

6 August 2008

## ZHENG GUANG GOLD PROJECT

### Ground Breaking Ceremony

Leyshon Resources Limited (“Leyshon”) (AIM & ASX: LRL) is pleased to announce that civil engineering works at the mine site have commenced at its 70% owned Zheng Guang gold zinc project in the northeast province of Heilongjiang in China.

A ground breaking ceremony was held on site on 2<sup>nd</sup> August 2008 which marked the transition of the project from the development to the construction phase.



Construction Machinery

The 8.6 kilometre access road that connects the project with the residential town of Heibaoshan, has been completed ahead of schedule. Land acquisition agreements have been finalised with two forestry departments and three villages affected by the 16 kilometre power line. Nenjiang Power Bureau will commence installation once the farmers have harvested their crops on the affected fields.

The project is expected to commission first ore in late 2009 with the first full year of production in 2010. Initially near surface oxide gold ore will be mined from a low strip ratio starter pit and then treated in a dedicated carbon in leach circuit which will recover 76,000 ounces gold and 214,000 of silver metal. Thereafter gold, silver and a zinc concentrate will be produced from deeper sulphide ores treated through an expanded flotation circuit.

At current metal prices the project is expected to generate very strong cash flows from the starter pit over the first five years of the project’s life. Current studies indicate there are up to 15 years mine life from the Main Ore Zone alone. During the first five years, over US\$25 million will be spent on exploration to delineate additional resources on the 130 km<sup>2</sup> of highly prospective tenement holdings. These will be mined separately and blended with ore from the Main Ore Zone and are expected to result in a long mine life project with sustainable low operating costs.

For further information contact:

**Leyshon Resources Limited**

*Paul Atherley - Managing Director*

*Tel: +86 137 1800 1914*

*Mob: +61 417 475 038*

**Pelham Public Relations**

*Charles Vivian*

*Tel: +44 (0)207 743 6672*

*Mob +44 (0)7977 297903*

*James MacFarlane*

*Tel: +44 (0)207 743 6672*

*Mob: +44 (0)7841 672831*

*John McLeod*

*Tel: +44 (0)203 170 7442*

*Mob: +44 (0)7886 920436*

**Seymour Pierce**

*Jonathan Wright*

*Tel: +44 (0)207 107 8000*

<http://www.leyshonresources.com>

**Background Information**

*Leyshon is fully engaged in China with its main operating office in Beijing its Chairman, Managing Director and Chief Operating Officer all based in China. Over 80% of employees are either native Chinese or Mandarin speaking.*

*Following recent approval from the Heilongjiang environmental Authorities development has commenced the Zheng Guang gold zinc project and is aiming to become the first ever Sino Foreign owned mine in the mineral rich province of Heilongjiang when it comes into full production in 2010.*

*The project benefits from exceptional infrastructure as it is located within a well established coal and copper mining community with rail, power, water and mining contractor services immediately available.*

*The recently reviewed capital cost estimate for the 2.25 million tonne per annum combined carbon in leach and flotation circuit process plant is RMB369 million (US\$52.6 million). Orders have been placed for two 4.6 metre diameter ball mills at a cost of RMB15.2 million (USD 2.1 million) and a RMB12.1 million (USD 1.7 million) order has also been placed for the supply of a 700 tonne per hour Nordberg crushing circuit.*

*Leyshon's partner, the Qiqiha'er Brigade of the Heilongjiang Bureau of Geology and Mineral Resources, one of the largest organizations of its kind in China, is providing a range of services to the joint venture from its complement of 4,000 technical staff, drill rigs, laboratory and other technical facilities. This valuable support is enabling the project to rapidly move ahead on an extremely cost-effective basis.*