

25 November 2011

Company Announcements Office
Australian Securities Exchange
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

ASX:SAY

Dear Madam

Update Yunnan Drilling and Ecuador Developments

Highlights

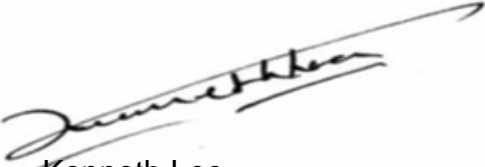
- Drilling is continuing north of the Zhacun Gold Mine in Yunnan Province, China.
- Exceptionally wet conditions have hampered the drilling progress.
- Limited preliminary assays have been received and finals are awaited.
- Geological Mapping in the region has been resumed at 1:2 000 scale.
- SAY is in advanced negotiations with the Ecuadorian Government after signing a Letter of Intent that would facilitate exploitation of some areas previously explored by SAY.

Directors are pleased to announce that drilling at the Yunnan Concession is continuing, even though extensive delays have been experienced due to un-seasonal heavy rain. Drill holes have been completed on a number of traverses where Electrical Survey data were collected and samples have been dispatched to the assay laboratory. Some preliminary assays have been received but not yet verified and finalised. Once these are verified they will be announced to the market. SAY is disappointed with the long lead time but conditions on the ground have improved recently meaning that data should begin to flow more regularly from now.

Additional information gleaned from a gold deposit to the north of the Yunnan Concession has led the geological team to re-assess some data and initiate a new round of close spaced geological mapping at 1:2 000 scale. Effectively the team are looking to map the sedimentary sequences with more rigour along the major north northeast gold bearing fault line.

Directors have been negotiating with the Ecuadorian Government, with the assistance of the Ambassador of Ecuador to Australia. To that end a Letter Of Intent has been signed and at present a Joint Venture (JV) is being negotiated that would enable SAY to exploit some of the areas previously explored by SAY in Ecuador. The Board believes that a successful and workable JV will be finalised in the coming weeks. The regions under discussion are those that SAY in the past thought hosted the best iron-titanium mineralisation (based on exploration carried out by SAY). Details of the JV when finalised will be made available to the market. The Company has been negotiating with Chinese and Japanese steel makers to facilitate mineral off take.

By Order of the Board



Kenneth Lee

CEO