

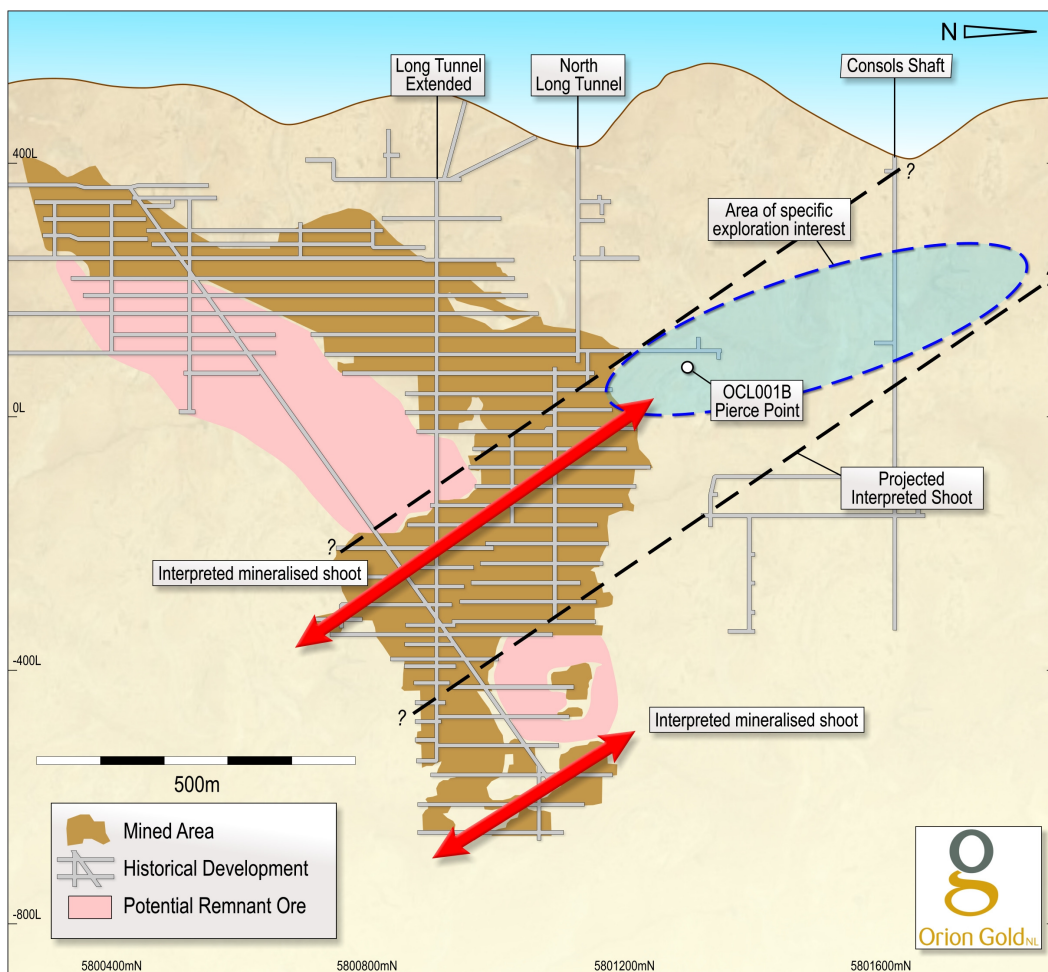
28 April 2010

## Walhalla Gold Project Drilling Intersects Reef Structure Interpreted as Northern Extension to Cohen's Reef

The Directors are pleased to announce that drill hole OCL001B has intersected a reef structure interpreted as a northern extension of the main Cohen's Reef system.

The Company reviewed the Cohen's Reef system last year, and based upon historic mining and exploration data, developed a geological interpretation that identified a number of highly prospective targets including the potential northern extension of the main Cohen's Reef.

The Cohen's northern target comprises the northern (up plunge) extension of the interpreted upper Cohen's shoot, which was mined by the Long Tunnel Extended Company. If this shoot continues northwards into the historic North Long Tunnel ground, the shoot has the potential to host a large block of unexploited ore relatively close to the surface (see Figure 1).



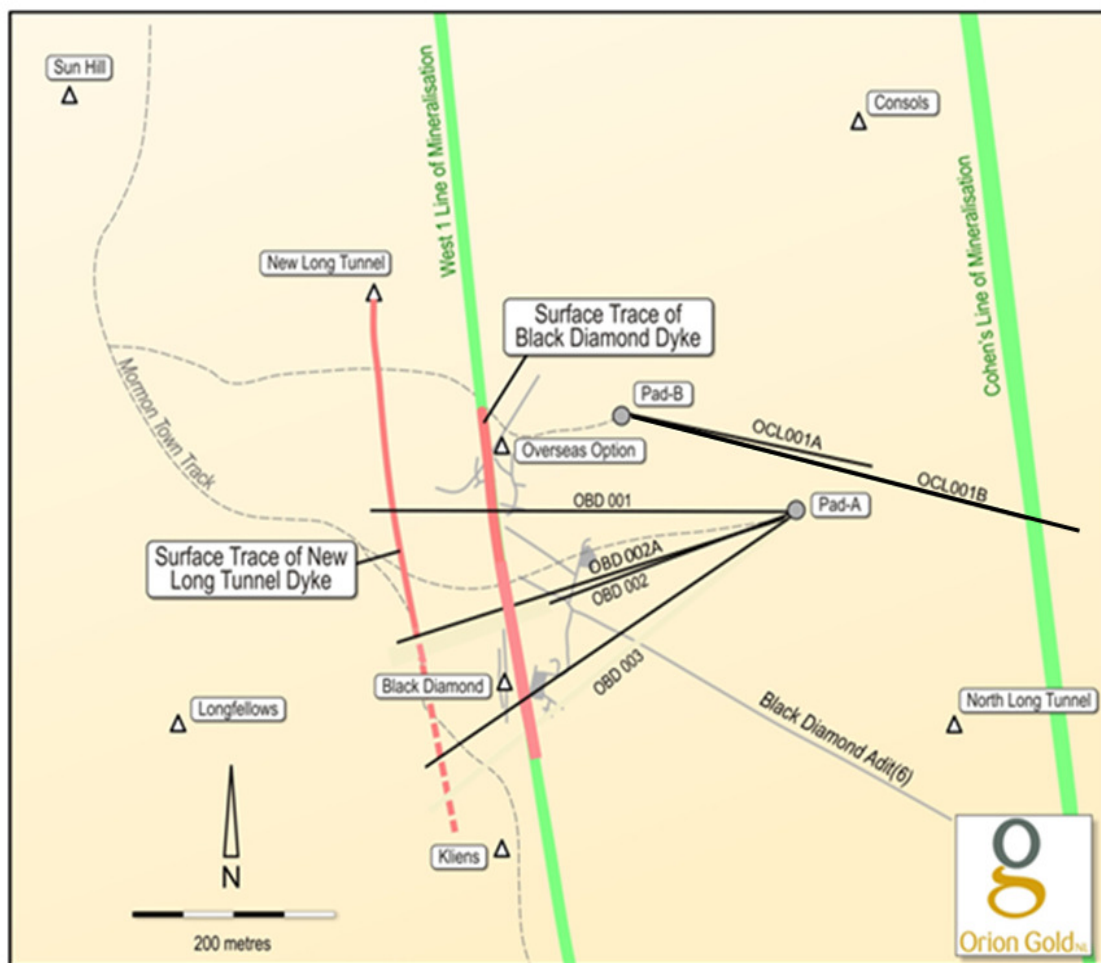
**Figure 1:** Schematic long section of Cohen's illustrating the northerly up plunge extension showing the OCL001B pierce point.

Given that the historic mine and production data indicates that the northern limit of the Cohen's Reef workings at the 300 metre level carried high grade gold, the intercept in hole OCL001B (located north of and below the 300 metre level) opens up a major new target zone north of the historic Cohen's Reef workings. This is considered very encouraging given the significant historic production from the Cohen's Reef of approximately 1.5 million ounces.

Although assays are yet to be received for hole OCL001B, the mineralised zone intersected contained laminated, sulfide-bearing quartz veining and associated marginal stock work veining between 481.5 and 487.6 metres down hole and a narrow intersection of pale brown, highly altered dyke rock between 489.8 and 489.9 metres. It is believed that the interval between 481.5 and 489.9 metres represents the northern extension of Cohen's Reef. Unfortunately, core recovery across the entire zone of interest was poor due to ground conditions encountered throughout the hole which will impact on the Company's ability to fully interpret the geology within the zone of interest until further core is drilled.

Based on the new intersection, a drill wedging program, using OCL001B as a parent hole is underway and has been designed to intersect the reef within 75 metres up and down plunge of the OCL001B pierce point. The core recovered from the wedge holes will assist in further geological interpretation and in determining the significance of the reef structure intersected in OCL001B.

Geological assessment of hole OCL001B is in progress and detailed mapping and assaying of the limited core recovered is pending.



**Figure 2:** Schematic plan illustrating the position of mineralised trends in the Cohen's area, historic workings, the projected trend of the Black Diamond dyke and New Long Tunnel dyke and the location drill holes.

As previously announced, the Company designed a sixteen hole drill program to test the newly developed geological model of the Cohen's Reef system. From the four diamond drill holes completed to date, the Company has successfully identified three new zones of mineralisation for follow up drill testing. The first hole OBD001, (previously reported in ASX release dated 9 December 2009) successfully intersected the interpreted West 1 line of mineralisation (located approximately 0.5 km west of the Cohen's line) and a second mineralised zone further west (see Figure 2). The latest hole OCL001B has now intersected what is thought to be the northern extension of the Cohen's Reef system. All three new zones of interest have opened up major new targets that could result in a significant increase in the Company's resource inventory.

Executive Chairman Denis Waddell said, "although it is still early days and we have yet to receive assay results from the latest drilling, the signs are very encouraging that mineralised structures extend well beyond the historic workings. Although drilling conditions aren't the best and drill progress is slower than we would like, I believe we are on the right path to discovering new high grade ore bodies".



Denis Waddell  
**Executive Chairman**

**Competent Person**

Exploration information in this report has been compiled and assessed under the supervision of Dr James Anderson, Orion Gold NL's General Manager – Exploration, from historical records and field investigation. Dr Anderson is a member of the AusIMM (CP) and has extensive experience in the identification of gold mineralisation of this style. Dr Anderson consents to the public release of the information in the context contained within this release.