



**EUROGOLD**  
**L I M I T E D**  
(ACN 009 070 384)

9 September 2010

ASX "EUG"

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**ACQUISITION OF BRINKLEY MINING PLC BY EUROGOLD LIMITED TO BE  
IMPLEMENTED BY WAY OF A SCHEME OF ARRANGEMENT**

Eurogold Limited advises that it has reached agreement on the terms of an offer by Eurogold to acquire all of the Brinkley Mining Plc shares that it does not already own, to be effected by way of a Scheme of Arrangement.

Full details of the offer is attached.

**PETER GUNZBURG**  
Executive Chairman

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**FOR IMMEDIATE RELEASE**

8 September 2010

**ACQUISITION OF BRINKLEY MINING PLC (“BRINKLEY” OR THE “COMPANY”)  
BY EUROGOLD LIMITED TO BE IMPLEMENTED BY WAY OF A SCHEME OF  
ARRANGEMENT**

**Summary**

- The Eurogold Directors and the Brinkley Directors are pleased to announce that they have reached agreement on the terms of an offer by Eurogold to acquire all of the Brinkley Shares that it does not already own, to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006.
- By way of consideration, Brinkley Shareholders on the share register at the Scheme Record Time will receive the Consideration being:

<b>for every 100 Brinkley Shares</b>	<b>11.9228 New Eurogold Shares</b>
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and in the same proportions for any larger holdings.
- The Consideration has been determined by reference to the proportionate contribution of each of Eurogold and Brinkley to the Enlarged Group’s net assets, calculated by the Eurogold Directors and the Brinkley Directors as at 31 August 2010 (the “**Calculation Date**”).
- Fractional entitlements to New Eurogold Shares will not be issued to Brinkley Shareholders but will be aggregated and sold in the market and the net proceeds of sale will be retained by Eurogold.
- The Offer values each Brinkley Share at approximately 1.14 pence, representing a premium of approximately 34 per cent. to the Closing Price of 0.85 pence per Brinkley Share on the Calculation Date and values the existing issued share capital of Brinkley at approximately £4.07 million.
- The Offer values each Brinkley Share at a discount of 35 per cent. to the Eurogold Directors’ and the Brinkley Directors’ estimate of net asset value per Brinkley Share of approximately 1.76 pence on the Calculation Date.
- On the Calculation Date, the Closing Price per Eurogold Share was 16.5 Australian cents, a discount of 37.5 per cent. to the Eurogold Directors’ and the Brinkley Directors’

estimate of net asset value per Eurogold Share of approximately 26.4 Australian cents on the Calculation Date.

- The Scheme will be subject, *inter alia*, to the satisfaction or waiver of the Conditions.
- The Brinkley Board believes that the Offer could lead to the following benefits:
  - (i) cost reductions across the Enlarged Group of approximately £190,000 per annum through economies of scale and having one quoted company rather than two;
  - (ii) a larger net asset base for the Enlarged Group which may provide more liquidity in Eurogold Shares under normal market conditions;
  - (iii) a broader portfolio of investments in AIM-traded and ASX-quoted junior gold exploration and production companies; and
  - (iv) both Brinkley and Eurogold hold shares in Dragon and following the intended transfer of shares in Dragon to Eurogold after the implementation of the Scheme, Eurogold will be the largest single shareholder in Dragon.
- Eurogold currently owns 41.1 per cent. of the existing issued share capital of Brinkley. The Offer is therefore classified as a related party transaction under the AIM Rules. Messrs Gunzburg and MacLachlan are directors of both Brinkley and Eurogold and Mr Paterson is a director of Brinkley and a partner in Hardy Bowen, who are lawyers to Eurogold in Australia. Accordingly, Messrs Gunzburg and MacLachlan and Paterson are not regarded for the purposes of the AIM Rules as being independent directors in relation to the Offer.
- As there are no independent Directors, Brinkley's nominated adviser, Beaumont Cornish, has for the purposes of the AIM Rules considered the Offer, which it considers to be fair and reasonable insofar as the Company's shareholders are concerned. In addition, only the Scheme Shareholders (which excludes Eurogold) are able to vote in respect of the Scheme Resolutions.
- RAB Special Situations (Master) Fund Limited has irrevocably undertaken to instruct the nominee registered holder of the Brinkley Shares in which it is beneficially interested to vote, and procure, so far as it is able, that the nominee registered holder votes in favour of the Scheme Resolutions in respect of its holding totalling 33,200,524 Brinkley Shares, representing approximately 9.32 per cent. of the existing issued share capital of Brinkley.
- The Company is not one to which paragraph 3(a)(ii) of the Takeover Code applies, the Company is not subject to the Takeover Code and Brinkley Shareholders will not be afforded any protection under the Takeover Code.

Commenting on the Offer, Peter Gunzburg, Executive Chairman of Brinkley, said:

*"I believe that the Offer should lead to a number of benefits for both Brinkley and Eurogold shareholders and create an Enlarged Group with lower costs and an exposure to a broader portfolio of investments in junior gold exploration and production companies."*

## Enquiries

### **Brinkley Mining plc**

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### **Beaumont Cornish Limited (Nominated Adviser, Broker and Financial Adviser to Brinkley)**

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*This summary should be read in conjunction with the full text and appendices of the attached announcement.*

*The full text of the conditions and principal further terms of the Scheme, the bases and sources of assumptions and calculations and details of irrevocable undertakings provided by Brinkley Shareholders to Eurogold are set out in Appendices 1, 2 and 3 respectively, each of which forms part of, and should be read with, this announcement. Defined terms have the meanings set out in Appendix 4, which also forms part of, and should be read in conjunction with, this announcement.*

*This announcement does not constitute an offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law or regulation. The Offer will be made solely by means of the Scheme Document which will contain the full terms and conditions of the Scheme.*

*The Scheme Document will be posted to Brinkley Shareholders shortly and thereafter will be available for public inspection at the offices of Watson, Farley & Williams LLP, 15 Appold Street, London, EC2A 2HB, during usual business hours on any weekday (Saturdays, Sundays and UK public holidays excepted) until the Scheme Effective Date.*

*Beaumont Cornish Limited ("**Beaumont Cornish**"), which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting for Brinkley and for no one else in connection with the subject matter of this announcement and will not be responsible to any person other than Brinkley for providing the protections afforded to clients of Beaumont Cornish, nor for providing advice in relation to the subject matter of this announcement or any matter referred to herein. Neither Beaumont Cornish nor any of their subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Beaumont Cornish in connection with this announcement, any statement contained herein or otherwise.*

*The availability of the Offer to Brinkley Shareholders who are not resident in United Kingdom may be affected by the laws or regulations of the relevant jurisdictions in which they are located. Persons who are not resident in the United Kingdom should inform themselves about, and observe, applicable legal or regulatory requirements of their jurisdiction.*

*The Brinkley Directors accept responsibility for the information, views and opinions contained in this announcement, save for the information, views and opinions for which the Eurogold Directors accept responsibility. To the best of the knowledge and belief of the Brinkley Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*The Eurogold Directors accept responsibility for all information contained in this announcement relating to Eurogold, the Eurogold Directors, members of their immediate families, related trusts and persons connected with them within the meaning of sections 252 to 255 of the Companies Act 2006. To the best of the knowledge and belief of the Eurogold Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.*

***Although the Company is incorporated in England, the place of central management and control of the Company is currently located outside of the UK, the Channel Islands and the Isle of Man. Accordingly, as the Company is not one to which paragraph 3(a)(ii) of the Takeover Code applies, the Company is not subject to the Takeover Code and, accordingly, Shareholders will not be afforded any protection under the Takeover Code. If circumstances change, which could result in the Company being subject to the Takeover Code, the Company will consult with the Panel. If the Panel determines that, as a result of such changes, the Takeover Code becomes applicable to the Company, an announcement will be made.***

### ***Forward-Looking Statements***

*This announcement may contain certain "forward-looking statements" with respect to the expected timing of the Offer, the expected effects on Brinkley and Eurogold of the Offer, the financial condition, results of operations and business of Brinkley, certain plans and objectives of Eurogold in respect of that business and all other statements in this announcement other than statements of historical fact. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "estimates", "plans", "continues", "aims", "projects", "prepares", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Recipients of this announcement should specifically consider the factors identified in this announcement which could cause actual results to differ before making any decision. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Brinkley, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on assumptions and assessments made by Brinkley or Eurogold, as the case may be, in light of their experience and their perception of historical trends, current conditions, future business strategies and other factors they believe appropriate. Such forward-looking statements speak only as at the date of this announcement. Brinkley and Eurogold expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in Brinkley's or Eurogold's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except as required by applicable law.*

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**FOR IMMEDIATE RELEASE**

8 September 2010

**ACQUISITION OF BRINKLEY PLC (“BRINKLEY” OR THE “COMPANY”) BY  
EUROGOLD LIMITED TO BE IMPLEMENTED BY WAY OF A SCHEME OF  
ARRANGEMENT**

**1. Introduction**

The Eurogold Directors and the Brinkley Directors are pleased to announce that they have reached agreement on the terms of an offer by Eurogold to acquire all of the Brinkley Shares that it does not already own, to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006.

In order to approve the terms of the Offer, the Scheme Shareholders (which excludes Eurogold) will need to vote in favour of the Scheme Resolutions to be proposed at two shareholders’ meetings (the Court Meeting and the General Meeting). The Brinkley Directors anticipate that the Scheme Document containing a notice of the two Brinkley Shareholders’ meetings will be sent to Brinkley Shareholders shortly, following a hearing of a Court application to convene the Court Meeting.

Eurogold has received an Irrevocable Undertaking to procure the vote in favour of the Scheme Resolutions in respect of Brinkley Shares representing approximately 9.32 per cent. of the existing issued share capital of Brinkley and approximately 15.8 per cent. of the existing Scheme Shares. Details of the Irrevocable Undertaking are set out in paragraph 4 and Appendix 3 of this announcement.

**The Company is not one to which paragraph 3(a)(ii) of the Takeover Code applies, the Company is not subject to the Takeover Code and Brinkley Shareholders will not be afforded any protection under the Takeover Code.**

A copy of this announcement and certain information published or otherwise made available by Brinkley in connection with the Offer is available at: [brinkley-mining.com](http://brinkley-mining.com).

**2. The Offer**

The Offer will be effected by way of a scheme of arrangement between Brinkley and the Scheme Shareholders under Part 26 of the Companies Act 2006 involving a reduction of capital under section 641 of the Companies Act 2006. If the Scheme becomes effective, the Scheme Shares will be cancelled by way of a court approved reduction of capital and an equivalent number of new Brinkley Shares will be issued to Eurogold.

By way of consideration for this cancellation, Brinkley Shareholders on the share register at the Scheme Record Time will receive the Consideration being:

**for every 100 Brinkley Shares**

**11.9228 New Eurogold Shares**

and in the same proportions for any larger holdings.

The Consideration has been determined by reference to the proportionate contribution of each of Eurogold and Brinkley to the Enlarged Group's net assets, calculated by the Eurogold Directors and the Brinkley Directors as at 31 August 2010 (the "**Calculation Date**"). The value of those investments held by Brinkley and Eurogold which are listed, traded, quoted or dealt in on a recognised stock exchange or AIM were calculated by reference to the bid quotations on the Calculation Date. All other assets (including cash balances) or liabilities were as recorded in the relevant companies' balance sheets at such date, together with a provision in respect of the estimated expenses arising from the Offer.

The Offer values each Brinkley Share at approximately 1.14 pence, representing a premium of approximately 34 per cent. to the Closing Price of 0.85 pence per Brinkley Share on the Calculation Date and values the existing issued share capital of Brinkley at approximately £4.07 million.

The Offer values each Brinkley Share at a discount of 35 per cent. to the Eurogold Directors' and the Brinkley Directors' estimate of net asset value per Brinkley Share of approximately 1.76 pence on the Calculation Date.

On the Calculation Date, the Closing Price per Eurogold Share was 16.5 Australian cents, a discount of 37.5 per cent. to the Eurogold Directors' and the Brinkley Directors' estimate of net asset value per Eurogold Share of approximately 26.4 Australian cents on the Calculation Date.

Fractional entitlements to New Eurogold Shares will not be issued to Brinkley Shareholders but will be aggregated and sold in the market and the net proceeds of sale will be retained by Eurogold.

Approval of the Scheme will result in the issue of 25,024,413 New Eurogold Shares, representing approximately 28.13 per cent. of the enlarged issued share capital of Eurogold.

The Scheme Shares will be acquired by Eurogold, pursuant to the Offer, fully paid and free from all liens, equities, charges, encumbrances, rights of pre-emption and any other interest of any nature whatsoever and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this announcement).

The New Eurogold Shares will be allotted and issued credited as fully paid and will rank pari passu in all respects with the then existing issued Eurogold Shares together with the right to receive and retain in full all dividends and other distributions declared, made or paid by Eurogold after the Scheme Effective Date.

The New Eurogold Shares will be issued in uncertificated form. Holding Statements for the New Eurogold Shares will be dispatched within 14 days of the Scheme Effective Date to the address appearing on the register of members of Brinkley (or in the case of joint holders, at the address of that joint holder whose name stands first in the said register of such joint holdings).

An application will be made for the New Eurogold Shares to be quoted on ASX on the Scheme becoming effective. It is expected that Admission of the New Eurogold Shares on ASX will take place no later than 14 days following the Scheme Effective Date.

On the Scheme becoming effective, it will be binding on all Scheme Shareholders including any Scheme Shareholders who did not vote to approve the Scheme or who voted against the Scheme. The Scheme is governed by the laws of England and Wales.

The conditions to the implementation of the Offer are set out in Appendix 1 of this Announcement.

### 3. Background to the Offer

Following the further investment by Brinkley in Dragon earlier this year, the Brinkley Board has reviewed the options for the continued future development of the Company. The Board has taken account of the low liquidity in the Brinkley Shares and the significant ongoing costs of maintaining Brinkley as a separate company with its shares traded on AIM. Eurogold, which is interested in 41.1 per cent. of Brinkley's issued share capital, also has interests in a portfolio of AIM-traded or ASX-quoted junior gold exploration and production companies including a 4.8 per cent. interest in Dragon and a 3.8 per cent. interest in Tanami, further details of which are set out in paragraph 6 below, in addition to its current cash balances of approximately AUS\$4.5 million.

As Eurogold and Brinkley are both investing companies and both have significant investments in junior quoted gold exploration and production companies and a common investment in Dragon, the Board has reviewed the opportunity for combining the two companies. Following the implementation of the Scheme, Eurogold intends to procure the transfer of Brinkley's investment portfolio and cash balances to Eurogold.

The Board believes that the Offer could lead to the following benefits:

- (i) cost reductions across the Enlarged Group of approximately £190,000 per annum through economies of scale and having one quoted company rather than two;
- (ii) a larger net asset base for the Enlarged Group which may provide more liquidity in Eurogold Shares under normal market conditions;
- (iii) an exposure to a broader portfolio of investments in AIM-traded or ASX-quoted junior gold exploration and production companies; and
- (iv) both Brinkley and Eurogold hold shares in Dragon and following the intended transfer of shares in Dragon to Eurogold after the implementation of the Scheme, Eurogold will be the largest single shareholder in Dragon.

Eurogold Shares are traded on the ASX and the Board believes that this should provide a facility for shareholders to deal in the shares of the Enlarged Group if they so wish. Eurogold has no current plans to arrange for Eurogold Shares to be traded on any other exchange.

**Shareholders should also note that Eurogold may purchase further Brinkley Shares in the market (at or below the price at which the terms of the Offer value each Brinkley Share) between the date of issue of the Scheme Document and the date on which dealings in Brinkley Shares are suspended in accordance with the Scheme.**



#### 4. Irrevocable Undertaking

Eurogold and Brinkley have received an irrevocable undertaking in connection with the Scheme (the “**Irrevocable Undertaking**”) from RAB Special Situations (Master) Fund Limited (“**RAB**”), a Brinkley Shareholder, pursuant to which RAB has irrevocably undertaken to instruct the nominee registered holder of the Brinkley Shares in which it is beneficially interested to vote, and procure, so far as it is able, that the nominee registered holder votes in favour of the Scheme Resolutions in respect of its holding totalling 33,200,524 Brinkley Shares, representing approximately 9.32 per cent. of the existing issued share capital of Brinkley.

Further details of the Irrevocable Undertaking are set out in Appendix 3.

#### 5. Information on Brinkley

Under the AIM Rules, Brinkley is an investing company and its stated strategy, approved by shareholders in December 2008, is to acquire holdings in natural resources, minerals and or metals companies and assets.

On 4 December 2009 the Company announced that it had purchased an investment of 8.13 per cent in Dragon financed from its cash balances. On 27 January 2010, Brinkley announced that it had purchased a further 4.5 per cent. of Dragon.

Following this further investment, Brinkley owned approximately 12.68 per cent. of Dragon which, together with its remaining cash balances, comprised Brinkley’s principal asset. The balance of Brinkley’s current cash balances has been retained by the Company to provide working capital for its ongoing costs, professional expenses and to be available to fund any further investments by Brinkley in line with its investing strategy which would depend on investment (and realisation) opportunities and ongoing costs.

For the year ended 31 December 2009, the Brinkley Group reported turnover of £nil (2008: £nil) with a loss on ordinary activities before taxation of £0.295 million (2008: £13.0 million), net assets of £6.599 million (2008: £7.888 million) and cash and short term deposits of £3.080 million (2008: £7.322 million). These figures have been extracted from the financial statements for the years ended 31 December 2009 and 31 December 2008.

On 26 July 2010, the Brinkley Group reported its unaudited results for the six months ended 30 June 2010 and reported turnover of £nil (2009: £nil) with a loss on ordinary activities before taxation of £0.134 million (2009: £0.668 million), net assets of £5.883 million (2009: £7.04 million) and cash and short term deposits of £0.867 million (2009: £6.814 million). These figures have been extracted from the published unaudited results for the six months ended 30 June 2010 and 30 June 2009.

As described above, Brinkley’s principal investment is its 12.68 per cent. interest in Dragon which was valued at £5,437,070 as at the Calculation Date. At the same date, Brinkley’s cash balances amounted to £784,156.

Dragon is listed on ASX (ASX Code: DRA) with a market value of approximately AUS\$74 million and operates the Svartliden Gold Mine in Sweden and the Orivesi and Jokisivu Gold Mines in Finland, which collectively produced 66,149 ounces of gold in 2009. In its Quarterly Activities report to the ASX for the three months ended 30 June 2010 (the “**Quarter**”), dated 16 July 2010, Dragon announced production of 20,792 oz at an average cost of US\$565/oz for the Quarter. Dragon also reported a number of encouraging exploration results designed to increase mine life in both Finland and Sweden.

As reported in Dragon's audited report and accounts for the year ended 31 December 2009, Dragon made a loss before taxation of AUS\$7.27 million (2008: profit of AUS\$8.167 million) on a turnover of AUS\$74.658 million (2008: AUS\$69.98 million). The loss before tax in 2009 included AUS\$21.4 million of foreign currency losses due to the impact of the appreciation of the Australian Dollar against the Euro and Swedish Krona on certain intercompany loans which had no effect on cash flow. As at 31 December 2009 Dragon's net assets amounted to AUS\$43.92 million (2008: AUS\$44.16 million) and Dragon had cash of AUS\$4.4 million (2008: AUS\$8.5 million).

As at 30 June 2010 Dragon held AUD\$16 million in cash, AUD\$2.2 million in Gold Bullion, AUD\$12.7 million in net gold concentrate and AUD\$4.0 million cash lodged with the Finnish and Swedish authorities for mine rehabilitation. Dragon reported gross cash inflow of AUS\$10.0 million for the Quarter.

On 20 August 2009, Eurogold first acquired an interest in Brinkley amounting to 103,500,000 Brinkley Shares representing 29.04 per cent. of Brinkley's issued share capital, and on 22 September 2009 Peter Gunzburg, CEO of Eurogold, joined the Board of Brinkley. Since then, Eurogold has this year acquired a further 42,950,000 Brinkley Shares to increase its interest in Brinkley to 146,450,000 Brinkley Shares, representing 41.1 per cent. of Brinkley's issued share capital, and Neil MacLachlan, a non-executive director of Eurogold, and Grant Paterson, a partner in Hardy Bowen who are legal advisers to Eurogold in Australia, have joined the Board of Brinkley.

Additional information concerning Brinkley and copies of announcements released in connection with the Offer is available at: [brinkley-mining.com](http://brinkley-mining.com).

## 6. Information on Eurogold

Eurogold is an ASX-traded investment company which is interested in a portfolio of AIM-traded or ASX-quoted junior gold exploration and production companies including 41.1 per cent. of Brinkley's issued share capital, a 4.8 per cent. interest in Dragon and a 3.8 per cent. interest in Tanami, in addition to its current cash balances of approximately AUS\$4.5 million.

As at the Calculation Date, Eurogold was interested in the following quoted investments:

Investments	Stock market on which the investees' share are traded (if applicable)	Eurogold's interest in investee's issued share capital	Value of Eurogold's interest in investee (£)
<b>(a) Core Holdings:</b>			
Dragon Mining Limited	ASX	4.8%	2,061,115
Brinkley Mining plc	AIM	41.1%	1,098,375
Tanami Gold NL	ASX	3.8%	3,679,137
Ormil Energy Limited (formerly Golden Tiger Mining NL)	ASX	13.5%	444,425
<b>(b) Other holdings:</b>			
Oxus Gold plc	AIM	0.5%	129,600
Lindian Resources Limited	ASX	2.6%	46,474
Mintails Limited	ASX	0.5%	46,474
Kibo Mining plc	AIM	1.8%	81,375

*Note: The Value of Eurogold's interest in each investee in the table above is based on the bid quotation of each quoted investee on the Calculation Date.*

In addition, Eurogold has an interest in Magyar Mining, a private gold exploration company with activities in the Republic of Hungary, valued at cost at £14,523.

On 24 August 2010, Tanami repaid to Eurogold in full the outstanding AUS\$5 million loan made by Eurogold to Tanami (together with accrued but unpaid interest) following completion by Tanami of its rights issue. In addition, Eurogold subscribed AUS\$2.4 million to take up its entitlement pursuant to the Tanami rights issue. As at the Calculation Date, Eurogold's cash balances amounted to approximately AUS\$4.5 million.

For the year ended 30 June 2010, the Eurogold Group reported:

- (i) Turnover of AUS\$623,745 (2009: AUS\$337,979);
- (ii) Profit (Loss) on ordinary activities before taxation of AUS\$(2,207,735) (2009: AUS\$4,187,632);
- (iii) Net assets of AUS\$18,889,764 (2009: AUS\$19,026,962); and
- (iv) Cash and short term deposits of AUS\$1,597,830 (2009: AUS\$15,283,838);

The figures above in relation to Eurogold have been extracted from the financial statements for the years ended 30 June 2010 and 30 June 2009.

## **7. Current trading and prospects of Brinkley and Eurogold**

Save as disclosed in paragraphs 5 and 6 above, there has been no material change in respect of Brinkley since 30 June 2010 (being the date of the last published unaudited interim accounts of the Company) or in respect of Eurogold since 30 June 2010 (being the date of the last published audited accounts of Eurogold).

The Company's principal investment continues to be its interest in Dragon. The Company has no current plans for further investments and its cash balances, as at the Calculation Date, were £784,156.

Save for the Offer, Eurogold has no current plans for further investments and its cash balances, as at the Calculation Date, were AUS\$4.5 million.

## **8. Financing of the Offer**

If the Scheme becomes effective, Scheme Shareholders will receive, in aggregate, ignoring any fractional entitlements, 25,024,413 New Eurogold Shares, representing approximately 28.13 per cent. of the enlarged issued share capital of Eurogold.

## **9. Directors, management and employees**

Once the Scheme has become effective, and Brinkley has become a subsidiary of Eurogold, Eurogold will seek to procure the termination of certain contracts for management, advisory, administrative and other services to which Brinkley is a party. Eurogold will seek to implement alternative, lower cost arrangements to achieve some of the anticipated cost savings.

Subject to the Scheme becoming effective, Grant Paterson has agreed to resign as a director of Brinkley without compensation. There will be no other changes to the Brinkley Board and no changes to the Eurogold Board as a result of the Offer.

## 10. **Implementation Agreement**

Brinkley and Eurogold have entered into the Implementation Agreement which contains certain assurances in relation to the implementation of the Scheme and related matters. In particular, the Implementation Agreement contains the principal provisions set out below.

### (a) **Undertakings to implement the Scheme**

Brinkley and Eurogold have agreed, amongst other things, to implement the Scheme in accordance with an agreed timetable so far as reasonably possible.

The Implementation Agreement also contains certain assurances and confirmations between the parties, including an undertaking to implement the Scheme subject to the terms and conditions of the Scheme, as well as undertakings by Brinkley regarding the conduct of the Brinkley Group's business prior to the earlier of (i) the Scheme Effective Date and (ii) the date on which the Implementation Agreement terminates in accordance with its terms.

### (b) **Non-solicitation arrangement**

Brinkley and Eurogold have agreed that, until the earlier of the Scheme Effective Date and the termination of the Implementation Agreement in accordance with its terms, neither party shall, either directly or indirectly, through any member of its Group, officer, director, employee, adviser, representative, agent or otherwise:

- (i) take any direct or indirect action to solicit, initiate, assist or encourage inquiries, submissions, proposals or offers from any other person, entity or group relating to a Third Party Transaction; and
- (ii) furnish to any other person, entity or group any information with respect to a Third Party Transaction.

The restrictions described above do not apply to the extent that they restrict the relevant party's directors from complying with their duties as directors or restrict the relevant party from complying with its regulatory or statutory obligations or taking or refusing to take any action in respect of an unsolicited approach regarding a Third Party Transaction received by it after the execution of the Implementation Agreement. The parties acknowledge that the relevant party's directors shall be entitled to withdraw or modify or not give any recommendation of the Offer in compliance with their duties as directors (which for these purposes shall include, without limitation, where they consider that the terms of a Third Party Transaction are better than those of the Offer).

The parties have also agreed that they shall immediately cease any discussions or negotiations existing at the date of the Implementation Agreement relating to any Third Party Transaction.

### (c) **Termination**

The Implementation Agreement may be terminated in the following circumstances:

- For personal use only
- (i) by notice in writing from one party to the other following a material breach of any of the obligations of the defaulting party under the Implementation Agreement where prior written notice of that material breach has been given and the material breach has not been remedied within 14 days of the date that prior written notice was given;
  - (ii) by written notice from one party to the other if a Third Party Transaction in relation to the other party becomes or is declared unconditional in all respects or is completed;
  - (iii) by written notice from Brinkley to Eurogold if:
    - (A) any Condition becomes incapable of being satisfied and, if capable of waiver by Eurogold, is not waived within 24 hours of becoming incapable of being satisfied;
    - (B) a letter of consent to be provided to the Brinkley Directors by Beaumont Cornish confirming that it consents to the inclusion in the Announcement and the Scheme Document of a statement that in its opinion, for the purposes of Rule 13 (Related party transactions) of the AIM Rules, the terms of the Offer are fair and reasonable is not received by the Brinkley Directors; or
    - (C) the relevant director and/or shareholder resolutions (whether or not amended) in connection with, or required to issue and allot, the New Eurogold Shares to the Scheme Shareholders to be proposed at a board meeting and/or general meeting of the shareholders of Eurogold (as required) are not passed by the required majority;
  - (iv) by written notice from Eurogold to Brinkley in the event that the requisite shareholder approval is not obtained at either the General Meeting or the Court Meeting;
  - (v) if the Scheme lapses in accordance with its terms or is withdrawn or not made within the time envisaged by the Implementation Agreement or if the Scheme has not become effective by 31 December 2010 or such later date as the parties might agree in writing.

(d) **Takeover Code**

The Takeover Code does not apply to Brinkley. However, for the benefit of Brinkley Shareholders, Brinkley and Eurogold have agreed that, in respect of the Offer, they shall (save as may be agreed between Brinkley and Eurogold) adhere to the following rules of the Takeover Code (including, without limitation, any related rulings, public or known private statements, views or guidance of the Panel):

- (i) 2.7, 13.1, 13.2, 13.4, 21.1, 22, 23, 24.1, 30.1 and Appendix 7, paragraphs 8 and 10.
- (ii) any other rule of the Code as may be agreed between them.

## 11. **Brinkley Options**

The Offer will extend to all Brinkley Shares which are unconditionally allotted or issued fully paid (or credited as fully paid) prior to the Scheme Effective Date, including any which are so allotted and issued pursuant to the exercise of existing Brinkley Options granted by Brinkley to Brinkley Optionholders.

Options granted to the Brinkley Optionholders, which are not already exercisable, will become exercisable on the Scheme Effective Date. However, all of the Brinkley Options held by Brinkley Optionholders are exercisable at prices in excess of the Consideration and, accordingly, it is anticipated that no Brinkley Optionholders will exercise any options as it is not in their interests to do so. For this reason, in this announcement, save where expressly stated, all relevant calculations and statements are made on the basis that no Brinkley Options are exercised (as set out in the "Bases and Sources" attached to this announcement as Appendix 2).

The Scheme Document will contain full details of the actions that the Brinkley Optionholders may take in respect of their outstanding Brinkley Options.

## 12. **Structure of the Offer**

The Offer will be effected by means of a scheme of arrangement under the Companies Act 2006.

Implementation of the Scheme requires the approval by Scheme Shareholders of the resolutions to be proposed at the Court Meeting and the General Meeting.

All Scheme Shareholders whose names appear on the register of members of Brinkley at the Voting Record Time shall be entitled to attend and vote at the relevant meeting in respect of the number of Brinkley Shares registered in their name at the relevant time.

Whether or not Scheme Shareholders vote in favour of the Scheme at the Court Meeting and/or the General Meeting, if the Scheme becomes effective Brinkley Shareholders' Brinkley Shares will be cancelled, and Brinkley Shareholders will receive the Consideration available under the Offer of 11.9228 New Eurogold Shares for every 100 Brinkley Shares, and in the same proportions for any larger holdings.

In order to become effective, the Scheme must be approved by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing at least 75 per cent. in value of the Brinkley Shares held by such Scheme Shareholders. In addition, a special resolution implementing the Scheme must be passed by Brinkley Shareholders representing 75 per cent. of the votes cast at the General Meeting.

The Scheme will be subject to the Conditions and further terms to be set out in the Scheme Document. The purpose of the Scheme is to provide for Eurogold to become the owner of the whole of the issued ordinary share capital of Brinkley. This is to be achieved by the cancellation of the Scheme Shares and the application of the reserve arising from such cancellation in paying up in full a number of new shares in Brinkley (which is equal to the number of Scheme Shares cancelled) and issuing them to Eurogold, in consideration for which the holders of the Scheme Shares will receive New Eurogold Shares on the basis set out above.

Following the Meetings, the Scheme must be sanctioned and the Reduction of Capital confirmed by the Court.

On the Scheme becoming effective, it will be binding on all holders of Brinkley Shares including any holders who did not vote to approve the Scheme or who voted against the Scheme.

Further details of the Scheme will be contained in the Scheme Document which is expected to be posted to Brinkley Shareholders shortly.

**13. Cancellation of admission to trading on AIM of the Brinkley Shares and re-registration**

Prior to the Scheme becoming effective, Eurogold intends to procure the making of an application to the London Stock Exchange by Brinkley for the cancellation of the admission of the Brinkley Shares to trading on AIM not later than two Business Days after the Scheme Effective Date. The last day of dealings in Brinkley Shares on AIM is expected to be on the business day immediately prior to the date of the Hearing Date and no transfers of Brinkley Shares will be registered after 6.00 p.m. on that date.

It is also proposed that, in addition to the cancellation of the admission to trading on AIM of Brinkley Shares, Brinkley be re-registered as a private company under the relevant provisions of the Companies Act 2006 following the Scheme becoming effective.

**14. Disclosure of interests in Brinkley**

As at the Calculation Date, Eurogold was interested in or had a right to subscribe for 146,450,000 Brinkley Shares.

Save as disclosed above, as at the Calculation Date, neither Eurogold nor, so far as Eurogold is aware, any person acting in concert with Eurogold, had an interest in or right to subscribe for relevant securities of Brinkley or had any short position in relation to relevant securities of Brinkley (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of any relevant securities of Brinkley nor has any such person borrowed or lent therein.

As at the Calculation Date, neither Eurogold nor, so far as Eurogold is aware, any person acting in concert with Eurogold, has borrowed or lent any relevant securities of Brinkley.

**15. General**

The Board believes that the Offer could lead to the following benefits:

- For personal use only
- (a) cost reductions across the Enlarged Group of approximately £190,000 per annum through economies of scale and having one quoted company rather than two;
  - (b) a larger net asset base for the Enlarged Group which may provide more liquidity in Eurogold Shares under normal market conditions;
  - (c) an exposure to a broader portfolio of investments in AIM-traded and ASX-quoted junior gold exploration and production companies; and
  - (d) both Brinkley and Eurogold hold shares in Dragon and following the intended transfer of shares in Dragon to Eurogold after the implementation of the Scheme, Eurogold will be the largest single shareholder in Dragon.

Eurogold currently owns 41.1% of the existing issued share capital of Brinkley. The Offer is therefore classified as a related party transaction under the AIM Rules. Messrs Gunzburg and MacLachlan are directors of both Brinkley and Eurogold and Mr Paterson is a director of Brinkley and a partner in Hardy Bowen, who are lawyers to Eurogold in Australia. Accordingly, Messrs Gunzburg and MacLachlan and Paterson are not regarded for the purposes of the AIM Rules as being independent directors in relation to the Offer.

As there are no independent Directors, Brinkley's nominated adviser, Beaumont Cornish, has for the purposes of the AIM Rules considered the Offer, which it considers to be fair and reasonable insofar as the Company's shareholders are concerned. Only the Scheme Shareholders (which excludes Eurogold) are able to vote in respect of the Scheme Resolutions.

The Offer will be made on the terms and subject to the Conditions and further terms and any additional terms which will be set out in the Scheme Document. The Scheme Document will include full details of the Scheme, together with the notice of the Court Meeting and General Meeting and expected timetable of the Offer. The Scheme Document and the forms of proxy are expected to be despatched to Brinkley Shareholders shortly.

**Although the Company is incorporated in England, the place of central management and control of the Company is currently located outside of the UK, the Channel Islands and the Isle of Man. Accordingly, as the Company is not one to which paragraph 3(a)(ii) of the Takeover Code applies, the Company is not subject to the Takeover Code and, accordingly, Brinkley Shareholders will not be afforded any protection under the Takeover Code. If circumstances change, which could result in the Company being subject to the Takeover Code, the Company will consult with the Panel. If the Panel determines that, as a result of such changes, the Takeover Code becomes applicable to the Company, an announcement will be made.**

## 16. Further Information

The full text of the conditions and principal further terms of the Scheme are set out in Appendix 1. Appendix 2 contains details of the sources of information and bases of calculations set out in this announcement. Appendix 3 contains details of the Irrevocable Undertaking that has been provided to Eurogold. Appendix 4 contains definitions of certain expressions used in this announcement.

All references in this announcement to times are to times in London (unless otherwise stated).



## Enquiries

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*This announcement does not constitute an offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law or regulation. The Offer will be made solely by means of the Scheme Document which will contain the full terms and conditions of the Scheme.*

*The Scheme Document will be posted to Brinkley Shareholders shortly and thereafter will be available for public inspection at the offices of Watson, Farley & Williams LLP, 15 Appold Street, London, EC2A 2HB, during usual business hours on any weekday (Saturdays, Sundays and UK public holidays excepted) until the Scheme Effective Date.*

*Beaumont Cornish Limited (“**Beaumont Cornish**”), which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting for Brinkley and for no one else in connection with the subject matter of this announcement and will not be responsible to any person other than Brinkley for providing the protections afforded to clients of Beaumont Cornish, nor for providing advice in relation to the subject matter of this announcement or any matter referred to herein. Neither Beaumont Cornish nor any of their subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Beaumont Cornish in connection with this announcement, any statement contained herein or otherwise.*

*The availability of the Offer to Brinkley Shareholders who are not resident in the United Kingdom may be affected by the laws or regulations of the relevant jurisdictions in which they are located. Persons who are not resident in the United Kingdom should inform themselves about, and observe, applicable legal or regulatory requirements of their jurisdiction.*

*The Brinkley Directors accept responsibility for the information, views and opinions contained in this announcement, save for the information, views and opinions for which the Eurogold Directors accept responsibility. To the best of the knowledge and belief of the Brinkley Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*The Eurogold Directors accept responsibility for all information contained in this announcement relating to Eurogold, the Eurogold Directors, members of their immediate families, related trusts and persons connected with them within the meaning of sections 252 to 255 of the Companies Act 2006. To the best of the knowledge and belief of the Eurogold Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Although the Company is incorporated in England, the place of central management and control of the Company is currently located outside of the UK, the Channel Islands and the Isle of Man. Accordingly, as the Company is not one to which paragraph 3(a)(ii) of the Takeover Code applies, the Company is not subject to the Takeover Code and Brinkley Shareholders will not be afforded any protection under the Takeover Code. If circumstances change, which could result in the Company being subject to the Takeover Code, the Company will consult with the Panel. If the Panel determines that, as a result of such changes, the Takeover Code becomes applicable to the Company, an announcement will be made.*

#### **Forward-Looking Statements**

*This announcement may contain certain “forward-looking statements” with respect to the expected timing of the Offer, the expected effects on Brinkley and Eurogold of the Offer, the financial condition, results of operations and business of Brinkley, certain plans and objectives of Eurogold in respect of that business and all other statements in this announcement other than statements of historical fact. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms “believes”, “estimates”, “plans”, “continues”, “aims”, “projects”, “prepares”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Recipients of this announcement should specifically consider the factors identified in this announcement which could cause actual results to differ before making any decision. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Brinkley, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on assumptions and assessments made by Brinkley or Eurogold, as the case may be, in light of their experience and their perception of historical trends, current conditions, future business strategies and other factors they believe appropriate. Such forward-looking statements speak only as at the date of this announcement. Brinkley and Eurogold expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in Brinkley’s or Eurogold’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except as required by applicable law.*

## APPENDIX 1

### CONDITIONS TO THE IMPLEMENTATION OF THE OFFER

#### SECTION A

The Offer will not be completed unless the Scheme has become effective and all the Conditions set out below have been satisfied (or, if capable of waiver, waived) by 5.00 p.m. (London time) on 31 December 2010, or such later date as Brinkley and Eurogold may agree and (if required) the Court may approve.

The Scheme is conditional upon:

#### **1 Scheme Conditions**

- (a) approval of the Scheme by a majority in number of Scheme Shareholders representing not less than 75 per cent. in value of the Scheme Shares held by those present and voting, in person or by proxy, at the Court Meeting (or at any adjournment thereof);
- (b) the special resolutions required to implement the Scheme and give effect to the reduction in capital being passed at the General Meeting (or at any adjournment thereof);
- (c) the Scheme being sanctioned by the Court (with or without modification, such modification being acceptable to both Brinkley and Eurogold) and confirmation of the reduction of capital involved therein by the Court; and
- (d) delivery to the Registrar of Companies in England and Wales for registration of an office copy of the Court Order sanctioning the Scheme and confirming the reduction of capital and, in relation to the reduction of capital, registration of the Court Order by him.

#### **2 New Eurogold Shares**

- (a) all director and/or shareholder resolutions in connection with or required to issue and allot the New Eurogold Shares to the Scheme Shareholders being duly passed at a board meeting and/or general meeting of the shareholders of Eurogold (as required); and
- (b) the ASX granting permission or agreeing to grant permission for the quotation of the New Eurogold Share on the ASX subject only to (i) the allotment of the New Eurogold Shares and/or (ii) the Scheme becoming effective (other than with respect to this paragraph 2).

#### **3 Effects of the Offer**

- (a) no government or governmental, quasi governmental, supranational, statutory or regulatory or investigative body or trade agency, professional body, association, institution or environmental body or any court or other body or person whatsoever in any jurisdiction having decided to take, institute or threaten any action, proceedings, suit, investigation, enquiry or reference or having enacted, made or proposed any statute, regulation or order or taken any other steps that would or would reasonably be expected to:

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- (i) make the Offer or the acquisition of any Brinkley Shares, or the acquisition by Eurogold or a member of the Eurogold Group of any shares in or control of Brinkley, void, unenforceable or illegal or directly or indirectly materially restrict, prohibit, delay or otherwise materially interfere with the implementation of, or impose additional material conditions or obligations with respect to, or otherwise in a material way challenge the Offer or the acquisition of any Brinkley Shares or the acquisition of control of Brinkley;
  - (ii) require or prevent or materially delay a divestiture by any member of the Eurogold Group of any Brinkley Shares;
  - (iii) require or prevent or materially delay the divestiture or materially adversely alter the terms of any proposed divestiture by any member of the Wider Eurogold Group or the Wider Brinkley Group of all or any material part of their respective businesses, assets or property or (except in relation to limitations which apply generally to entities conducting similar businesses) impose any material limitation on the ability of any of them to conduct all or any material portion of their respective businesses or to own all or any material portion of their respective assets or property in each case to an extent to which it is material in the context of the Wider Eurogold Group taken as a whole or, as the case may be, the Wider Brinkley Group taken as a whole;
  - (iv) impose any material limitation on the ability of any member of the Wider Eurogold Group or of the Wider Brinkley Group to acquire or hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or securities convertible into shares in any member of the Wider Brinkley Group or the Wider Eurogold Group respectively or to exercise management control over any such member in each case to an extent to which it is material in the context of the Wider Eurogold Group taken as a whole or, as the case may be, the Wider Brinkley Group taken as a whole;
  - (v) except as required pursuant to the Offer, require any member of the Wider Eurogold Group or any member of the Wider Brinkley Group to offer to acquire directly or indirectly any shares in any member of the Wider Brinkley Group owned by any third party; or
  - (vi) affect materially and adversely the business, profits or prospects of any member of the Wider Eurogold Group or any member of the Wider Brinkley Group to an extent which is material in the context of respectively the Wider Eurogold Group taken as a whole or the Wider Brinkley Group taken as a whole;
  - (vii) and all applicable waiting and other time periods during which any such government, governmental, quasi-governmental, supranational, statutory or regulatory or investigative body or trade agency, professional body, association, institution or environmental body or court or other body or person could decide to take, institute or threaten any such action, proceedings, suit, investigation, enquiry or reference under the laws of any jurisdiction having expired, lapsed or been terminated;
- (b) all necessary filings having been made in respect of the Offer and all authorisations, orders, grants, recognitions, confirmations, consents, clearances, licences, permissions, exemptions and approvals necessary for or in respect of the Offer or the proposed acquisition of any shares in, or control of, Brinkley by the Eurogold Group being

obtained on terms and in a form reasonably satisfactory to Eurogold from all appropriate governments, governmental, quasi governmental, supranational, statutory or regulatory, or investigative bodies, trade agencies, professional bodies, associations, institutions, environmental bodies and courts, and from persons or bodies with whom any member of the Eurogold Group or the Brinkley Group has entered into contractual arrangements, in each case, where the absence of such would have a materially adverse effect on the Eurogold Group or the Brinkley Group taken as a whole as the case may be and all such authorisations, orders, grants, recognitions, confirmations, consents, clearances, licences, permissions, exemptions and approvals remaining in full force and effect and no notice of any intention to revoke, suspend or not renew any of the same having been received and all necessary waiting periods (including any extension thereof) under any applicable legislation and regulations in any jurisdiction having expired, lapsed or been terminated, in each case as may be necessary in connection with the Offer under the laws or regulations of any jurisdiction and all necessary statutory or regulatory obligations in any jurisdiction having been complied with in all material respects;

#### **4 Consequences of the Offer**

- (a) since 30 June 2010 and save as Disclosed by Brinkley or Disclosed by Eurogold (as the case may be), there being no provision of any, agreement, arrangement, licence, permit or other instrument to which any member of the Wider Brinkley Group or Eurogold Group is a party or by or to which any such member or any of their material assets may be (or may become) bound or be subject which might, in each case, as a consequence of the Offer or of the acquisition or proposed acquisition of all or any part of the issued share capital of or change of control or management of Brinkley or any member of the Brinkley Group, reasonably be expected to result (in each case to an extent which is material and adverse in the context of the Wider Brinkley Group or the Wider Eurogold Group (as the case may be) taken as a whole) in:
- (i) any monies borrowed by, or any other indebtedness (actual or contingent) of, or any grant available to, any member of the Wider Brinkley Group or the Wider Eurogold Group becoming repayable or capable of being declared repayable immediately or earlier than the repayment date stated therein, or the ability of any member of the Wider Brinkley Group or the Wider Eurogold Group to borrow monies or incur any indebtedness being withdrawn or materially inhibited;
  - (ii) any such agreement, arrangement, licence, permit or other instrument or the rights, liabilities, obligation or business or interests of any such member under it being terminated or materially adversely modified or affected or any onerous obligation arising or any materially adverse action being taken or arising thereunder;
  - (iii) the material interests or business of such member of the Wider Brinkley Group or the Wider Eurogold Group in or with any other person, firm, company or body (or any arrangements relating to such interests or business) being terminated or materially and adversely affected;
  - (iv) any material assets or interests of any member of the Wider Brinkley Group or the Wider Eurogold Group being or falling to be disposed of or charged or any rights arising under which any such asset or interest could be required to be disposed of or charged otherwise than in the ordinary course of business;

- (v) the creation of any mortgage, charge or other security interest over the whole or any substantial part of the business, property or assets of any member of the Wider Brinkley Group or the Wider Eurogold Group or any such security interest (whenever it arose) becoming enforceable; and
- (vi) any member of the Wider Brinkley Group ceasing to be able to carry on business under any name under which it currently does so.

## **5 Corporate Action**

- (a) since 30 June 2010 and save as Disclosed by Brinkley or Disclosed by Eurogold (as the case may be), no member of the Brinkley Group or the Eurogold Group having (in each case to an extent or in a manner which is material in the context of the Wider Brinkley Group taken as a whole or, as the case may be, the Wider Eurogold Group as a whole):
- (i) issued or authorised or proposed the issue of additional shares of any class, or securities convertible into, or rights, warrants or options to subscribe for or acquire, any such shares or securities or redeemed, purchased or reduced any part of its share capital save as between Brinkley and its wholly-owned subsidiaries or Eurogold and its wholly-owned subsidiaries and save for options granted and for any Brinkley Shares allotted upon exercise of options or any options granted and any Eurogold Shares allotted upon exercise of options in existence prior to the Announcement;
  - (ii) recommended, declared, paid or made or proposed to declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise other than to Brinkley or any wholly owned subsidiary of Brinkley or Eurogold or any wholly owned subsidiary of Eurogold (as the case may be);
  - (iii) entered into, implemented, effected or authorised or announced its intention to enter into any merger, demerger, reconstruction, amalgamation, scheme, or other similar commitment, transaction or arrangement otherwise than in the ordinary course of business;
  - (iv) redeemed, purchased, reduced or agreed to the redemption, purchase or reduction of any part of its share capital or made or approved the making of any other change to its share or loan capital;
  - (v) issued, authorised or proposed the issue of any debentures or (save in the ordinary course of business) incurred or increased any borrowings, indebtedness or contingent liability;
  - (vi) entered into, varied or authorised the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise), other than in the ordinary course of business, which is of a long term, onerous or unusual nature or magnitude;
  - (vii) entered into any contract, transaction or arrangement which is or may be restrictive on the business of any member of the Brinkley Group or Eurogold Group (as the case may be) other than of a nature and to an extent which is not unusual in the context of the business concerned; or

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- (viii) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any service agreement with any of the directors or senior executives of the Brinkley Group or the Eurogold Group (as the case may be); or
  - (ix) acquired, disposed of or transferred, mortgaged or charged or encumbered or created any security interest over any asset or any right, title or interest in any asset (including, without limitation, shares and trade investments); or
  - (x) waived or compromised any claim otherwise than in the ordinary course of business;
  - (xi) taken any corporate action or had any legal proceedings instituted or threatened against it or petition presented for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, manager, trustee or similar officer of all or any of its assets or revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person or had any such person appointed in any jurisdiction; or
  - (xii) been unable, or admitted in writing that it is unable, to pay its debts or has stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
  - (xiii) made any alteration to its memorandum or articles of association; or
  - (xiv) proposed, agreed to provide or modified the terms of any share option scheme or incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Brinkley Group or the Eurogold Group (as the case may be); or
  - (xv) entered into any contract, commitment, arrangement or passed any resolution in general meeting or proposed or announced any intention to effect or propose any of the transactions or events referred to in this paragraph.

## **6 Other Events**

- (a) since 30 June 2010 and save as Disclosed by Brinkley or Disclosed by Eurogold (as the case may be), in respect of the Wider Brinkley Group or the Wider Eurogold Group (as the case may be):
  - (i) no adverse change and no other circumstance which would or might be likely to result in any adverse change having occurred in the business, financial or trading position or profits or assets of any member of such group which is material in the context of such group taken as a whole;
  - (ii) no contingent or other liability having arisen or having been incurred which might be reasonably expected to materially and adversely affect such group taken as a whole;
  - (iii) no litigation or arbitration proceedings, prosecution or other legal proceedings having been announced, instituted, threatened or remaining outstanding by,

against or in respect of, any member of the such group or to which any member of such group is or may become a party (whether as claimant, defendant or otherwise) which is material in the context of such group taken as a whole;

- (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation or termination of any licence held by any member of such group which is reasonably necessary for the proper carrying on of its business and the withdrawal, cancellation or termination of which is material and adverse in the context of such group as a whole.

## 7 Other Issues

### *Environmental*

- (a) save as Disclosed by Brinkley or Disclosed by Eurogold (as the case may be), in respect of the Wider Brinkley Group or the Wider Eurogold Group (as the case may be), Brinkley and Eurogold not having discovered that, to an extent which is material in the context of, respectively, the Wider Eurogold Group or the Wider Brinkley Group each taken as a whole that any member of such group has not complied with all applicable legislation or regulations of any jurisdiction relating to environmental matters or there is, or is reasonably likely to be any liability (whether actual or contingent) on the part of any member of the such group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or controlled by any such member of the such group under any environmental legislation or regulation to an extent which is material and adverse in the context of the such group taken as a whole.

### *Information*

- (b) Eurogold and Brinkley not having discovered that any financial or business or other information concerning, respectively, the Brinkley Group and the Eurogold Group which has been publicly Disclosed by Brinkley and Disclosed by Eurogold respectively at any time is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not materially misleading which in each case would materially and adversely affect directly or indirectly the business or profits of the such group taken as a whole and which has not been subsequently corrected by public announcement to a Regulatory Information Service or privately to the other or its advisers.

References in this Section A to “**Disclosed by Brinkley**” means disclosed to Eurogold or its advisers prior to the Announcement Date in any of the following manners: (i) by inclusion in the annual report and accounts of Brinkley for the financial year ended 31 December 2009, (ii) by inclusion in the interim accounts for the period ended 30 June 2010 (whether published or not), or (iii) in writing (including, without limitation, within any documentation provided by or on behalf of Brinkley) by or on behalf of Brinkley or (iv) by the delivery of an announcement by or on behalf of Brinkley to a Regulatory Information Service.

References in this Section A to “**Disclosed by Eurogold**” means disclosed to Brinkley or its advisers prior to the Announcement Date in any of the following manners: (i) by inclusion in the annual report and accounts of Eurogold for the financial year ended 30 June 2010, or (ii) in writing (including, without limitation, within any documentation provided by or on behalf of Eurogold) by or on behalf of Eurogold or (iii) by the delivery of an announcement by or on behalf of Eurogold to a Regulatory Information Service.



## SECTION B

### Certain further terms of the Offer

The Condition in paragraph 1 of Section A above (“**Condition 1**”) may not be waived. Brinkley and Eurogold, acting together, reserve the right to waive all or any of the Conditions contained in paragraph 3 of Section A above. Eurogold reserves the right to waive, in whole or in part, all or any of the Conditions contained in paragraphs 4 to 7 of Section A above so far as they relate to the Brinkley Group. Brinkley reserves the right to waive, in whole or in part, all or any of the Conditions in paragraphs 2 and 4 to 7 so far as they relate to the Eurogold Group.

Eurogold shall be under no obligation to waive or treat as satisfied and Brinkley shall be under no obligation to waive or treat as satisfied any of the Conditions in paragraphs 2 to 6 of Section A above by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that on such earlier date there are no circumstances indicating that any of such Conditions may not be capable of fulfilment.

Eurogold has reserved the right to implement the Scheme by way of a Conventional Offer. In such event, such offer will (unless otherwise agreed) be implemented on the same terms (subject to appropriate amendments, including (without limitation) an acceptance Condition set at 90 per cent. (or such lesser percentage (not being less than 50 per cent.) as Eurogold may decide) of the shares to which such offer relates), so far as applicable, as those which would apply to the Scheme.

The Offer will comply with the applicable rules and regulations of the Financial Services Authority and London Stock Exchange plc and will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales.

In accordance with the Implementation Agreement, Eurogold may only invoke a Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn, where it would be permitted by the Panel under the Takeover Code to do so (as if the Takeover Code applied to Brinkley).

## APPENDIX 2

### BASES AND SOURCES

1. The current capitalisation of Eurogold of AUS\$10.5 million is based on 63,938,988 Eurogold Shares in issue as at the close of business on the Calculation Date and Eurogold's closing mid market share price of AUS\$0.165 on such date. This capital is not diluted for any of the Eurogold Options.
2. Unless otherwise stated, financial information relating to Eurogold has been extracted or provided (without material adjustment) from the audited annual report and accounts for Eurogold for the years ended 30 June 2008, 2009 and 2010 which have been reported in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and which comply with IFRS.
3. The current capitalisation of Brinkley of £3.0 million is based on 356,336,248 Brinkley Shares in issue as at the close of business on the Calculation Date and Brinkley's share price of 0.85 pence on such date. This capital is not diluted for any of the Brinkley Options.
4. Unless otherwise stated, financial information relating to Brinkley has been extracted or provided (without material adjustment) from the audited annual report and accounts for Brinkley for the years ended 31 December 2008 and 2009, and the interim accounts for the six month period ended 30 June 2010 reported under IFRS.
5. As at the close of business on the Calculation Date, Eurogold had in issue 63,938,988 ordinary shares; and Brinkley had in issue 356,336,248 ordinary shares of 0.15 pence each. The International Securities Identification Number for Eurogold Shares is AU000000EUG0 and for Brinkley Shares is GB00B15SQZ22.
6. The following exchange rate has been used:

£1: AUS\$1.7214, being the prevailing rate on the Calculation Date.
7. The fully diluted share capital of Brinkley is calculated on the basis of:
  - (i) the number of issued Brinkley Shares; and
  - (ii) any further Brinkley Shares which may be issued on the exercise of Brinkley Options only to the extent that they have an exercise price less than the Consideration (calculated in accordance with the Offer Illustration), amounting to nil Brinkley Shares.
8. Each reference in this announcement to one company ("Company A") having a percentage interest in another company ("Company B") is approximate and is a reference to Company A's percentage shareholding in the entire issued share capital of Company B.

### APPENDIX 3

#### IRREVOCABLE UNDERTAKING

The following persons who are beneficially interested in Brinkley Shares have provided an Irrevocable Undertaking to instruct the nominee registered holder of the Brinkley Shares in which they are beneficially interested to vote, and, so far as they are able, procure, that the nominee registered holder votes in favour of the Scheme Resolutions:

<i>Name</i>	<i>Number of Brinkley Shares</i>	<i>Per cent. of the existing issued share capital of Brinkley</i>
RAB Special Situations (Master) Fund Limited	33,200,524	9.32

The Irrevocable Undertaking lapses if (i) the Scheme Document is not posted within 28 days of this announcement, or (ii) Eurogold announces that it does not intend to proceed with the Offer; or (iii) the Scheme lapses or is withdrawn; or (iv) a higher competing offer for Brinkley is made, or (v) the Scheme does not become effective by 31 December 2010.

## APPENDIX 4

### DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

<b>“Act” or the “Companies Act”</b>	the Companies Act 2006;
<b>“Admission”</b>	quotation of the New Eurogold Shares on ASX in accordance with the ASX Listing Rules;
<b>“AIM”</b>	AIM, the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the rules and guidance notes entitled AIM Rules for Companies published by the London Stock Exchange applicable to companies whose shares are traded on AIM;
<b>“Announcement Date”</b>	the date hereof;
<b>“ASX”</b>	ASX Limited, and where the context requires, the Australian Securities Exchange operated by ASX Limited;
<b>“ASX Listing Rules”</b>	the listing rules of the ASX;
<b>“AUS\$” or “AUD”</b>	the lawful currency of Australia
<b>“Australia”</b>	the Commonwealth of Australia, its states, territories and possessions;
<b>“Beaumont Cornish”</b>	Beaumont Cornish Limited, authorised and regulated by the Financial Services Authority in the United Kingdom;
<b>“Brinkley” or the “Company”</b>	Brinkley Mining plc;
<b>“Brinkley Articles”</b>	the articles of association of Brinkley;
<b>“Brinkley Directors”</b>	the directors of Brinkley at the date of this announcement;
<b>“Brinkley Group”</b>	Brinkley and its subsidiary undertakings and associated undertakings and, where the context permits, each of them;
<b>“Brinkley Options”</b>	the various share options issued by Brinkley;
<b>“Brinkley Optionholders”</b>	holders of Brinkley Options;
<b>“Brinkley</b>	holders of Brinkley Shares;

**Shareholders”**

“Brinkley Shares”	ordinary shares of 0.15 pence each in the capital of Brinkley;
“Board”	as the context requires, the board of directors of Brinkley or the board of directors of Eurogold and the terms “ <b>Brinkley Board</b> ” and “ <b>Eurogold Board</b> ” shall be construed accordingly;
“business day”	a day (other than Saturday or Sunday and UK public bank holidays) on which banks are generally open for business in London;
“Calculation Date”	31 August 2010;
“Canada”	Canada, its possessions, provinces and territories and all areas subject to its jurisdiction and any political subdivisions thereof;
“certificated” or “in certificated form”	a share which is not in uncertificated form (that is, not held in CREST);
“Certificated Holder”	a Brinkley Shareholder who holds Brinkley Shares in certificated form and “ <b>Certificated Holders</b> ” shall be construed accordingly;
“Closing Price”	the closing middle market price of a Eurogold Share or, as the case may be, a Brinkley Share as derived from, respectively, ASX.com.au or the AIM Appendix to the Daily Official List of the London Stock Exchange;
“Conditions”	the conditions to the implementation of the Scheme and the Offer set out in Appendix 1 of this announcement;
“Consideration”	the consideration due under the Scheme to Scheme Shareholders on the basis set out in this announcement, consisting of 11.9228 New Eurogold Shares for every 100 Brinkley Shares, further details of which are set out in paragraph 2 of this announcement;
“Conventional Offer”	should Eurogold so elect, a takeover offer to be made by or on behalf of Eurogold to acquire all of the Brinkley Shares within the meaning of Part 28 of the Companies Act 2006;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment thereof) to be convened pursuant to an order of the Court pursuant to Section 896 of the Companies Act 2006 for the purpose of considering the Scheme and, if thought fit, approving the Scheme (with or without amendment);

<b>“Court Order”</b>	the order of the Court sanctioning this Scheme under Section 899 of the Companies Act 2006 and confirming the Reduction of Capital under section 648 of the Companies Act 2006;
<b>“CREST”</b>	a relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
<b>“Disclosed by Brinkley”</b>	has the meaning given to such term in Section A of Part 3 of this document;
<b>“Disclosed by Eurogold”</b>	has the meaning given to such term in Section A of Part 3 of this document;
<b>“Dragon”</b>	Dragon Mining Limited;
<b>“Enlarged Group”</b>	the Eurogold Group, as enlarged by the acquisition of Brinkley;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the Operator (as defined in the Regulations) of CREST;
<b>“Eurogold”</b>	Eurogold Limited;
<b>“Eurogold Directors”</b>	the directors of Eurogold;
<b>“Eurogold Group”</b>	Eurogold and its subsidiary undertakings and associated undertakings and, where the context permits, each of them;
<b>“Eurogold Options”</b>	the various share options issued by Eurogold;
<b>“Eurogold Shares”</b>	ordinary shares in the capital of Eurogold;
<b>“Eurogold Shareholders”</b>	holders of Eurogold Shares;
<b>“FSA”</b>	the Financial Services Authority;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“General Meeting”</b>	the extraordinary general meeting of Brinkley Shareholders to be convened by the notice to be set out at the end of this document, including any adjournment thereof;
<b>“Hearing Date”</b>	the date on which the Court sanctions the Scheme and confirms the Reduction of Capital which forms part of it;
<b>“Hearing Record Time”</b>	6.00 p.m. on the business day immediately preceding the Hearing Date;
<b>“holder”</b>	a registered holder and includes any person entitled by transmission;

<b>“Implementation Agreement”</b>	the agreement dated 8 September 2010 entered into between Eurogold and Brinkley for the purposes of implementing the Scheme;
<b>“Irrevocable Undertaking”</b>	has the meaning given to such term in Paragraph 4 of this announcement;
<b>“Japan”</b>	Japan, its cities, prefectures, territories and possessions;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Meetings”</b>	the Court Meeting and the General Meeting;
<b>“New Brinkley Shares”</b>	the new Brinkley Shares to be created in accordance with the Scheme;
<b>“New Eurogold Shares”</b>	the new Eurogold Shares to be allotted and issued pursuant to the Scheme which, after their issue, will rank pari passu in all respects with the existing Eurogold Shares;
<b>“Offer Period”</b>	the period from the date of the Announcement until the Scheme Effective Date;
<b>“Offer”</b>	the offer being made by Eurogold to acquire all of the Brinkley Shares which it does not already own, which offer is to be effected by means of the Scheme or, at the election of Eurogold, a Conventional Offer, and where the context requires, any subsequent revision, variation, extension or renewal of such offer;
<b>“Overseas Shareholders”</b>	Brinkley Shareholders who are resident in, or citizens of, jurisdictions outside the UK;
<b>“Panel”</b>	the UK Panel on Takeovers and Mergers;
<b>“Reduction of Capital”</b>	the reduction of share capital of Brinkley under section 641 of the Companies Act 2006 by the cancellation of the Scheme Shares, to be effected as part of the Scheme;
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
<b>“Regulatory Information Service”</b>	any information service authorised from time to time by the FSA for the purpose of disseminating regulatory announcements;
<b>“Restricted Jurisdiction”</b>	Canada, the US, the Republic of Ireland, the Republic of South Africa and Japan or any jurisdiction in relation to which the extension or acceptance of the Offer to such jurisdiction would be unlawful, or which Eurogold and

	Brinkley agree would be likely to involve disproportionate complexity or risk;
<b>“Restricted Overseas Shareholder”</b>	an Overseas Shareholder who is resident in, or a citizen of a Restricted Jurisdiction (or any custodian nominee or trustee for such persons);
<b>“Scheme”</b>	the proposed scheme of arrangement under Part 26 of the Companies Act 2006 (including the Reduction of Capital) between Brinkley and the Scheme Shareholders, as set out in Part 7 of the Scheme Document, with or subject to any modification thereof, addition thereto or condition which Brinkley and Eurogold may agree and, if required, which the Court may think fit to approve or impose;
<b>“Scheme Document”</b>	means the document to be despatched to shareholders in Brinkley (and others) by Brinkley containing, among other things, the Scheme, the Conditions and other relevant terms and conditions, certain information about Brinkley and Eurogold and the notices of the Court Meeting and the General Meeting;
<b>“Scheme Effective Date”</b>	the date on which the Scheme becomes effective in accordance with its terms;
<b>“Scheme Record Time”</b>	6.00 p.m. on the business day immediately preceding the Scheme Effective Date;
<b>“Scheme Resolutions”</b>	the resolutions to be proposed at the Court Meeting and the special resolution to be proposed at the General Meeting;
<b>“Scheme Shareholders”</b>	the holders of Scheme Shares;
<b>“Scheme Shares”</b>	means Brinkley Shares:  (i) in issue at the date of this document;  (ii) (if any) issued after the date of this document and prior to the Voting Record Time; and  (iii) (if any) issued at or after the Voting Record Time and before 6.00 p.m. on the business day immediately preceding the Hearing Date, on terms that the original or subsequent holder thereof shall be, or shall have agreed in writing by such time to be, bound by this Scheme,  save for any Brinkley Shares held by Eurogold (or its nominees);
<b>“subsidiary”, “subsidiary undertaking”,</b>	have the meanings given to them by the Companies Act 2006;



**“associated undertaking”, “undertaking” and “holding company”**

**“Takeover Code”**

the UK City Code on Takeover and Mergers;

**“Tanami”**

Tanami Gold NL;

**“Third Party Transaction”**

in respect of Eurogold or Brinkley means any proposal, expression of interest, bid, scheme or offer (which, for the avoidance of doubt, shall not include the Offer or the purchase by Eurogold of any further Brinkley Shares between the date of issue of the Scheme Document and the date on which dealings in Brinkley Shares are suspended in accordance with the Scheme) that would, if completed substantially in accordance with its terms, result in any person, other than Eurogold or Brinkley, acquiring or becoming the holder of or otherwise having a voting or economic interest in:

- (a) all or a substantial part of the assets (or interests in assets) of Eurogold or Brinkley (as the case may be) that are associated with the business or operations of Eurogold or Brinkley (as the case may be) or any of the shares (or interests in shares) in any member of Eurogold’s Group or Brinkley’s Group (as the case may be) that holds any assets associated with the business or operations of that entity; or
- (b) more than 30% of the voting shares of Eurogold or Brinkley (as the case may be).

**“UK” or “United Kingdom”**

the United Kingdom of Great Britain and Northern Ireland;

**“United States” or “US”**

the United States of America, its territories and possessions, any state or political sub-division of the United States of America and the District of Columbia and all the other areas subject to its jurisdiction;

**“US Person”**

a ‘US person’ as defined in Regulation S under the US Securities Act;

**“US Securities Act”**

the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

**“Voting Record Time”**

6 p.m. on the business day prior to the day before the Court Meeting or, if the Court Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting;

**“Wider Brinkley Group”**

as the context requires, Brinkley its subsidiaries, subsidiary undertakings, associated undertakings and any other undertaking in which Brinkley has an interest in 20 per cent. or more of the total voting rights conferred by the equity capital of that undertaking; and

**“Wider Eurogold Group”**

as the context requires, Eurogold, its subsidiaries, subsidiary undertakings, associated undertakings and any other undertaking in which Eurogold has an interest in 20 per cent. or more of the total voting rights conferred by the equity capital of that undertaking.

**- ENDS -**