WAVENET INTERNATIONAL LIMITED

ABN 50 087 139 428

Wavenet International is a new exploration company *with a large portfolio of coal and mineral tenements in Queensland.*

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

Update

An option to purchase (OTP) was signed on 27th May 2011 with Eastern Coal Pty Ltd for the Gayndah tenement EPC 2044.
The opportunity to acquire some tenement holdings in the Eromanga/Gallilee Basin and the Hillsborough Basin has culminated in the signing of an OTP agreement with JD Minerals Pty Ltd for tenements in the Isisford, Quilpie and Proserpine districts.

Offshore acquisition

Another high grade gold and silver deposit in Kalimantan, (Borneo) Indonesia has been acquired by Wavenet. The gold is within epithermal vein systems in the Sepauk granodiorite and sediments peripheral to a large andesite intrusive.

Registered Office:

45 Quarry Street
Fremantle WA 6160
Telephone:
(08 9435 3800)

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ASX Limited
Company Announcements Office
SYDNEY NSW 2000

UPDATE ON SINTANG GOLD PROJECT

HIGHLIGHTS

Sintang Project

- ***WAL acquired the Sintang Gold Project in West Kalimantan, Indonesia in February 2012***
- ***The concession occupies 11,000 Ha and is within a well-known gold mining district where artisan miners have been producing gold for the last century***
- ***Preliminary mapping and reconnaissance has identified several gold workings, large areas of alteration and potential for mineralized structures***
- ***Surface geochemical sampling has just been completed and over 500 samples have been tested for gold, silver, copper, lead and zinc.***
- ***Results from the soil sampling confirm the abundance of gold, silver, lead and indicator minerals such as arsenic and barium. Values up to 1.68 ppm Au, 3.5 ppm Ag and 110.6 ppm Pb have been returned.***
- ***Plots of the various geochemical elements show strong coincident and extensive anomalies for gold, silver and lead with more localised occurrences of copper***
- ***WAL is currently completing follow-up mapping in the anomaly areas to identify drill targets***

SINTANG PROJECT

The Sintang Project is situated approximately 250km east of Pontianak, in the Sintang Regency of the central part of West Kalimantan Province. (See map on Figure 1).
WAL has signed an agreement with PT Mineral Indosin (PTMI). Under the agreement WAL has now acquired 95% of PTMI company shares subject to the approval of Indonesia's Capital Investment Co-ordinating Board.
The project is a granted Authorization for Exploration of gold and associated minerals covering an area of 11,000 Ha and is approximately 22 kilometres long by 6 kilometres wide.

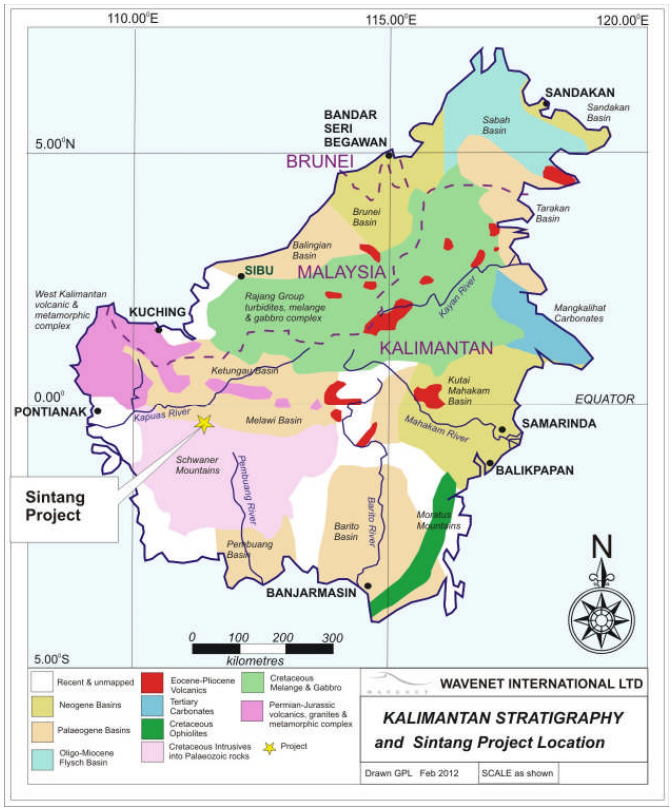

Figure 1 - Project Location Map and Regional Geology of Kalimantan

Geology and Potential

The Sintang mineralization style is dominated by high grade gold and silver, accompanied by significant copper and lead within structures penetrating tonalities, andesites and sediments associated with silicification, hydrothermal alteration and breccias.
There is significant potential for hosting a gold and polymetallic deposit at Sintang 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 aureole of a large intrusive andesite body
- Individual veins show high gold grades
- Brecciated sediment horizons and vein structures confirm a complex mineralization history
- Regional structures such as the Singtang Intrusives, Sepauk Granodiorite and faults or fault-breccias confirm a strong, active deformational environment conducive to forming mineral deposits.

Several locations on the concession are currently being mined for gold by a collective of artisans from local "kampungs" or villages from vein structures and alluvial areas on the concession. The workings are located at Sui Bangun, Kelangau, Sedot and an un-named area in the west. Gold is extracted by surface mining using hydraulic methods and by digging shafts and tunnels. Hydraulic mining is where gold-bearing gravel is pumped and washed over simple screens and table jigs and gold is collected on mats.
There are also several locations along the rivers where dredges are operating and extracting alluvial gold.
Check samples of the waste materials alongside the workings were assessed by panning and gold particles are abundant and clearly visible. This confirmed that gold-bearing ores were present within an epithermal mineralizing environment throughout the area of workings.

Geologica is of the opinion that the Sintang Project has significant gold and silver along with other ores such as copper and lead on the concession. WAL intends to explore and develop this area by acquiring licences and equipment for alluvial dredging. This will generate rapid cash-flow to fund further exploration for defining resources. Also by improving the technical efficiency of gold production and extraction methods this is expected to quickly add value to the project. See Figure 2 for location of workings.

Current Exploration

A preliminary geochemical survey using a 400m grid has been conducted over the entire concession.
This was completed in order to assess the distribution of gold and other metals throughout this large tenement and to assist in defining target areas for drilling. Due to the vegetation cover in this high rainfall area it was necessary to take samples from at least 150mm below surface to ensure that a sample representing the weathered rock and soil was obtained rather than the layer of humus common to the tropics.
The samples were assayed for a range of elements including gold, silver, copper, lead, zinc, arsenic and barium. The results showed a strong geochemical response for gold, silver, copper, lead and zinc while the pathfinder elements arsenic and barium were also well distributed. Assay values for gold-in-soil ranged up to 1.68 ppm Au (equivalent to grams per tonne) and silver up to 3.5 ppm Ag. Copper ranged to 58.1 ppm Cu, lead up to 110.6 ppm Pb and zinc to 171.9 ppm Zn.
The gold anomalies are distributed in a general E-W orientation in at least three different bands. Copper distribution appears to be mutually exclusive with gold. Silver and gold anomalies are generally coincident and lead appears to mainly occur close to the copper anomalies.
Arsenic distribution was widespread but with generally low values peaking at 46 ppm As, indicating that the mineralisation is generally not arsenic-rich. The barium values were also generally low with a maximum of 382.4 ppm Ba. The distribution of barium appears to be similar to copper and may reflect the influence of hot fluids from nearby igneous intrusions and is more localised than the gold and silver. See Figures 2, 3 and 4.

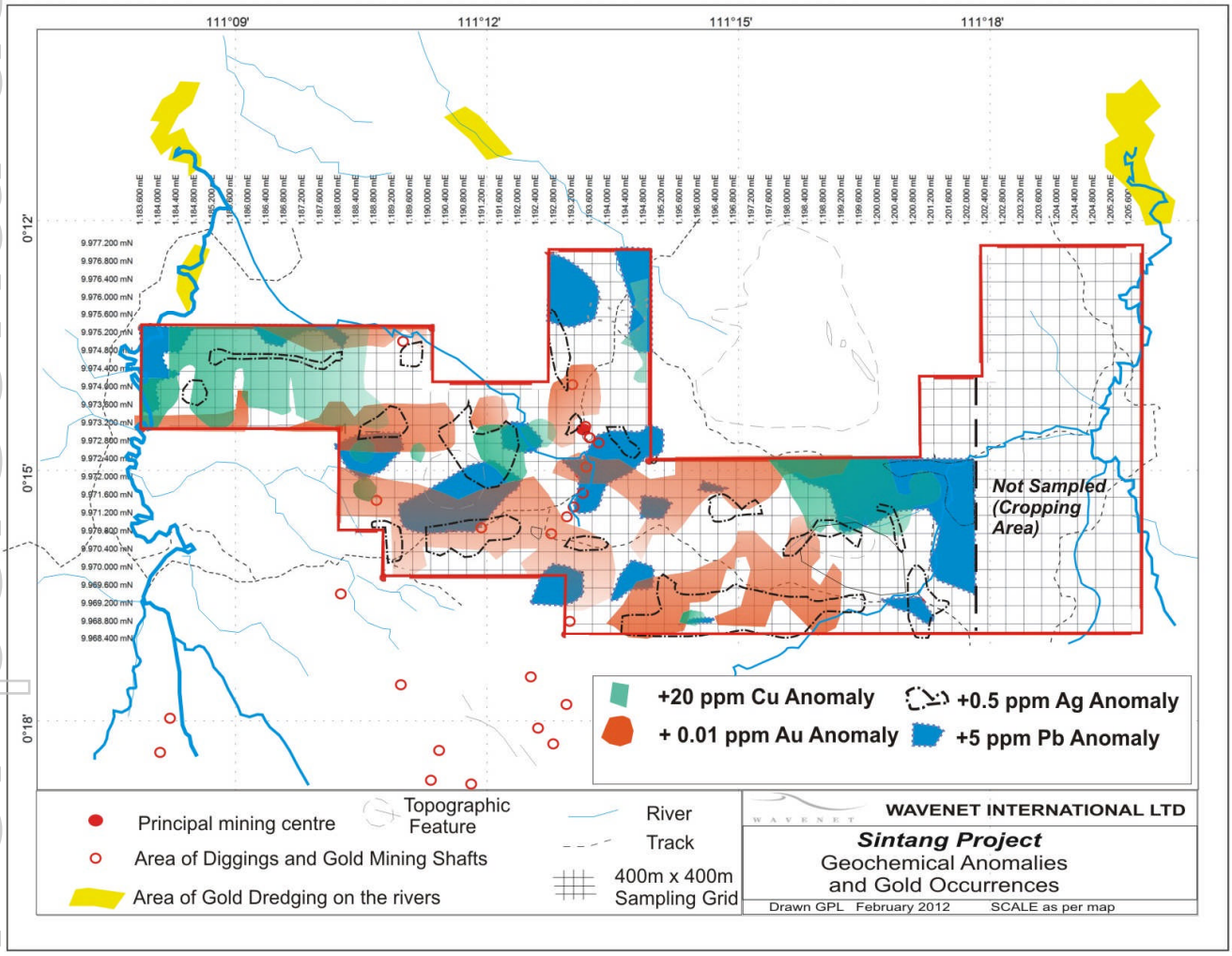

Figure 2 – Sintang Project Coincident Geochemical Anomalies (Au, Ag, Cu, Pb) and Gold Occurrences

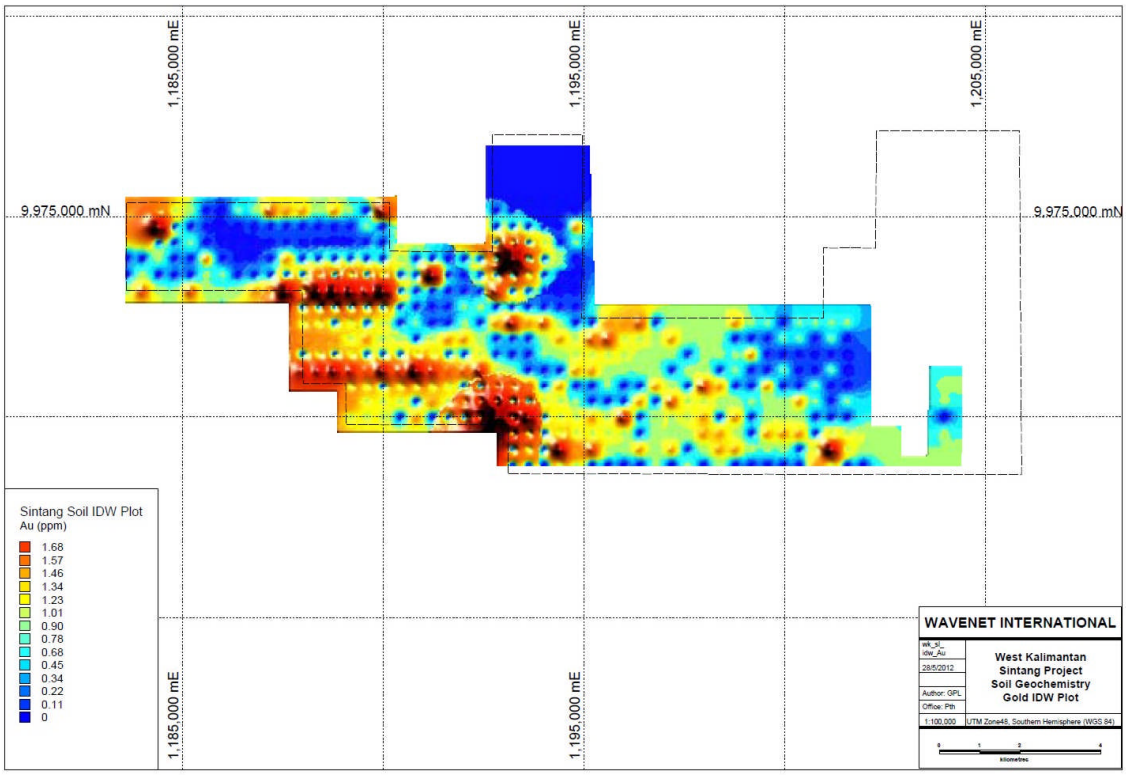

Figure 3 - Sintang Project Gold-in-Soil Plot

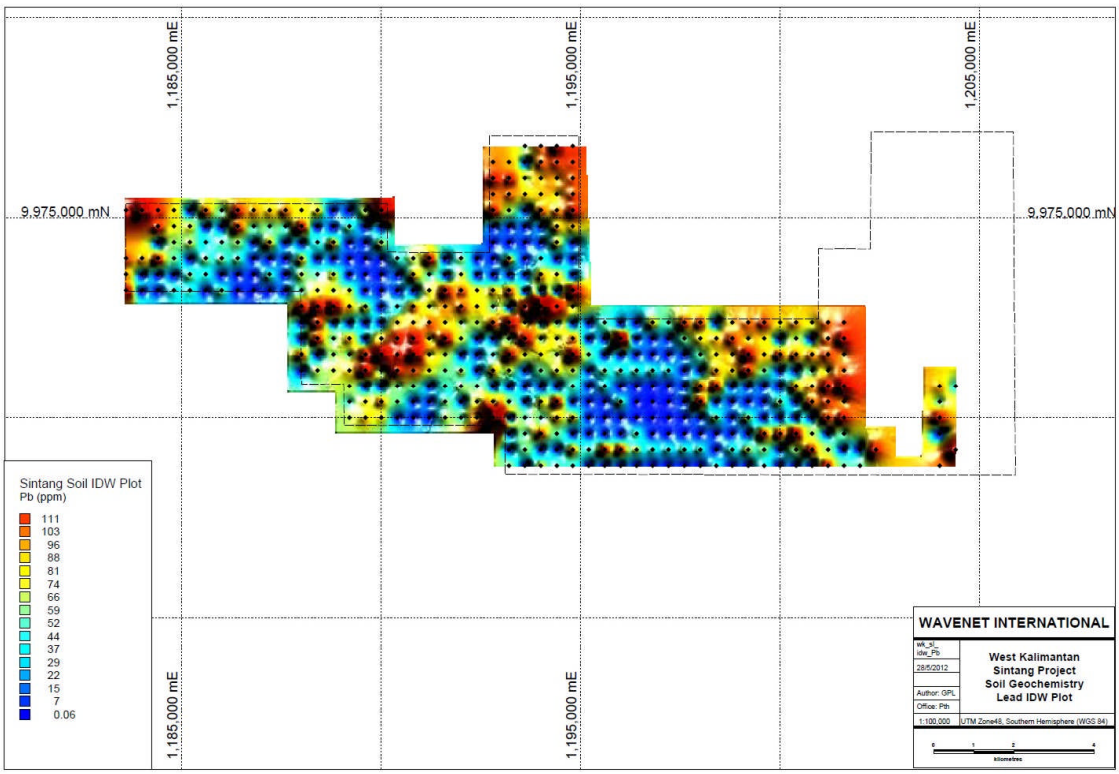

Figure 4 - Sintang Project Lead-in-Soil Plot

Follow-up mapping of structures, veins and geological contacts will be completed in target areas where there are coincident geochemical anomalies. WAL intends to then define locations for drilling and further sampling of mineralised material.

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".

For further information contact:

Mr Edward (Mick) Stroud (Executive Chairman)

Mobile: 0418 945 603

Email: ehstroud@iinet.net.au

Mr Brian Davis (Geologist)

Geologica Pty Ltd

Mobile: 0437 909 237

Email: geologica@upnaway.com