

*Wavenet International is a new exploration company with a large portfolio of coal and mineral tenements in Queensland as well as a growing number of mineral (gold and polymetallic) tenements in West Kalimantan, Indonesia.*

*Wavenet has a quality package of coal tenements in the Bowen, Surat, Eromanga and Hillsborough Basins of Queensland.*

#### **Offshore acquisition**

*Additional to the Putussibau high grade polymetallic deposit and the Sintang Gold Project in West Kalimantan, Indonesia a new gold project at Selaup has been acquired by Wavenet. The project is in the Putussibau district of West Kalimantan. Initial samples from workings in this deposit have returned 53 g/t gold, 39 g/t silver, 2.9% lead and 0.6% Zn within epithermal vein systems peripheral to diorite intrusions.*

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11 May 2012

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## **WAVENET ACQUIRES NEW GOLD PROJECT**

*Wavenet International Limited (WAL) is pleased to announce the acquisition of a new gold project - Selaup in West Kalimantan, Indonesia.*

### **HIGHLIGHTS**

#### **Selaup Project**

- **WAL signs a Share Purchase Agreement for acquisition of the Selaup Gold Project near Putussibau in West Kalimantan, Indonesia**
- **The Selaup Gold Project is located immediately north of Rubicon Resources Ltd Kapuas Hulu Joint Venture**
- **The Agreement was signed on 10<sup>th</sup> May with PT Wavenet Westindo of Pontianak, West Kalimantan**
- **The area contains extensively altered sediments that are being intensively worked by artisanal miners by numerous shafts, adits and tunnels. Indications from reconnaissance work are that gold mineralization is extensive.**
- **All the elements of a classic mineralized epithermal setting are present. These include widespread hydrothermal alteration and silicification, fault breccias and quartz veins in a sedimentary sequence associated with diorite intrusions**
- **A mapping and soil/rock chip sampling program as well as testing by diamond drilling is planned for this concession**

#### **Other Projects**

- **Putussibau Polymetallic Project is awaiting a Forestry Department access permit before the drilling program can begin**

- The soil sampling geochemical programme has been completed at Sintang Gold Project and multi-element assays are currently being analysed in the laboratory.
- 508 samples have been taken on a 400m by 400m grid over the 11,000 Ha concession

## PUTUSSIBAU PROJECT

**The Selaup Project** is situated approximately 50 km south-west of Putussibau, in the Kapuas Hulu district of northern part of West Kalimantan Province. (See map on Figure 1). The geological setting of the area comprises stratigraphic units and structures that have been conducive for the formation of oxide and primary gold mineralization. Current indications are that this mineralization is extensive. From initial exploration work it appears that there are also indications of polymetallic sulphide ores present on the concession. It is therefore expected that the mineralization of the workings could bear copper, lead and zinc as well as gold and silver. Parts of the tenement are currently being mined for gold by artisans from nearby villages (kampung). There are several shafts and adits into the hillsides and several sub-horizontal veins are being mined. Only primitive crushing and separation techniques are being used. Gold is extracted using mercury amalgam within small rotating drums containing coarsely crushed aggregate. Although other metals appear to be present in the ore it appears that these metals are not being extracted. Nearby rivers have ubiquitous (illegal) small-scale gold dredges operating and the occupations of the local people are mainly connected to mining or dredging.

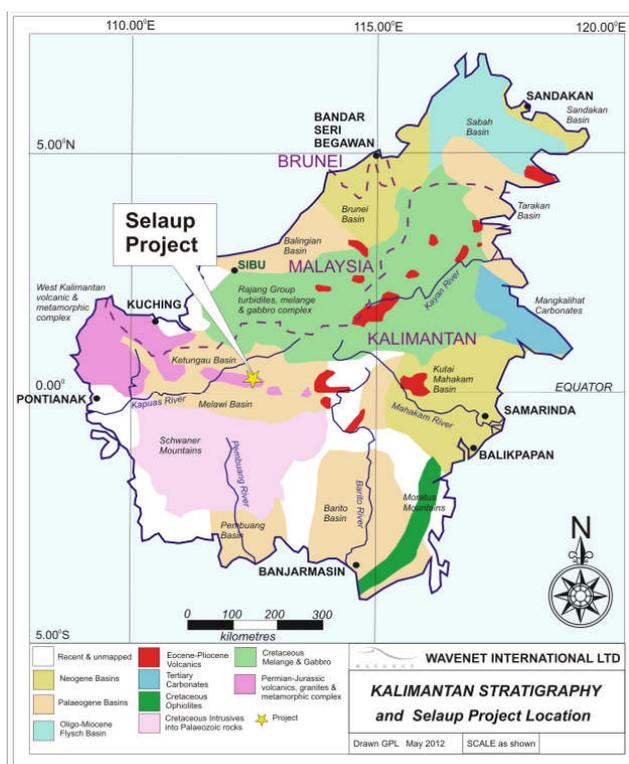


Figure 1 - Project Location Map and Regional Geology of Kalimantan

## Tenure and Agreement

A Share Sale and Purchase Agreement was signed on May 10<sup>th</sup> 2012 between WAL and PT Wavenet Westindo. Under Indonesian law WAL can acquire up to 80% of an Indonesian company. This transaction provides WAL with 80% of the issued shares in PT Wavenet Westindo.

The project is a granted Authorization for Exploration for minerals (IUP no 345/2011) covering an area of 6,280 Ha and is approximately 13 kilometres long by 5 kilometres wide. See map on Figure 2.

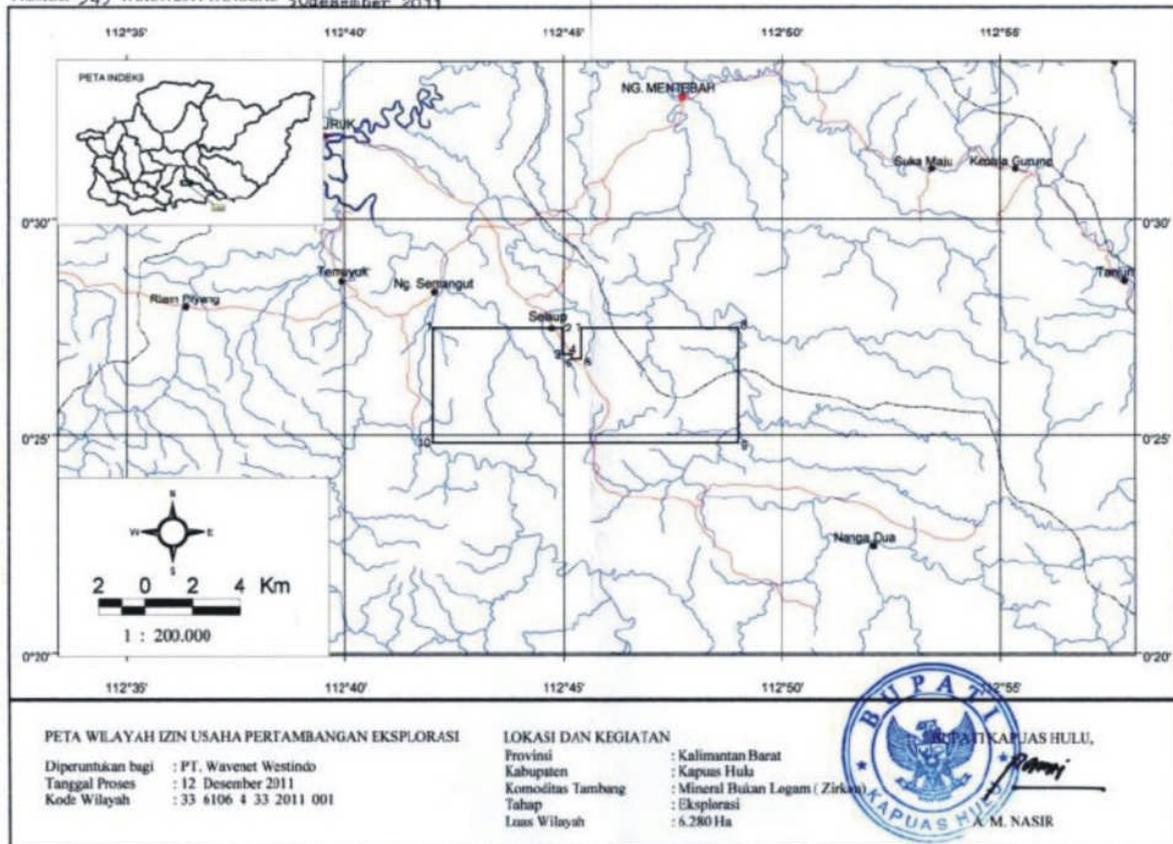


Figure 2: Application and survey map for new Putussibau concession

### Geology and Potential

The Selaup mineralization style is dominated by high grade gold and silver accompanied by significant copper and lead within pelitic to arenaceous sediments and tuffs associated with widespread silicification and hydrothermal alteration.

There is significant potential for hosting a world-class gold deposit at Putussibau since all the elements of a classic sediment-hosted large mineral deposit are present e.g.

- There is widespread hydrothermal alteration (introducing carbonate and silica) of the sediments
- The tenement covers the thermal aureoles of several intrusive diorite bodies
- Individual veins show high metal grades
- Brecciated sediment horizons and vein structures confirm a complex mineralization history
- Regional structures such as the Singtang Intrusives, multiple diorite intrusions, faults and fracture zones confirm a strong, active deformational environment conducive to forming mineral deposits.



Figure 3: Shafts and adits currently being mined for gold



Figure 4: An example of a flat-lying lode at the head of an adit. Lode is 0.2 metres and alteration halo (gold-bearing) at least 2 metres wide.

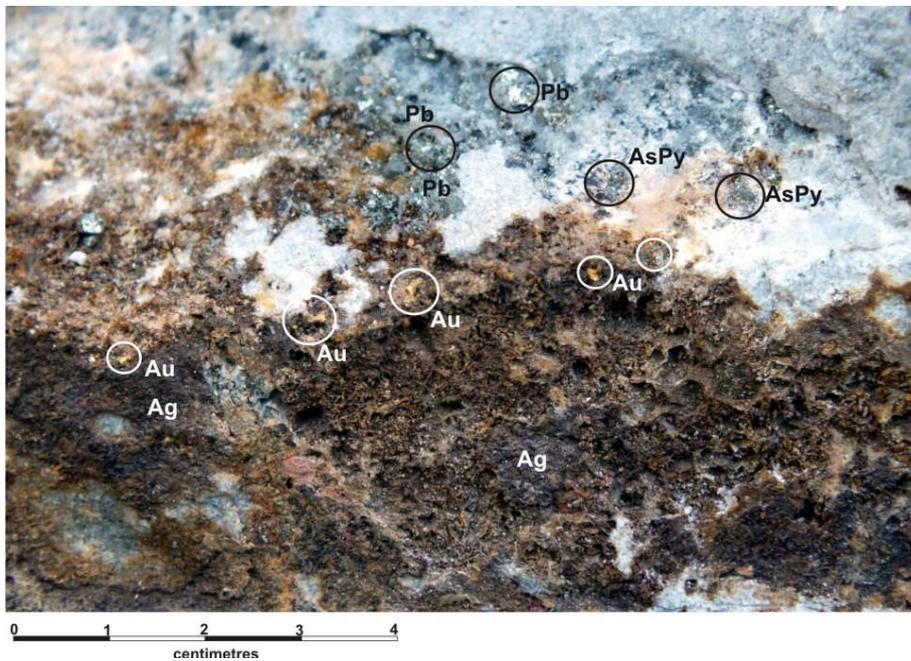


Figure 5: Detail of a rock sample from Putussibau concession. This contains gold (Au), silver (Ag), lead (Pb) and arsenopyrite (AsPy)

Two check samples of mineralisation were collected by Geologica Pty Ltd from the Selaup Project from veins within the shaft and adit workings. These were assayed by PT Zhongye Mineral Resources Exploration Development Laboratory, Pontianak, West Kalimantan in order to identify the nature of the mineralisation. See table below:

Sample	Au	Ag	Pb	Zn	Cu	Sb	As	Location
ID Number	Gold	Silver	Lead	Zinc	Copper	Antimony	Arsenic	
UNITS	ppm*	ppm	%	%	%	%	%	
4528	20.66	13.22	0.65	0.35	0.14	0.31	0.092	AH
4529	85.77	65.21	2.90	0.93	0.18	0.59	0.23	JH
<b>Average</b>	<b>53.21</b>	<b>39.21</b>	<b>1.77</b>	<b>0.64</b>	<b>0.16</b>	<b>0.45</b>	<b>0.16</b>	both

\*ppm = g/t

As can be observed from the assays above, the material carries high grade gold and silver along with lead, zinc and minor copper within an antimony and arsenic bearing sulphidic rock. This polymetallic geochemistry also indicates that the mineralization is probably epithermal in origin.

Geologica is of the opinion that the quoted grades in Table 1 reflect the true nature of the Selaup Project mineralization.

Artisans from the local villages are currently mining gold from these vein structures on the WAL tenement. Small scale production is achieved using primitive crushing (down to a nominal 10mm) and rolling with 12 to 16 drums of maximum capacity 10kg each to extract gold with mercury as an amalgam. Using this method there is very poor extraction of metals other than gold and silver and the remaining product is low quality electrum (gold containing a high proportion of silver). It is believed that most of the artisanal production is from native gold or silver in the ore since the sulphides cannot easily yield copper, lead or zinc without the application of roasting, acid leach or fine grinding commercial processes.



Figure 6: A primitive gold extraction plant with 12 drums containing aggregate and mercury amalgam

WAL intends to explore and develop this discovery and to add value to the project by defining resources and reserves and improving the efficiency of production and extraction methods.

## Other Projects

### Putussibau Polymetallic Project

Situated approximately 6 kilometres west of Selup Project this concession has completed reconnaissance exploration sampling and drill targets have been defined. The Indonesian subsidiary PT Kilau Borneo is awaiting a Forestry Department access permit before the drilling program can begin.

### Sintang Gold Project

This project is situated in the Sintang region of West Kalimantan about 170 kilometres WSW of the Selaup and Putussibau projects. Refer to WAL ASX announcement of 21<sup>st</sup> February 2012 for details.

A large soil sampling geochemical programme has been completed at Sintang Gold Project. This involved sampling down to 150mm below surface at 400m by 400m centres along a grid over the entire 11,000 Ha concession. 508 samples were taken and submitted to Sucofindo Laboratory, Pontianak, West Kalimantan for multi-element analysis. The assays are still being processed.

*Comment*

*It is common practice for a company to comment on and discuss its exploration in terms of target size and type. In addition surface sampling assays and drill sample results may also be discussed in the context of information describing the presence of anomalous mineral content. The above information relating to an Exploration Target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Mineral Reserves. Hence the terms Resource (s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

*Declaration*

*The information in this statement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by independent consulting geologist Brian Davis who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Davis is employed by Geologica Pty Ltd and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is undertaken 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 Davis consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears".*

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