

PROPOSED APPLICATION OF FUNDS RAISED

After successfully raising the maximum subscription of \$3,500,000, the Company intends to apply the funds raised from the Offer over the next two years as follows:

	Maximum Subscription \$000
Opening Cash*	430
Expenses of the Offer Including Broker's fees **	259
Funds Raised by the Prospectus	\$3,500
Exploration expenditure (refer below)	2,454
Administration costs	800
Unallocated Funds	417

* June 30th audited close adjusted for July 2005 expenditure estimate.

**Additional expenses of approximately \$143,000 for the Offer have been paid from existing funds of the Company (refer Section 8.10)

Planned Exploration Expenditure per Project

	Hellyer	East Henty	Loyetea	Mt Bischoff	Rosebery	Oonah	Other	Total
Geological & Supervision	51	26	103	83	25	10	-	298
Geological Modelling	180	57	190	200	62	28	-	717
Geophysics	175	-	20	-	-	-	-	195
Surface Sampling & Logistics	65	-	25	10	8	-	-	108
Drilling activities	670	45	75	31	-	-	-	821
Technical Studies	50	-	-	-	-	-	-	50
Rents & Rehabilitation	23	8	10	5	2	2	-	50
General Exploration	-	-	-	-	-	-	130	130
Project Generation	-	-	-	-	-	-	85	85
Total	1,214	136	423	329	97	40	215	2454