

CHAIRMAN'S ADDRESS TO EGM – 23.4.10

On 3 March 2010, offers closed for the Company's Share Purchase Plan (SPP) where each of the shareholders of the Company were given the opportunity to subscribe for up to \$10,000 worth of new shares in the Company at an issue price of \$0.013 per share. The SPP was for a maximum of 119,472,400 shares which would have enabled the Company to raise approximately \$1,553,000. In the result, the Company received application pursuant to the SPP for 22,684,641 shares raising a total of \$294,900.

The Company indicated that it would use the funds raised from the SPP to establish drill targets, to commence drilling and for the Company's working capital requirements. As insufficient funds were raised pursuant to the SPP to meet the Company's abovementioned purposes, the Board has determined that it is in the interests of the Company to undertake the share placements which are the subject of the resolutions set out in the notice of today's meeting.

The Share Placements referred to in Resolutions 1 and 2 are referred to as Tranches 1 and 2 respectively. Tranche 1 refers to the 30 million shares and 30 million attaching options issued by the Company on 19 March 2010, which are the subject of Resolution 1. Tranche 2 refers to the proposed issue of a further 40 million fully paid ordinary shares and 40 million attaching options which the Company proposes to issue on or about 26 April 2010, subject to approval by shareholders in terms of Resolution 2.

The Company expects to raise a total of \$910,000 pursuant to the abovementioned share placements. If all of the options which will be issued simultaneously with the share placements are exercised then, this will result in the Company raising a further \$1,400,000.

The funds raised by the company pursuant to the issue of the shares and options (if exercised) will be applied to working capital and to accelerate gold exploration on the Company's 100% owned Lyndon Station Gold Tenements.