

31 July 2007

Ms Narissa Taylor
Australian Securities Exchange
Level 8
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Narissa

RE: STATEMENT OF COMMITMENTS

The Company provides the following summary of its expenditure commitments based on actual funds raised (\$8.75 million) under its IPO Prospectus dated 6 June 2007 (**Prospectus**)¹.

Pro-Forma Working Capital Position

	Notes	\$
Application monies received under the Prospectus		8,750,000
Existing net cash and receivables	1	<u>193,935</u>
Total net working capital		8,943,935
2 year budgeted exploration expenditure	2	4,873,700
Expenses of the Issue	3	<u>240,500</u>
Unallocated working capital		<u>3,829,735</u>

Notes:

- (1) Unaudited balance as at 31 March 2007; refer to the Independent Accountant's Report in Section 8 of the Prospectus;
- (2) Refer below (extracted from Appendix 1 – Proposed Exploration Budget in Section 6 of the Prospectus);
- (3) Refer to Section 11.15 of the Prospectus.

The Directors are of the opinion that the Company has sufficient working capital to carry out its objectives.

¹ All defined terms refer to such terms defined in the Prospectus

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Summary of Indicative Exploration Expenditure

PROJECTS	YEAR 1 \$	YEAR 2 \$
Yandal Gold Projects	1,437,800	1,604,600
Yandal Uranium Projects	408,600	452,300
Kimberley Gold Project	102,200	220,300
Kambalda Gold Nickel Project	<u>307,600</u>	<u>340,300</u>
TOTAL	<u>2,256,200</u>	<u>2,617,500</u>
2 YEAR TOTAL	\$4,873,700	

The above exploration programme expenditures are subject to change and are contingent on circumstances, results and other opportunities which may arise. Accordingly, expenditure may be reallocated amongst the existing projects or to new projects or to general working capital.

Expenditure allocated to those projects with tenements pending application is based on the expectation that those tenement applications will be granted. If any of the tenement applications are not granted, the expenditure allocated to those affected Projects will be reallocated to other Projects or to find and establish new exploration projects for the Company.

Yours Sincerely



ANDREW CHAPMAN
COMPANY SECRETARY

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