, testing below the 56g/t Au surface rock chip response that was inaccessible during last quarter's drilling campaign (Table 1).

Table 1: Big Blue drilling summary

Hole Id	Easting	Northing	F/Depth (m)	Az/Dip	Target
BBR11-05	506310	4387185	254.5	-65/270	Strike of 56g/t rock chip
BBR11-06	506310	4387185	147.8	-60/207	56g/t Au rock chip
BBR11-07	506156	4387177	178.3	-65/270	Anomalous soils >32ppb Au

The drilling was targeting high grade Carlin Style vertical feeder structures below surface rock chip assays up to 56g/t Au. The drilling intersected interpreted Upper Plate siliciclastic rocks displaying an apparent shallow easterly dip of 20°. The siliciclastics overlie an interpreted Lower Plate limestone sequence. The limestones are exposed in outcrop 145m west of BBR11-07 and are associated with a coherent plus 32ppb gold in soil anomaly.

The contact between the siliciclastics and the limestones is interpreted to represent the Roberts Mountain Thrust. Along the Carlin Trend the Roberts Mountain Thrust juxtaposes Ordovician to Silurian deep sea shales, siltstones and mudstones over Devonian shaley limestones. Gold mineralization is dispersed laterally within the porous decalcified shaley limestones below the Roberts Mountain Thrust, proximal to high grade feeder structures.

Gold in soil anomaly over the limestone sequence at Big Blue is consistent with this model for lateral dispersion and suggests anomalous gold mineralization may be developed within the limestones below the Roberts Mountain Thrust.

Assay results are awaited.

ANGEL WING JOINT VENTURE NEVADA (USA) (Ramelius and Marmota earning 70%)

RC and diamond drilling was completed at Angel Wing during the quarter. An aggregate 240.17m of HQ diamond core and 1,652.50m of RC drilling was completed to test below the known gold anomalous veins (including the DaVinci Vein reporting 3m @ 25.0 g/t Au in surface rock chips) and various strong induced polarization (IP) resistive trends.

A summary of the drilling completed is presented in Table 2 below.

Table 2: Angel Wing drilling summary

Hole Id	Easting	Northing	F/Depth (m)	Az/Dip	Target
AW11-C01	742676	4618406	47.24	-60/225	Botticelli Vein
AW11-C02	742720	4618342	99.36	-60/090	DaVinci Vein
AW11-C03	742748	4618304	93.57	-60/132	DaVinci/Botticelli intersection
AW11-01	742950	4620012	208.79	-55/075	Raphael North
AW11-02	742950	4619998	196.59	-55/255	Raphael North
AW11-03	742956	4619821	152.40	-55/255	Raphael South
AW11-04	742958	4619821	30.48	-90/360	Raphael South
AW11-05	742958	4619824	60.96	-60/075	Raphael South
AW11-06	742867	4619947	135.63	-55/110	Raphael Vein
AW11-07	742987	4618889	129.54	-50/050	Rossetti Vein
AW11-08	742677	4618404	190.50	-49/088	DaVinci Vein
AW11-09	742579	4619102	196.60	-60/265	Resistive trend below rhyolites
AW11-10	743097	4618624	152.40	-50/035	Rossetti Vein
AW11-11	743092	4618627	106.68	-45/020	Rossetti Vein
AW11-12	742825	4618489	121.92	-45/245	DaVinci Vein

By the end of September assay results had only been received from the epithermal bladed quartz carbonate Botticelli Vein observed in AW11-C01. See Attachment 2 below.

The intersection, while disappointing displays elevated Ag: Au ratios. Coupled with the high level bladed quartz carbonate textures observed in the core potential remains for high grade gold mineralization to be discovered at depth. Trace element geochemistry will be examined once all the assay results are available to help guide further exploration drilling next year.



Figure 8: RC drilling at Big Blue – Nevada (top) and diamond drilling at Angel Wing – Nevada (bottom)

Attachment 1: Significant (>0.5g/t Au) drilling results for the Mt Magnet Gold Project WA

Hole Id	Easting	Northing	Az/Dip	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au
GXDD0026	47291	80450	270/62	219.75	324.1	334.7	10.6	1.90
					342.7	347.8	5.10	1.22
GXDD0027	46950	80600	090/58	307	179.7	180.9	1.20	19.7
					214.4	215.4	1.00	15.0
					235.7	239.65	3.95	8.68
GXDD0028	47375	80060	270/60	519.8	455.5	456.55	1.05	9.83
GXRC0295	49339	78313	090/65	150	86	89	3	1.60
GXRC0296	49713	78963	270/45	108	87	88	1	2.17
GXRC0297	49583	78660	040/53	114 Incl.	66	75	9	11.5
					67	71	4	22.7
GXRC0298	49564	78625	090/59	144	136	138	2	1.85
GXRC0299	49566	78647	312/51	220	84	96	12	1.20
					101	108	7	1.69
					182	186	4	1.26
GXRC0300	49564	78613	090/59	144	109	111	2	3.55
GXRC0301	49630	78563	090/60	60	33	36	3	2.01
GXRC0302	49615	78563	090/60	60	44	47	3	2.68
GXRC0303	49615	78550	090/60	84	39	54	15	1.28
GXRC1188	47850	79720	270/64	120	40	41	1	3.28
					84	87	3	3.14
					90	94	4	1.21
GXRC1189	47570	79695	270/60	90	3	4	1	12.5
					76	88	12	1.94
GXRC1190	46950	79710	090/60	132	7	8	1	3.58
GXRC1191	47060	81175	090/60	84 Incl. +	30	51	21	2.56
					32	33	1	11.3
					45	46	1	9.24
GXRC1192	47080	81175	270/60	120 Incl.	55	59	4	4.51
					55	56	1	9.46
					70	72	2	3.17
GXRC1194	46690	81105	180/47	164	128	135	7	2.33
GXRC1195	47235	80435	270/62	240	7	12	5	2.20
GXRC1196	47225	80395	270/70	264 Incl.	216	230	14	2.35
					224	226	2	9.24
GXRC1197	47223	80395	270/64	260 Incl. Incl.	186	210	24	2.49
					186	188	1	10.4
					195	197	2	13.9
GXRC1199	48979	77393	090/60	100 Incl.	71	75	4	2.97
					74	75	1	10.1
GXRC1200	48896	77397	090/60	190	126	128	2	3.69
GXRC1201	48959	77438	090/60	120	81	85	4	3.52
GXRC1202	48995	77436	090/60	80	19	22	3	1.66
					26	36	10	1.16
					42	50	8	1.67
GXRC1203	48894	77435	090/60	180	151	155	4	3.19
GXRC1204	48855	77423	090/55	198	152	159	7	1.13
					185	188	3	2.57
GXRC1205	48973	77550	090/60	120	42	43	1	2.62
GXRC1206	48956	77636	090/60	110 Incl.	60	66	6	7.36
					63	65	2	20.7

Hole Id	Easting	Northing	Az/Dip	F/Depth (m)	From (m)	To (m)	Interval (m)	g/t Au
GXRC1207	48937	77627	090/60	130	94	109	15	5.37
				Incl.	99	100	1	60.0
GXRC1208	48934	77618	090/60	140	36	38	2	2.47
					116	118	2	3.36
GXRC1210	47345	80070	270/55	300	261	266	5	1.42
GXRC1211	46940	81125	090/55	140	75	76	1	4.27
					80	85	4	2.44
GXRC1214	47160	79480	090/60	100	27	31	4	2.19
GXRC1217	46625	80437	063/90	270	205	210	5	2.17
GXRC1218	46985	80250	270/58	432	370	374	4	3.13
					413	415	2	2.06
GXRC1219	47185	80975	090/55	486	451	456	5	2.87
GXRC1220	47273	80943	105/59	378	316	322	6	1.49
GXRC1221	47270	80940	130/57	324	278	280	2	1.30
					283	288	5	5.25
					317	319	2	19.8
GXRC1224	578194	6899743	250/60	90	25	26	1	3.33
GXRC1229	579453	6898570	250/60	90	54	56	2	1.35

Reported significant gold assay intersections (using a 0.5g/t Au lower cut) are calculated over a minimum down hole interval of 1m at plus 0.5g/t gold and may contain up to 2m of internal dilution. ABN denotes the hole was abandoned before reaching its target depth. NSR denotes no significant results. Gold determination was by Fire Assay using a 50 gram charge and AAS finish, with a lower limit of detection of 0.001g/t Au. Stope, denotes the drill hole intersected voids from historical mining.

Attachment 2: Significant (>0.5g/t Au) gold intersections from Big Blue – Nevada USA

Hole Id	From (m)	To (m)	Interval (m)	Intersection	Target
AW11-C01	25.7	27.3	1.60	0.61g/t Au + 11.7g/t Ag	Botticelli Vein
	27.3	28.6	1.30	Cavity	
	28.6	32.6	4.00	0.77g/t Au + 3.61g/t Ag	

Reported significant gold assay intersections (using a 0.5g/t Au lower cut) are calculated over a minimum down hole interval of 1m at plus 0.5g/t gold and may contain up to 2m of internal dilution. ABN denotes the hole was abandoned before reaching its target depth. NSR denotes no significant results. Gold determination was by Fire Assay using a 50 gram charge and AES finish, with a lower limit of detection of 0.01g/t Au and Ag by ICP-MS with a lower limit of detection of 0.01g/t Ag. Cavity, denotes the drill hole intersected natural voids in the rock mass.

The Information in this report that relates to Exploration Results is based on information compiled by Kevin Seymour.

Kevin Seymour is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person. Kevin Seymour is a full-time employee of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Information in this report that relates to resources and estimated mine grade is based on information compiled by Rob Hutchison.

Rob Hutchison is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person. Rob Hutchison is a full-time employee of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.