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ATTN: Company Announcements Officer
Australian Securities Exchange

Update on Goldsmith Resources (Peru)


Commissioners Gold 18.75%

An experienced Australian Metallurgical Engineer has recently been appointed as the CEO of Goldsmith Resources in Peru and this has had a very positive impact on the development of Goldsmith's satellite mining operation in southern Peru. The new CEO has been tasked with seeing the Mollehuaca Plant and Eladium Mine into sustainable production following the recent injection of US\$1.22m in funds.

A legacy of piecemeal engineering and construction at the Mollehuaca Plant has now been rectified, and the entire treatment process re-balanced to ensure correct equipment sizing. The crushing circuit has been fully tested with ore. A full 'wet' commissioning of the plant, encompassing the entire treatment process, is planned to proceed within the next two weeks. According to reports received from Peru, the plant is expected to be fully operational by the end June 2014.

A new Mine Manager has been engaged for Eladium, where site works are currently underway to improve heavy vehicle access and install mine surface infrastructure. Contractors are currently being engaged to complete and widen the existing cross cut to the principal orebody, after which mechanised mining will proceed.

Despite significant delays to the project over the past 12 months, the Board of CGU is pleased with the recent pace and stability in Goldsmith Resources SAC (CGU 18.75%) and highly encouraged with the prospects of imminent gold production from the project. The recent US\$1.22m capital injection and the appointment of more experienced management in Goldsmith are the right ingredients to the projects renewed success.



Chris Battye
Executive Chairman

