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23 April 2009

Mr. Scott Evans,
General Manager,
NSX Australia.
by email – scott.evans@nsxa.com.au

Dear Mr. Evans,

Re Price Query - the Response.

1. It is public knowledge that this Company is proceeding through a series of "steps" towards future permit issue, enabling gold extraction from surface sands at Glenfine, Victoria, within MIN5492. The Company web-site carries the details.

Sellers and/or buyers of shares in this Company would be aware, as do long term holders, that market risk is in essence a personal judgement about risk to price of a share. For this Company, whatever price is paid for a share reflects the buyers judgement as to the probability that the Directors will be able to gain a permit for works - and the seller also.

At the time and date of the trade giving rise to the NSX price query, all known facts as to the activity of the Directors were disclosed to NSX, and were public.

2. An announcement relevant to market risk as described above was made to NSX some hours after the particular trade. Both seller and buyer would have been equally unaware of the timing of that market announcement.
3. It appears the trade and the announced progress are unrelated. In this context, I draw your attention to the other relevant fact - that the spot price of gold (New York time, 17 April 2009) was at a low of US\$868.70 and by the time of this trade, price trends had formed which may well have been sufficient to encourage the purchaser to pay the asking price - one which had been sitting there for some weeks. In this price up-trend, the gold price reached US\$895 before falling away. It can be noted that a re-building of price is currently evident in graphical presentations of the 24 hour spot gold price - see www.kitco.com.

In responding to this Query today, the Directors of this Company are conscious of the disclosure requirements, and have abided by them.

Yours sincerely,

F.L.Hunt
Chairman.