CERTEJ PROJECT (ROMANIA)

Highlights:

- Definitive Feasibility Study completed.
- Updated Mining Permit – permitting process now advanced
- Life of mine extended to 16 years
- Project progresses to basic and detailed engineering phases
- New licences awarded covering approximately 450 square kilometres

Feasibility studies completed and mining permit updated – Deva Gold completed a Technical Feasibility Study ("**TFS**") for its Certej project that was accepted by the National Agency for Mineral Resources ("**NAMR**") in July 2008 which means that the company was issued with a modified mining permit and can mine the deposit.

Detailed technical and economic studies on Certej culminated with a Definitive Feasibility Study announced on 23 July 2008). This was further updated to incorporate an optimisation of the tailings facility sites and additional reserves defined from in-pit lower-grade material and existing dumps, announced in January 2009.

The following table summarises the key project indices:

Reserves			
Tonnes	Years 1-11.5	32.8Mt	2.0g/t Au, 11.4 g/t Ag
	Years 11.5-16	14.1Mt	0.64 g/t Au, 11.7 g/t Ag
Strip Ratio	Years 1-11.5	3.1	
Annual Throughput		3Mt	
Overall Gold Recovery		81%	
Overall Silver Recovery		74%	
Life of Mine		16 years	
Production			
	Years 1-3	Years 1-11.5	
Average gold production, oz pa	172,000	155,000	
Average silver production, oz pa	720,000	816,000	
Costs			
	€ million	**€ million**	
Capital	Initial	Sustaining	
	133.4	**47.4**	
Cash Costs*	US$370/oz Au*		
** Net of silver by-product credits at $7.50/oz*			
Financial			
Post tax IRR		21.3%	

Project returns have increased slightly, as the increase in the sustaining capital costs has been offset by the extension in the life of the mine, improved foreign exchange factors and slightly reduced initial capital costs.

The Company was pleased to report that the project continues to be on track for permitting. We have concluded that key technical milestones can be achieved and that a fully viable development of the project can now be established within key operational criteria.

Coffey Mining (formerly RSG Global Consulting Pty Ltd) completed a pit optimisation and pit design study, which included a geotechnical drilling programme designed by Golder Associates. The study resulted in a better conversion from resources to reserves and confirmed that the deposit will be mined with an open pit strip ratio of 3.1:1.

The project will involve the mining and processing of 3.0 million tonnes of ore per annum over an open life of 11 and a half years. The open pit is expected to yield approximately 160,000 oz of gold and 820,000 oz of silver per year in doré, reflecting an average total process recovery of 81% for gold and approximately 75% for silver. Thereafter, the plant will be fed for a further five years at the same throughput rate by material previously stockpiled from the open pit or historic dumps.

The metallurgical process involves the production of a gold and silver-bearing concentrate followed by the production of gold and silver bullion in doré on site by means of the Albion Process. The Albion Process is a combination of ultra-fine grinding of concentrates and oxidative leaching at atmospheric pressure. The liberated gold and silver is then recovered as doré by the conventional Carbon in Leach (CIL) process.

Following on from recommendations made by Aker Solutions the company carried out further work in-house, principally comprising optimising the process plant location, investigating alternative lower costs plant vendors, more fully utilising local contracting services and obtaining more competitive rates for local inputs, which significantly reduced the capital cost estimate.

The residues from the flotation and gold plants will be disposed of in two separate but adjoining tailings management facilities (TMFs), which are ideally located and designed for this project. The EIS confirms that the Certej project and its TMFs will have a negligible impact on the local water streams, flora and fauna. Golder Associates have completed the design and cost study for the TMFs. The location of the two TMFs is in the same valley as the mine and plant, which results in only a single water catchment area and principality for the entire Certej project.

Mine life now 16 years

New probable reserves have been defined extending the total Certej project mine life to 16 years. The reserves are from lower grade material within the existing open pit design and contained by historic dumps adjacent to the Certej deposit and can be summarised as follows:

Description	Category	Tonnes	Au g/t	Au ounces	Ag g/t	Ag ounces
In-pit lower grade material	Probable	7,829,226	0.72	181,200	14.0	3,524,000
Dumps	Probable	6,320,190	0.53	107,700	8.9	1,802,000
Total	Probable	14,149,416	0.64	288,900	11.7	5,326,000

The existing open-pit design was optimised at a gold price of $450 per troy ounce and, whilst the pit forms a natural limit to the mineralisation, there is material within the pit shell that becomes economic at a gold price of $650 per ounce. In the previous mine plan this rock reported to the waste heap.

Drilling and channel sampling of historic dumps situated around the deposit has also defined new resources and reserves. Much of the material would have to be moved to make space for the planned Certej open-pit.

The rock dump and the in-pit lower-grade materials will be stockpiled and fed through the mill after the full grade ore from the pit has been treated in the first 11 and a half years of the life.

The 0.3 million ounces Au and 5.3 million ounces Ag reserves were estimated using mining costs defined in the Certej definitive feasibility study published in September 2008 with an additional cost for re-handling taken into account.

Total reserves at Certej are summarised below:

Description	Category	Million Tonnes	Au g/t	Au million oz	Ag g/t	Ag million oz
Existing Reserve	Probable	32.8	2.01	2.12	11.4	12.0
New Reserve	Probable	14.1	0.64	0.29	11.7	5.3
Total	Probable	46.9		2.41		17.3

Project progresses to basic and detailed engineering phases

The Company has now advanced the process plant design into Basic Engineering phase, which after a rigorous evaluation procedure was awarded to Aker Solutions. This will be carried out with the local engineering company Cepromin. The Company has also contracted Xstrata Technology Ltd in respect of the engineering of the Albion process section of the plant.

Permitting process well advanced

In September 2008 NAMR approved the TFS for the project recognising the quality of the work invested into the Certej project by Deva Gold. The NAMR also confirmed the official approval and registration of the project's resources and reserves. This completed all the approvals required for the project from NAMR and was a very significant step forward in the development of the project, as it effectively updates the mining permit and allows the reserve as outlined in the TFS to be mined.

In February 2008, the Company completed the Environmental Impact Study (the "**EIS**") to develop the Certej project. This has subsequently been revised to incorporate the improvements to the project described previously. This will be submitted to the Romanian environmental authorities in Timisoara in the early part of 2009.

The EIS addresses the proposed increase in mine production at Certej and the processing of the ore on site. The EIS has been carried out over a 12-month period in order to accumulate all the required base line data during the different seasons. The EIS is a detailed multi-discipline study comprising over 2,000 pages subdivided into a number of volumes assessing the environmental, social and health impacts of the project on the mine area.

The EIS was prepared with the contribution of several Romanian institutes of international reputation, namely the National Institute of Research and Development for Industrial Ecology (ECOIND), the National Institute of Research and Development for Environment Protection (ICIM), the Technical University of Construction Bucharest and the Babes-Bolyai University of Cluj. The EIS was prepared to the regulatory framework established by Romanian and EU legislation.

The environmental permitting process is now well advanced and its successful conclusion will allow for construction and full scale operation of the project. As part of that process, Deva Gold received an updated Urbanisation Certificate from Hunedoara County Council, renewing that issued in October 2006. The new Urbanisation Certificate, which incorporates all the modifications to the project since 2006, is valid until 2010 and can be extended further. The award of this new certificate, which legally confirms the designated land use of the project site, again demonstrates the continued support of the Romanian authorities for the development of the Certej project. This confirmation of Certej as a designated industrial mining area also clearly attests to the local community's support for the project.

The permitting process is now in its final stages. Deva Gold has also submitted a Zonal Urbanisation Plan ("**PUZ**") to the relevant Romanian authorities. Deva Gold has advanced the planning procedures for this next step, the PUZ approval, including public meetings with the affected local communities, and has received almost all the constituent approvals required from various official bodies. The remaining significant approval in the PUZ process is an environmental approval to be issued locally through the Timisoara office of the Ministry of Environment; the process for which is well underway.

The Company expects to be able to announce the dates for the remaining public hearings for the PUZ process in the near future.

Following the approval of the PUZ, the EIS will also then be subject to the last requirement for public consultation prior to the issuance of the environmental permit. These are the final approvals required for the construction and operation of the plant, the tailings design and other related infrastructure.