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Issued Capital:

46.35m Shares

4.35m Options (unlisted)

Market Capitalisation **\$7.0m**

@ last TLG share price: **\$0.14**



Additional gold -tellurium zone discovered at Bullfinch project

SUMMARY

- New gold - tellurium zone discovered at Jumbuck prospect 2.3km southwest of Harold Holt.
- Rock sampling at Harold Holt returns highest values to date - 34.6g/t gold with 107.5g/t tellurium.
- Project area expanded to 1,398km².
- Separate iron target to be tested for commercialisation opportunity.

Bullfinch Project (TLG 100%)

The Company has commenced an expanded soil sampling programme at its 100% owned Bullfinch project in the Yilgarn region of Western Australia. The sampling follows on from similar work last year that identified gold (Au) occurrences coincident with significant pathfinder elements tellurium (Te) and bismuth (Bi). This release provides background to the project, latest results and outlines the strategy moving forward.

Background

Bullfinch was one of TLG's four projects when the Company listed in July 2010. At that time the project covered 161km² and contained a number of historic workings and untested new gold targets. One of these, Harold Holt, had returned rock sample values up to 19.95g/t Au with coincident high levels of tellurium and bismuth (Table 1, samples BF907-908). The prospects are predominantly hosted by granitoid-gneissic domes.

Results

In 2011 the Company undertook orientation soil/auger sampling and further reconnaissance rock sampling. The soil sampling has discovered an additional gold - tellurium zone 2.3km to the southwest of Harold Holt at the Jumbuck prospect (Figure 1). Anomalous tellurium in soil up to 1.9ppm is present at Jumbuck over a 500 metre strike open to the north and west. Furthermore the most recent results include the highest tenor of gold, tellurium and bismuth from rock sampling to date at Harold Holt - 34.6g/t Au, 107.5ppm Te and 1,875ppm Bi (Table 1).



Photo 1. Mapping of historic gold workings at the Matilda prospect to the northwest of Harold Holt (Location see Figure 2). The hills on the horizon are the Southern Cross greenstone belt 13km to west.

Pathfinders

These early stage results are encouraging in that they reveal coincidence of gold with high amounts of tellurium and bismuth. This geochemical signature is a relatively rare but significant character of some large gold deposits. In Australia the most notable occurrence of tellurium with gold is at Kalgoorlie-Boulder. Tellurium sulphides have also been recorded from granitoid-gneissic hosted gold deposits in WA such as Tropicana and Woodcutters.

The most recent rock and soil sample results at Bullfinch indicate higher grades of gold and tellurium over a larger area than previously recognised. The potential for the project to host a significant gold deposit is therefore significantly updated.

Expanding the Project

The Company has since expanded the project to 1,398km² over structures interpreted to control or host gold mineralisation (See Figure 2). The new ground stretches to the south and southeast of the original Bullfinch tenement. All 1,398km² of tenements are 100% owned by TLG.

Iron Ore

A potentially significant magnetite iron deposit has been recognised within the original Bullfinch tenement. This was identified by following up on a 15km long magnetic feature that runs through the project. Rock samples from the magnetic highs contain up to 39% iron (Fe) and evidence of coarse grain size due to metamorphic recrystallisation.

The Company has commissioned an independent report to assess the potential size of the iron ore target. The brief also includes assistance in designing a drilling programme on the iron to be carried out in the first quarter of 2012.

The iron ore target is located near both sealed roads and a railway line (Photo 2) that currently service several iron mines including Koolyanobbing, located 30km to the east. Whilst iron ore has not been the focus of TLG, the deposit is so well located that management believe that its potential should be tested to see if the iron can be commercialised (and hence provide funds to further explore the gold potential in the area).

Summary & Strategy

The two key pieces of information at this stage are:

- Gold, tellurium and bismuth at higher grades and over a wider area than previously recognised within the 161km² of tenements that comprised the original Bullfinch project.

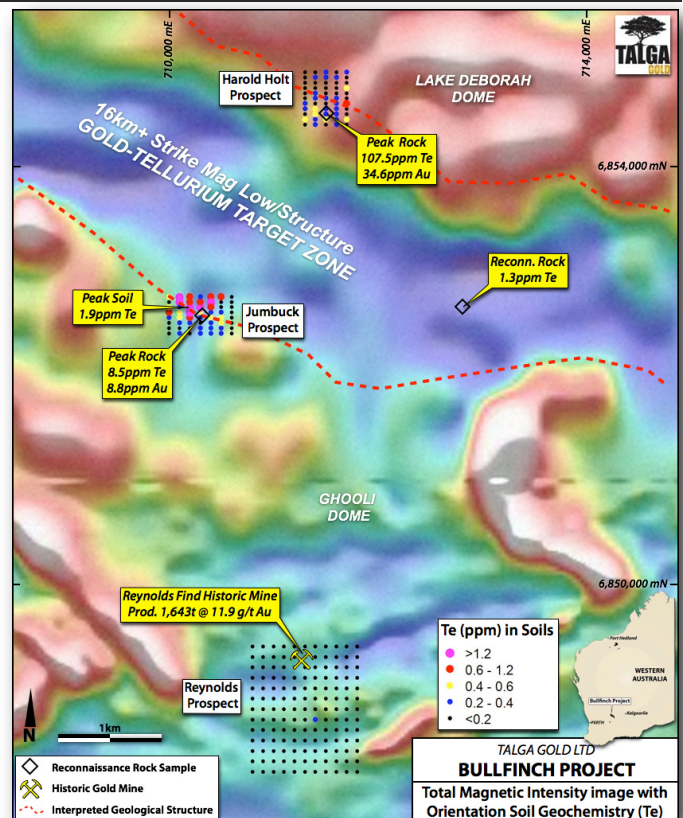


Figure 1. Magnetic image with soil grids and gold-tellurium anomalies. Note the lack of tellurium over historic gold workings at Reynolds and the location of new anomalies adjacent to large magnetic low.



Photo 2. The Perth-Kalgoorlie railway line runs through TLG's Bullfinch project.



Photo 3. Late fault structure with extensive multi-phase quartz veining.

- Project size substantially expanded to the current total of 1,398km² to cover features prospective for the discovery of further mineralisation.

Whilst the above is encouraging, the challenge is to conduct a cost effective exploration programme within such a large area. The strategy moving forward is as follows:

- Surface geochemical sampling and assay techniques have been refined to develop an approach that will be cost effective in conducting broad spaced grid sampling over a large area.
- Soil sampling work has commenced on a zone 14km long by 12km wide within the original Bullfinch tenement. Similar programmes are likely to be undertaken over other parts of the project throughout the year.
- Follow up drilling of gold targets will be defined by the results of the soil sampling and will likely take place in the third quarter of 2012, however 'scout' testing of some gold prospects may take place earlier during drilling of iron targets.
- Drilling of the iron ore targets will commence in the first quarter of 2012. The proximity of the iron to both infrastructure and existing mines may provide an early commercialisation opportunity.



Photo 4. Augering completed as part of the detailed surface geochemical orientation surveys.

For further information, please contact:

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Table 1. Selected rock sample assay results from previous and recent work.

Location	Type	Sample ID	Easting MGA94 Zone 50	Northing MGA94 Zone 50	Gold (ppm Au)	Tellurium (ppm Te)	Bismuth (ppm Bi)
Harold Holt	Outcrop	BF907	711452	6584676	3.36	16.9	>250
Harold Holt	Outcrop	BF907E	711452	6584676	4.70	76.5	>250
Harold Holt	Outcrop	BF908	711452	6584676	19.95	54.6	>250
Harold Holt	Outcrop	CM0800	711452	6584675	8.9	29.8	479
Harold Holt	Outcrop	CM0828	711450	6584676	34.60	107.5	1875
Jumbuck	Outcrop	BF226	710327	6586229	4.50	8.7	22
Jumbuck	Outcrop	BF228	710327	6586230	8.80	8.5	35

- All samples are rock grab samples of approximately 1-3Kg size and assayed by ALS in Perth, Western Australia.
 - Gold assays determined by 50 gram charge Fire Assay method with other metals assayed by ICP-MS methods.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Thompson and Mr Darren Griggs who are full-time employees of the Company and are members of the Australian Institute of Geoscientists. Mr Thompson and Mr Griggs have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which they are undertaking 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 Thompson and Mr Griggs consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

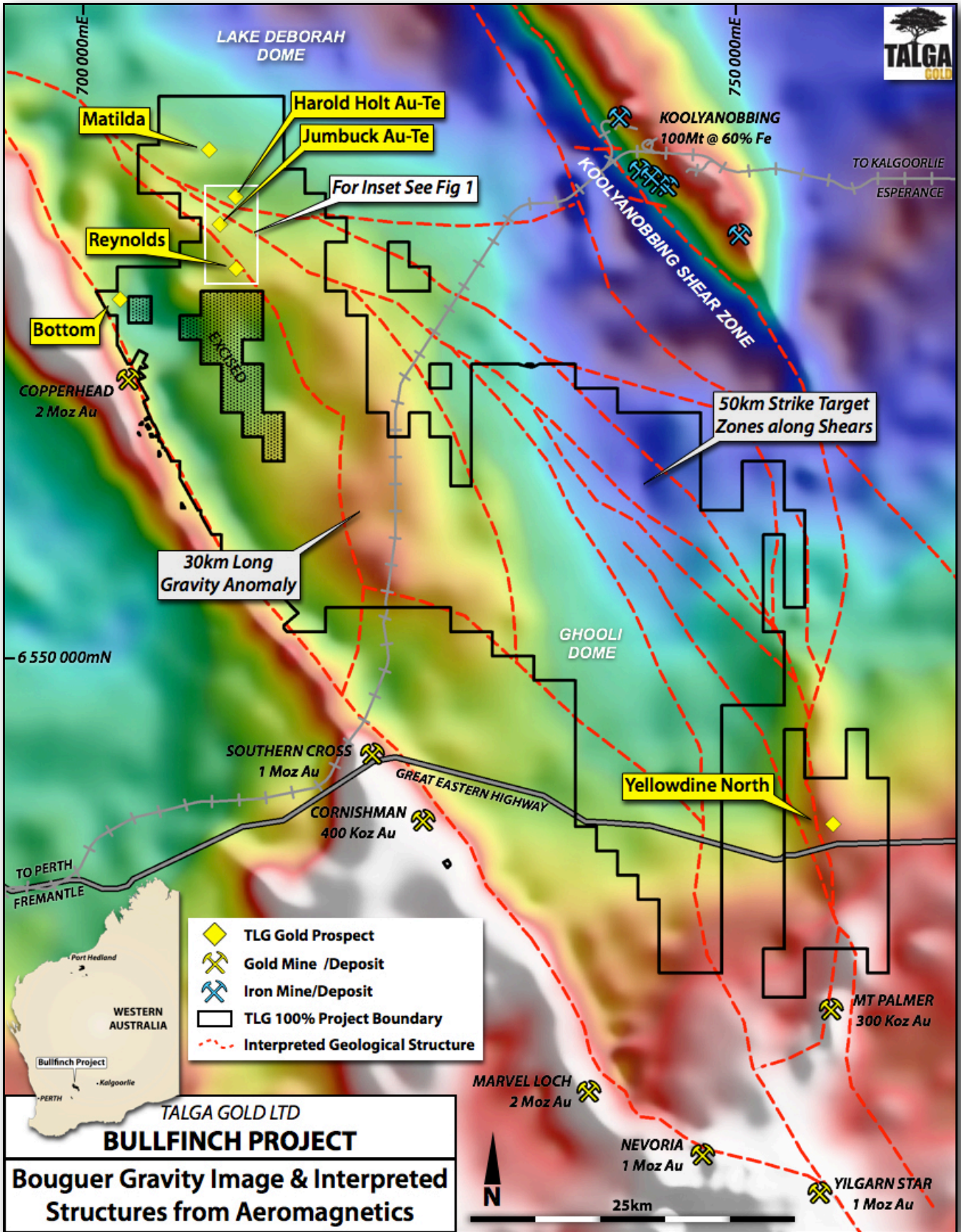


Figure 2. Bullfinch project overview; Bouguer gravity image with TLG gold prospects and structural features interpreted from magnetic data.