
Gold Mining Operation

07 April 2011

It is with excitement that we announce that **INOSITE Ltd** ('INOSITE') is venturing into the **Gold Mining** business.

The Board has approved the acquisition of an existing successful gold mining operation, subject to being able to attract funding. The board has made this decision in line with current market conditions of record high gold prices and the excellent results from the mining tenements to be acquired. Your board considers that while there are many opportunities to add shareholder value through servicing the mining industry, it is timely to redirect the company's activities directly to mining.

The mining operation to be acquired by INOSITE, engaged a contractor to perform mining and milling activities in 2010. The results were extremely good. From a 2,164 tonne sample an average of 18.8 grams per tonne raw gold was milled and refined down to fine gold of approximately 15 grams per tonne. The Chairman currently holds a controlling share of the operation in a private capacity.

To proceed to the next stage will require capital and a professional management structure to be put in place. The history of the tenements involved is solid as are the results in the area. The Koolyanobbing fault passes through the tenement where the existing portal sits. This fault has spurned the record breaking Copperhead Mine, Radio Hill and others. The mine sits just 40 kilometres from Southern Cross, in one of the world's richest gold producing areas.

A two stage capital raising has been approved by the Board;

First Stage: acquire the mine, put in place management and undertake further engineering / geological assessments; and

Second Stage: progress the mining operation for cash flow, perform further exploration across the tenement, and consider further expansion options.

INOSITE will seek to use the 'First Stage' funds to add significant value to the mining tenements, prior to raising 'Second Stage' capital. Whilst doing so we are actively looking for other synergistic tenements to enhance and grow the operation.

The Board expects to provide an update on the acquisition in late April / early May 2011.

Current Activities Update: The mining town property developments are proceeding well with four dwellings recently leased to Gindalbie / Karara.

In conjunction with this new acquisition we intend to be re listed for trading.

Please call me directly on my mobile for further information.

Yours faithfully

Mr Steve Shilkin
Executive Chairperson