STATEMENT TO NSX

RIGHTS ISSUE

On 26th August, 2013, the Company lodged an Application for exploration rights at Clunes. As part of that Application procedure the Company was required to –

(a) state a cost for its intended program, and
(b) explain how those costs would be met.

The Directors took the position that there would be business uncertainty in respect of this Application, given it was lodged in competition with others. The most appropriate means to satisfy the Departmental application requirements was deemed to be a pro-rata issue of Options (the “Rights Issue”).

It is the opinion of Directors that an Option price of 2 cents which raised a minimum of $40,000 from more than 10% of Members would be sufficient to demonstrate the financial capacity of the Application.

Members were forwarded an entitlements form, giving them the opportunity to apply for Options under the Rights Issue. The time for entitlement ceases at the close of business 25th October, 2013.

Directors wish to advise Members, and the market generally, that in excess of $40,000 has been subscribed by Members. This outcome is quite satisfactory for the purposes given above, and further details will be provided to NSXA in the week ahead.

Directors also advise that, for conversion, the closing date of 9th December, 2013, indicated previously is likely to be extended into year 2014.

Directors may elect to place shortfall Options in the period up to 25th November, 2013, but not thereafter. On 25th November, 2013, an amended closing date will be provided to NSXA.

Frederick L Hunt

F. L. HUNT
Chairman