

CHAIRMAN'S OUTLOOK 10th July, 2009

To the Members, and to the public generally.

In 2008/2009 the Company confirmed that gold in amounts which warrant recovery at the present price of gold does exist in some 40,000 tonnes of sands at Glenfine.

The gold has existed in these sands for years, because it passed through the treatment plant of year 1901, in the waste stream, being entrained in the fine sulphides. Over 100 years of winter and summer weather broke apart those fine sulphides, to release the gold as *free gold* today.

The Company is in the last stages of the approvals procedure needed to recover this gold. Having reached this stage –

- an Offer is open (see below), to bring together the funds estimated required to move from project “development” to “production”, and
- research completed for approval purposes has revealed actually **why this gold is there**, and that particular knowledge has opened up the possibility of finding more gold in this immediate environment.

The present situation is –

1. The Company voted as a whole to endorse the issue of up to 500 cumulative redeemable preference shares. This vote was an effective decision to allow Directors to put 1,000 oz of fine gold on the market in advance of production, via the sale of these preference shares. The price per share is about half the present value, were redemption to occur today.

The market for the novel preference shares has been opened to the wider public, by advertisement in *Australian Investor*, an on-line subscription publication.

The general public can find the Replacement Offer in full on the Company website – see named tab.

The Offer closes **22nd July, 2009**.

2. With regard to the expanded gold prospectivity of Glenfine, surveys in the field this week enables the Company to relocate all the known drill holes completed with Commonwealth funds in 1939/1940. There are many holes, clustered in localised areas. Apart from the exploration information conveyed by these holes, they provide specific information beneficial today as to where sub-surface brackish water sources could occur. Water of poor quality like this will suffice for new operations.

In addition, very useful aerial photography has been obtained from Commonwealth archives – flown 28th February, 1934, and 9th December, 1989. These photos provide visual evidence of the state and condition of the site at those times.

In conjunction with this survey work, some 87 ground gravity readings were taken to enable calibration of gravity data with mineralised rock types known from underground mapping. This detailed gravity is a “first” for this gold district.

Steady progress is the intention.

F. L. HUNT