

17 March 2011

Dear Shareholder,

Exploration Strategy for 2011

The recent addition of the Mount Cannindah Porphyry Copper and Gold Joint Venture (Mount Cannindah) near Rockhampton, Queensland and the Bendigo Region sediment hosted gold joint venture, Bendigo Region, Victoria have strengthened and diversified the Company's exploration portfolio.

Mount Cannindah, Bendigo Region, and Drummond Basin (Yandan and Mt Coolon) are being pursued as each represents an opportunity for a substantial extension to existing copper gold and gold mineralisation respectively. Drilling to test these extensions will commence in early April at Mount Cannindah and at Yandan East Hill subject to ground conditions.

The attached Shareholders' Update presentation illustrates our strategy of focusing on high quality opportunities.

Mount Cannindah has been drilled and explored by a number of companies before us. However, the obvious extensions to the north, south and at depth have not been adequately tested. The resource at Mount Cannindah of 7.5 million tonnes @ 1% copper and 0.4g/t gold and past drill hole intersections of up to 28 m @ 2.5% copper and 0.4g/t gold provides a great start.

Drilling of the Drummond Basin, Yandan joint venture (Yandan) and Mt Coolon mineral resources extensions had to be deferred because of the extreme wet weather in Queensland which commenced in October last year. However, follow up drilling of previous intersections of 283m @ 2.8 g/t gold at Yandan East Hill is also ready for early April 2011 start.

During the wet weather the Exploration Team identified and worked up high ranking targets to the north and south of Yandan, including Sinter Hill, Billabong and Illamahta/Orchid Hill which show similarities in style and set up of the gold mineralisation at Yandan Mine and East Hill.

Mt Coolon (100% owned by the Company) remains to be tested at relatively shallow depths for high grade depth and down plunge extensions.

Our Bendigo Region sediment hosted gold mineralisation strategy is based on the evidence that favorable black shale horizons, large scale structures and wide spread occurrences of gold are present. Modern day exploration methods and recent

advances in research on the formation and set up of large sediment hosted gold deposits have not been applied to the Bendigo Region. In fact only one hole has been drilled outside the Bendigo mine lease in the last 15 years.

The Exploration Team led by Mr. Erik Norum is poised and ready to enthusiastically commence field operations within the next 4 weeks, firstly at Mount Cannindah.

Yours faithfully

A handwritten signature in black ink, appearing to read 'E. Eshuys', written in a cursive style.

EDUARD ESHUYS
EXECUTIVE CHAIRMAN