



**KALGOORLIE-BOULDER
RESOURCES Ltd**

ACN 106 732 487

NOTICE OF GENERAL MEETING

and

EXPLANATORY MEMORANDUM

Including the
Independent Expert's Report of BDO Consultants (WA) Pty Ltd

and

PROXY FORM

The Independent Expert has concluded the proposal the subject of Resolution 1
is fair and reasonable to the non-associated shareholders of the Company

Date of Meeting

6 March 2007

Time of Meeting

10am WDST

Place of Meeting

The Park Business Centre
45 Ventnor Avenue
West Perth, Western Australia

This Notice of General Meeting and Explanatory Memorandum should be read in their entirety.
If shareholders are in any doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional advisor without delay.

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KALGOORLIE-BOULDER RESOURCES LTD
ACN 106 732 487

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Shareholders of Kalgoorlie-Boulder Resources Ltd ('KBRL' or '**Company**') will be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia, on 6 March 2007 at 10am WDST.

An Explanatory Memorandum containing information in relation to the following Resolution accompanies and forms part of this Notice of General Meeting.

AGENDA

ORDINARY BUSINESS OF THE MEETING

1. RESOLUTION 1 - Acquisition of 100% of the Issued Shares of Australian Gold Investments Pty Ltd

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

'That for the purposes of ASX Listing Rule 7.1 and Section 611 Item 7 of the Corporations Act and all other purposes Shareholders agree to, authorise and approve:

- (a) the acquisition by the Company of 100% of the issued shares of Australian Gold Investments Pty Ltd ('AGI') and the endorsement in favour of KBRL of a \$3,000,000 Promissory Note owed by AGI to RASL AU LLC ('RASL') in consideration for the issue to RASL and/or its nominees of a total of 50,000,000 ordinary fully paid shares in the Company ('Acquisition Shares') and 12 convertible notes convertible into 30,000,000 fully paid shares in the Company with a total face value of \$3,000,000 ('Convertible Notes') together with a cash payment of up to \$2,650,000 pursuant to agreements (as described in the Explanatory Memorandum accompanying this Notice of Meeting) the Company has entered into and the performance by the Company of its obligations under those agreements and ratify the execution of those agreements by the Company;*
- (b) the Company allotting and issuing to RASL and/or its nominees the Acquisition Shares;*
- (c) the acquisition by RASL and/or its nominees, by way of allotment, of the Acquisition Shares;*
- (d) the Company allotting and issuing to RASL and/or its nominees the Convertible Notes;*
- (e) the acquisition by RASL and/or its nominees, by way of allotment, of the Convertible Notes;*
- (f) the Company allotting and issuing to RASL and/or its nominees up to 30,000,000 fully paid ordinary pursuant to conversion of the Convertible Notes;*
- (g) the acquisition by RASL and/or its nominees of up to 30,000,000 fully paid ordinary shares in the Company pursuant to conversion of the Convertible Notes; and*
- (h) the Company allotting and issuing to Delta Capital Pty Ltd 1,500,000 fully paid ordinary shares in the capital of the Company,*

in each case for the purposes, on the terms and conditions and in the manner more particularly described in the Explanatory Memorandum accompanying this Notice of Meeting.'

BY ORDER OF THE BOARD OF DIRECTORS

John Coles
Company Secretary
2 February 2007

VOTING EXCLUSION STATEMENT

In accordance with the Listing Rules and the Corporations Act, the Company will disregard any votes cast on Resolution 1 by RASL, Delta Capital Pty Ltd and/or their respective nominees and any associates of these persons.

In relation to Resolution 1, 'associate' has the meaning given to that term in section 12, section 11 and section 16 of the Corporations Act.

However, in respect of Resolution 1, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

PROXIES

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a member of the Company.
2. In order to vote on behalf of a company that is a shareholder of KBRL, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.
3. Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at 48 Lake Street, Northbridge, Western Australia or by facsimile (61 8) 9228 8685 not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.
4. An instrument appointing a proxy:
 - (a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
 - (b) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
 - (c) shall be deemed to confer authority to demand or join in demanding a poll;
 - (d) shall be in such form as the Directors determine and which complies with Section 250A of the Corporations Act;
 - (e) proxies appointing the Chairman which do not specify the way in which the proxy is to vote on a particular resolution will be recorded as voting in favour of the resolutions.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

ATTENDANCE AND VOTING ELIGIBILITY

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that Shares held at 7am WDST on Monday, 5 March 2007 will be taken, for the purposes of determining voting entitlements at this General Meeting, to be held by the persons who held them at that time.

NOTES

Further details of the acquisitions in Resolution 1 are set out in the Explanatory Memorandum accompanying this Notice of Meeting including further information required to be disclosed to shareholders under ASIC Policy Statement 74 and the ASX Listing Rules.

Shareholders are urged to read the Independent Expert's Report prepared by BDO Consultants (WA) Pty Ltd which report is attached to the Explanatory Memorandum accompanying this Notice of Meeting, and, if shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay. The Independent Expert has concluded that the proposal the subject of Resolution 1 is ***fair and reasonable*** to the non-associated shareholders of the Company.

**KALGOORLIE-BOULDER RESOURCES LTD
ACN 106 732 487**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with sufficient information to assess the merits of Resolution 1 contained in the accompanying Notice of General Meeting (**'Notice of Meeting'**) of the Kalgoorlie-Boulder Resources Ltd (**'Company'**).

An Independent Expert's Report prepared by BDO Consultants (WA) Pty Ltd comments on whether the proposal the subject of Resolution 1 is fair and reasonable to the non-associated shareholders of the Company.

Shareholders should note that BDO Consultants (WA) Pty Ltd has concluded that the proposal the subject of Resolution 1 is fair and reasonable to the non-associated shareholders of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum and the Independent Expert's Reports in full before making any decision in relation to Resolution 1. If shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting of which this Explanatory Memorandum forms a part. Certain terms and abbreviations used in this Explanatory Memorandum have defined meanings which are explained in the Glossary appearing at the end of this Explanatory Memorandum.

Resolution 1 – ACQUISITION OF 100% OF THE ISSUED SHARES OF AUSTRALIAN GOLD INVESTMENTS PTY LTD

(a) Introduction

On 8 December 2006, the Company announced that it had entered into agreements to acquire 100% of the issued share capital of Australian Gold Investments Limited (**'AGI'**) which is the sole registered and beneficial owner of the Norseman Project and the endorsement in favour of KBRL of a \$3,000,000 Promissory Note owed by AGI to RASL AU LLC (**'RASL'**). The agreements comprise the AGI Purchase Agreement, the AGI Trust Deed, and the Convertible Note Deed, which are described below.

The consideration for the acquisition is the payment of up to \$2.65 million in cash and the issue of 50 million fully paid ordinary shares (**'Acquisition Shares'**) to RASL and/or its nominees. In addition, the Company will issue \$3 million of convertible notes to RASL and/or its nominees with an 8% p.a. coupon. The notes are redeemable within 36 months and no earlier than 12 months and convert into 30 million ordinary shares.

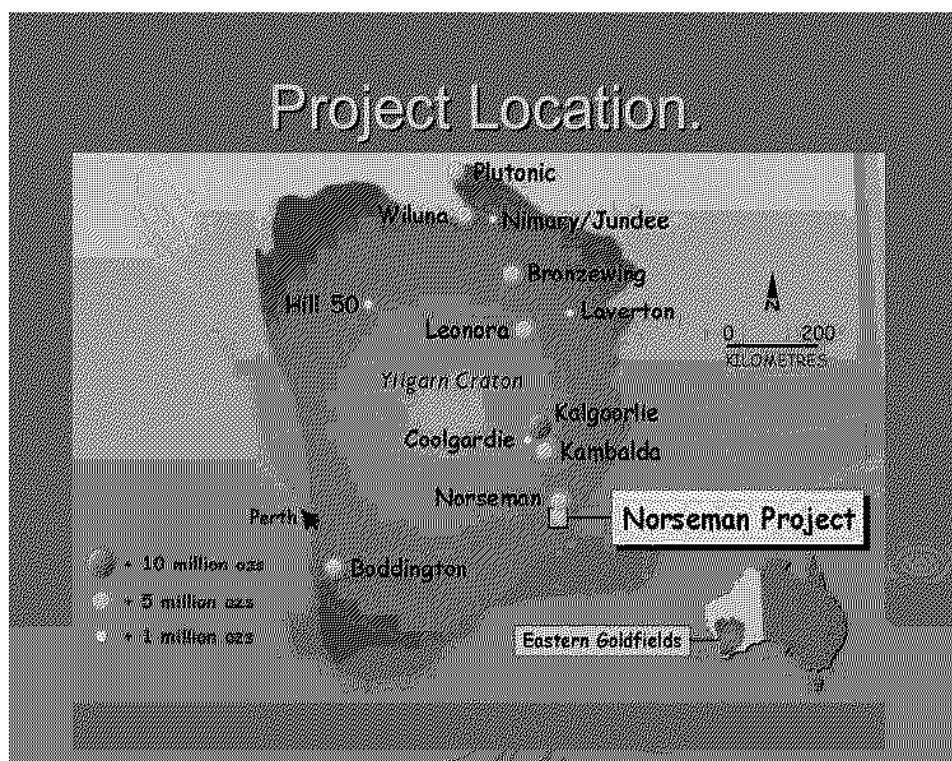
The 50 million fully paid ordinary shares to be issued to RASL and/or its nominees is comprised of 48.5 million fully paid ordinary shares (**'Consideration Shares'**) which RASL has agreed to enter into a voluntary restriction agreement for a period of 24 months from the date of issue, and 1.5 million fully paid ordinary shares which the Company and RASL have agreed will not be subject to any restriction on their trading and the Company has agreed to make submissions to ASX supporting the absence of any escrow restriction and, if one is to be applied, seeking the minimum period possible in the circumstances.

(b) The Norseman Project

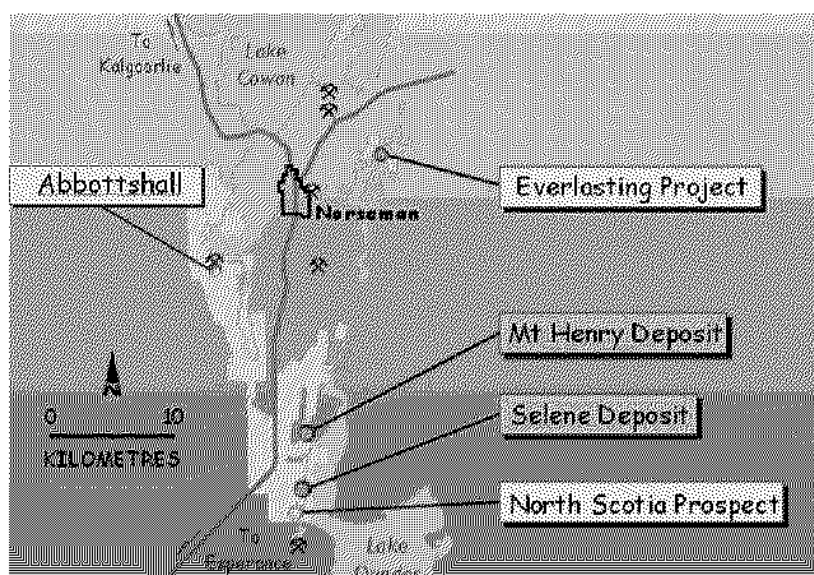
AGI purchased the Norseman Project from Kinross Australia Pty Ltd (**'KGA'**), a wholly owned subsidiary of the major Canadian gold mining company, Kinross Gold Corporation (**'KGC'**) in 2005.

The Norseman Project consists of a series of granted mining leases, prospecting licences, exploration licence applications and mining lease applications. The total area of the licences is more than 124 square kilometres covering the prospective south Yilgarn Greenstone belt.

The Norseman Project is located in the Norseman region of the Goldfields of Western Australia, 6 to 25 kilometres south of the Norseman town site. Access to the area is excellent from Perth via the Great Eastern Highway to Kalgoorlie (600km) then 200 km south via the Coolgardie-Esperance Highway to the town of Norseman, which is a well-served regional centre.



The project is separated into three groups of tenements covering the Norseman, Abbotshall and Everlasting areas. The Norseman area includes the Mt Henry, Selene, and the North Scotia projects.



Total gold production from the Norseman Terrane is in excess of 5.5 million ounces of gold. Gold is principally sourced from narrow but very high-grade quartz reefs that have historically had significant strike lengths and or down dip ore shoot plunges. The majority of production has been sourced from underground operations. From 1935 to the early 1990's, CNGC gold production was predominantly sourced from three underground deposits, Mararoa, Royal and Crown. Respectively, these mines produced 0.8Mozs, 1.8Mozs and 1.1Mozs of gold.

Three major formations, Woolyeener, Noganyer and Penneshaw, occur within the Norseman tenements. The Woolyeener formation is predominantly comprised of west dipping mafic volcanics with minor ultramafic and sedimentary units. The Noganyer formation is comprised of banded iron formation (BIF), sulphidic chert, and shale while the Penneshaw formation, which underlies the Noganyer formation, is a mafic package of basalt and dolerite. The contact between the Penneshaw and Noganyer formation is marked by shearing and alteration.

The Mount Henry and Selene projects are located in the BIF units of the Penneshaw formation, while typical 'Norseman-style' quartz reef gold mineralisation is hosted within sheared and altered mafic and ultramafics volcanics of the Woolyeener formation. Siliceous sediments and porphyries of the Woolyeener formation also host the Abbotshall deposit.

The bulk of the Abbotshall tenements overlie the Woolyeener formation, which includes mafic volcanics and intrusives, pegmatite dykes and chert units. Lithologies in the project area generally trend north to northeast dipping steeply to the west. Ultramafic units with potential to host massive sulphide nickel mineralisation exist in the northwest of the project area

The Everlasting tenements overlie the Noganyer and Woolyeener formations. The Noganyer formation outcrops in the northwest project area and is generally characterised by chert and BIF sediments and minor dolerite dykes. The Woolyeener formation is characterised by mafic intrusives and extrusives, sediments and pegmatite intrusions.

The area is dominated by a series of northwest; north-northwest, northeast; and northsouth structures. These are clearly visible on both the ground and aerial magnetic data sets. The most important structures in terms of mineralisation are north-northwest trending lineaments. These structures parallel the Princess Royal Fault that is a major structure in the Norseman goldfield. This structure is interpreted to be one of the major controls on the North Royal mine which produced nearly 2 million ounces of gold at 'bonanza' grades. Several of these types of structures occur in the field area.

Gold mineralisation occurs in three main styles on the Norseman Project:

- Quartz veins/reefs
- BIF hosted
- Supergene gold

The bulk of the current and historic gold production, some 5.5Moz to June 2000, for the Norseman region has come from narrow north trending – steeply east dipping quartz veins/reefs, from the lower portion of the Woolyeener formation.

Significant exploration potential exists on the Norseman Project. Numerous targets exist along strike, adjacent and down dip from existing mineralisation. Less advanced targets have also been highlighted in the extensive geochemical dataset which covers various soil sampling programs from previous explorers over the last 20 years.

(c) AGI Purchase Agreement

By a share sale agreement dated 7 December 2006 between the Company and RASL, the Company agreed to purchase from RASL, and RASL agreed to convey to the Company, 35.5% of the issued share capital (35,500,000 fully paid ordinary shares) ('Current Interest') of AGI, the owner of the mining tenements that comprise the Norseman Project ('AGI

Purchase Agreement'). Under a conditional share sale and purchase agreement with various vendors of AGI shares (**'AGI SSA'**), RASL has agreed to purchase 64.5% (64,500,000 fully paid ordinary shares) of the issued share capital in AGI, being the balance of the entire issued share capital of AGI (**'Remaining Interest'**). RASL will hold the Remaining Interest as bare trustee for the Company under the terms of the AGI Trust Deed.

The AGI Purchase Agreement is conditional upon the:

- i. completion by RASL of the AGI SSA, in relation to which it has entered into the AGI Trust Deed;
- ii. completion by the Company of due diligence enquiries in relation AGI, to the AGI shares and the Norseman Project within 30 days of the date of the AGI Purchase Agreement;
- iii. RASL being satisfied that the Company has at least \$2,000,000 available at settlement for use by AGI to meet expenditure commitments on the tenements held by AGI;
- iv. Company receiving a copy of the AGI SSA subject to it providing confidentiality undertakings;
- v. Company obtaining any necessary shareholder approvals and other consents pursuant to the ASX Listing Rules and the Corporations Act in respect of the transactions contemplated by the AGI Purchase Agreement; and
- vi. Company raising not less than \$5,000,000 through the Offer and placement of new shares.

As announced to the ASX on 8 January 2007 and 17 January 2007 condition vi. above has been satisfied.

Subject to satisfaction of the Conditions Precedent within 90 days of execution or such further period as the parties agree in writing:

- i. the Company agrees to ensure RASL meets all of its payment obligations under the AGI SSA insofar as they relate to the acquisition of the Remaining Interest;
- ii. RASL agrees to endorse in the Company's favour a Promissory Note dated 1 August 2005 as extended, under which AGI owes RASL \$3,000,000 and to transfer and assign to the Company its rights, title and interests in, and obligations under, each security given by AGI to RASL as security for the Promissory Note.

The consideration paid by the Company to RASL for the acquisition of the Current Interest comprises the:

- i. issue of 48,500,000 fully paid ordinary Shares in the Company, in relation to which RASL agrees to enter into a restriction agreement for a period of 24 months;
- ii. issue of 1,500,000 fully paid ordinary Shares in the Company which shall not be subject to any restrictions on their trading and in relation to which the Company shall make a submission to the ASX supporting the absence of any escrow restriction or, if one is to be applied, seeking the minimum period of restriction;
- iii. payment of the purchase price paid or payable under the AGI SSA, being a sum of \$2,650,000 less a working capital adjustment which the parties agree to cap at \$265,000 plus any tax payable by AGI arising out of transactions entered into by AGI prior to the completion date under the AGI SSA;
- iv. issue of convertible notes to a face value of \$3,000,000 with an 8% attaching coupon (payable quarterly) redeemable 36 months after settlement or convertible into 30,000,000

fully paid ordinary shares in the Company at any time between 12 and 36 months after settlement. If the Company sells the assets vended to it under the AGI Purchase Agreement, RASL will have the right to redeem the convertible note irrespective of whether the time periods have elapsed. The convertible notes are to be fully secured in favour of RASL by a first ranking charge over the Company's shares in AGI;

- v. payment to RASL of:
 - (i) \$500,000 upon finance being approved on terms satisfactory to the Company following the successful completion of a bankable feasibility study of the Norseman Project; and
 - (ii) \$1,000,000 within 180 days of gold first being commercially produced from the Norseman Project.
- vi. provision of a fixed and floating charge over the Company's shares in AGI to secure to payments outlined in (v).

The Company also agrees to:

- i. pay to Delta Capital Pty Ltd the sum of \$330,000 and issue it 1,500,000 ordinary shares ('Delta Capital Shares');
- ii. reimburse RASL \$20,000 of its costs and expenses associated with the AGI Purchase Agreement; and
- iii. pay to RASL a working capital adjustment on an accruals basis in relation to outgoings paid (limited to prepayments, rental, royalty, insurance, bonds, rates and taxes only) less any outstanding tenement rentals or similar outgoings and for any cash at bank as agreed.

The Company must, upon completion of the AGI Purchase Agreement, either (at RASL's election) establish a bank facility in lieu of the bank facility that RASL has funded or pay to RASL \$162,000 in relation to the environmental bonds for the Norseman Project.

RASL agrees that it will, to the extent it is able to do so, endeavour to ensure the warranties it receives pursuant to the AGI SSA extend to the benefit of the Company, at the expense of the Company.

The Company agrees, subject to its constitution, any applicable laws and the ASX Listing Rules, to appoint non-executive directors nominated by RASL in proportion to RASL's shareholding in the Company. At the date of the AGI Purchase Agreement, the Company is required to appoint two persons nominated by RASL to the Board.

In the event that the Company or AGI wish to secure project finance for the development of a mine within the Norseman Project, RASL agrees that it shall in good faith consider postponing the priority of its security over the AGI shares to any security interest or encumbrance reasonably required by a financier.

In the absence of any agreement to the contrary, settlement of the AGI Purchase Agreement, giving the Company effective control of AGI and ensuring payment of the consideration and any other payments required under the AGI Purchase Agreement to RASL, shall take place within 5 Business Days of the date upon which all of the conditions precedent are satisfied.

The AGI Purchase Agreement may be terminated by a party if there is a breach of a material nature by the other party and that breach is not remedied within a reasonable time. Each party to the AGI Purchase Agreement is responsible for its own costs and expenses in respect of the AGI Purchase Agreement, with the exception that:

- i. RASL is to pay any New South Wales stamp duty arising from the sale of the Current Interest;
- ii. the Company is to pay any New South Wales stamp duty arising from the agreements to acquire 100% of the issued share capital in AGI;
- iii. AGI will be liable for any land rich duty payable pursuant to Part IIIBA of the Stamp Act 1921 (WA);
- iv. the parties agree to prepare joint submissions to the New South Wales Office of State Revenue in relation to the duty payable as outlined in paragraphs (a) and (b) above; and
- v. the Company shall be responsible for preparing submissions in relation to the stamp duty outlined in paragraph (c) above. RASL shall be entitled to review the submission prior to its lodgement at the Western Australian Office of State Revenue.

Warranties have been given by RASL (as vendor) and the Company (as purchaser) which are of the type commonly found in agreements for the sale and purchase of shares.

In the event that completion under the AGI SSA occurs prior to the satisfaction or waiver of the conditions precedent, the parties agree that RASL shall pay the purchase price under the AGI SSA and that completion shall not alter the parties' obligations to meet the conditions precedent and effect settlement. The AGI Purchase Agreement shall then be modified such that the Company shall reimburse RASL for any payment of the purchase price. If settlement of the AGI Purchase Agreement fails to occur within 30 days of completion of the AGI SSA, RASL may terminate the AGI Purchase Agreement by providing notice to the Company, which shall result in the termination of the AGI Trust Deed (**'Termination Event'**).

The AGI Purchase Agreement is governed by the laws of Western Australia and the parties to the agreement submit to the non-exclusive jurisdiction of the courts of Western Australia.

(d) AGI Trust Deed

By an agreement dated 4 December 2006 between the Company and RASL, RASL is to hold the shares it legally acquires under the AGI SSA and all distributions, profits and benefits accrued in respect of these shares on trust for the Company. The Company is to pay the price payable under the AGI SSA to RASL on or before completion of the agreement in accordance with the AGI Purchase Agreement, pay all stamp duty payable on the acquisition of the shares in accordance with the AGI Purchase Agreement and indemnify RASL for any liability incurred as trustee of the trust after the AGI Purchase Agreement is unconditional and RASL holds the shares on trust under the AGI Trust Deed. The consideration to be paid by RASL pursuant to the AGI SSA upon completion will be \$2,650,000 less a working capital adjustment which the parties agree to cap at \$265,000 plus any tax payable by AGI arising out of transactions entered into by AGI prior to the completion date.

RASL must nominate the Company as transferee of the Remaining Interest and must not raise finance in relation to the Remaining Interest. In the event that the AGI Purchase Agreement is validly terminated for failure to satisfy the conditions precedent, or the Termination Event occurs, the AGI Purchase Agreement, the AGI Trust Deed and any trusts created by it shall cease to be of any force or effect.

(e) Convertible Note Deed

The Company has entered into a convertible note deed, dated 7 December 2006, with RASL, pursuant to which the Company agreed to create and issue the convertible notes to RASL as partial consideration for the benefits received under the AGI Purchase Agreement between the companies (**'Convertible Note Deed'**).

The Convertible Note Deed is of no force of effect unless and until the conditions precedent in the AGI Purchase Agreement (described in more detail in section (c) above) are satisfied.

At settlement under the AGI Purchase Agreement, the Company has agreed to issue to RASL 12 notes each with a value of \$250,000 ('**Face Value**' and '**Notes**'). RASL may convert a Note into 2,500,000 fully paid ordinary shares in the Company between 12 and 36 months after settlement of the AGI Purchase Agreement. In the event that the Company sells substantially all of its shares in AGI, RASL is entitled to convert a Note into 2,500,000 fully paid ordinary shares irrespective of the time that has elapsed since Settlement. The Company is required to pay interest on the Face Value at a rate of 8% per annum on a quarterly basis in arrears until such time as the Note is converted or repaid and on the date a relevant Note is converted or repaid.

Each Note issued under the Convertible Note Deed is secured by a first ranking charge over the Company's shares in AGI.

In the event that the Company sells or agrees to sell substantially all of the business or undertaking of AGI, or the Company becomes a subsidiary of another corporation or an insolvency event occurs, less than 36 months after Settlement ('**Early Redemption Event**'), and a sponsor does not issue a redemption notice in the prescribed form to the Company within 10 Business Days after the sponsor receives written notice from the Company of the occurrence of an Early Redemption Event, a compulsory conversion event ('**Compulsory Conversion Event**') shall be deemed to have occurred. The Company must, as soon as reasonably practicable, give written notice to RASL that a Compulsory Conversion Event has occurred and must within 5 Business Days of the Compulsory Conversion Event convert RASL's Notes into Shares. The Company must, within 10 Business Days of the date upon which the Notes are converted to Shares, despatch to RASL free of charge a share certificate or holding statement. The conversion of a Note shall constitute full and final payment of any outstanding amounts payable on the Note.

The Company must, as soon as reasonably practicable, give written notice to the sponsors that an Early Redemption Event has occurred, pursuant to which RASL may require the Company to redeem any or all of the Notes by repaying the Face Value and any accrued and unpaid interest.

The Convertible Note Agreement is governed by the laws of Western Australia and the parties to the agreement submit to the non-exclusive jurisdiction of the courts of Western Australia.

(f) Purpose of Resolution 1

Resolution 1, if approved, will permit KBRL to:

- i. issue 50,000,000 fully paid ordinary shares in the Company to RASL and/or its nominees;
- ii. issue 12 Notes to RASL and/or its nominees, each having a face value of \$250,000 and convertible into 2,500,000 fully paid ordinary shares in the Company;
- iii. issue 30,000,000 fully paid ordinary shares in the Company to RASL and/or its nominees on conversion of the Notes; and
- iv. issue 1,500,000 fully paid ordinary shares to Delta Capital Pty Ltd.

It will also permit RASL and/or its nominees to acquire the relevant interest in the securities describe in i. to iii. above.

(g) ASX Listing Rule 7.1

Listing Rule 7.1 provides that prior approval of Shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a

company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period. The definition of 'equity securities' includes Notes as they may be converted into ordinary shares.

The Acquisition Shares to be issued to RASL under the AGI Purchase Agreement, the Notes and Shares to be issued on conversion of the Notes, exceeds 15% of KBRL's existing ordinary shares as at the date of this Explanatory Memorandum. In accordance with Listing Rule 7.2 Exception 16, Shareholder approval pursuant to Listing Rule 7.1 is not required in order to issue the Convertible Notes and Acquisition Shares as Shareholder approval is being sought under section 611 Item 7 of the corporations Act.

The Delta Capital Shares to be issued to Delta Capital Pty Ltd under the AGI Purchase Agreement does not exceed 15% of KBRL's existing ordinary shares as at the date of this Explanatory Memorandum. However, if the issue is approved by Shareholders under Resolution 1, it is not counted in the 15% annual limit described above. This means that no part of the 15% annual limit will be used up by the issue of the Delta Capital Shares.

Listing Rule 7.3 requires the following information be provided to Shareholders in respect of approval granted pursuant to Listing Rule 7.1 and approval is sought from Shareholders for the issue of the Delta Capital Shares on the following terms.

- i. The maximum number of securities to be issued under Resolution 1 to Delta Capital Pty Ltd is 1,500,000 Shares.
- ii. KBRL will allot and issue the Delta Capital Shares within 5 Business Days of the date upon which all of the conditions precedent contained within the AGI Purchase Agreement are satisfied, but in any event no later than 3 months after the date of the General Meeting.
- iii. The Delta Capital Shares are to be issued at a deemed issue price of 10 cents per share.
- iv. The Delta Capital Shares will be allotted to Delta Capital Pty Ltd.
- v. The Delta Capital Shares to be issued are fully paid ordinary shares which will, from their date of allotment, rank pari-passu with all other fully paid ordinary shares in the Company then on issue. The terms of the Notes are set out under section (e) above. Upon conversion of the Notes, the ordinary shares to be issued will rank pari passu with the Company's ordinary shares currently on issue.
- vi. There are no funds to be raised by the issue.

(h) Escrow of Consideration Shares

RASL has agreed to escrow the Consideration Shares (48,500,000 fully paid ordinary shares in the Company) to be issued to them and/or their nominees for a period of 24 months from the date of issue.

Refer to paragraph (a) above for details pertaining to the escrow of the remainder of the Acquisition Shares (1,500,000 fully paid ordinary shares in the Company).

(i) Section 611 Item 7 of the Corporations Act

Shareholder approval is also being sought pursuant to Section 611 Item 7 of the Corporations Act.

Pursuant to Section 606(1) of the Corporations Act, an entity must not acquire a relevant interest in issued voting shares in a listed company if the entity acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the entity and because of the transaction, that entity's or another's voting power in the company increases:

- i. from 20% or below to more than 20%; or
- ii. from a starting point above 20% and below 90%.

The voting power of an entity in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of an entity's voting power in a company involves determining the voting shares in the company in which the entity and the entity's associates have a relevant interest.

An entity has a relevant interest in securities if it:

- i. is the holder of the securities;
- ii. has the power to exercise, or control the exercise of, a right to vote attached to securities; or
- iii. has the power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more entities can jointly exercise one of these powers, each of them is taken to have the power.

There are various exceptions to the prohibition in Section 606, including under Section 611 Item 7 of the Corporations Act. Section 611 Item 7 provides an exception to the prohibition in Section 606, in circumstances where the shareholders of the company approve an acquisition of shares by virtue of an allotment or acquisition at a meeting at which no votes are cast by parties involved in the proposed acquisition, including their associates.

Pursuant to the terms of the AGI Purchase Agreement, the Company has agreed (subject to shareholders approval) to allot and issue a total of 50,000,000 shares and 12 Notes to RASL and/or its nominees.

Shareholder approval under Item 7 of Section 611 of the Corporations Act is required for the issue of the Acquisition Shares (50,000,000 Shares) to RASL because RASL will acquire a relevant interest in those Shares, which will be in excess of 20% of the issued capital of the Company. On the assumption that there are no other changes to KBRL's capital structure other than the allotment and issue of the Delta Capital Shares, the relevant interest represents 31% of all ordinary shares on issue.

The Notes carry no voting rights until conversion into ordinary shares and accordingly section 606 does not apply to their issue. However, on conversion of all of the Notes by RASL and/or its nominees, RASL will acquire a relevant interest in all of the ordinary shares issued on conversion. On the assumption that there are no other changes to KBRL's capital structure other than the allotment and issue of the Acquisition Shares and the Delta Capital Shares, the relevant interest increases to 42% of all ordinary shares on issue.

Accordingly, Resolution 1 is being proposed to ensure that, among other things, RASL and/or its nominees do not contravene section 606 of the Corporations Act by being issued with the Acquisition Shares nor ordinary shares on conversion of some or all of the Notes (assuming it has not acquired other ordinary shares or made other acquisitions to which the approval does not relate).

The following information is required to be provided to shareholders under ASIC Policy Statement 74. Shareholders are also referred to the Independent Expert's Report prepared by BDO Consultants (WA) Pty Ltd which forms part of this Explanatory Memorandum.

For the purposes of Item 7 of Section 611 of the Corporations Act and Policy Statement 74, the following information is disclosed:

- i. The identity of the acquirer is RASL AU LLC and/or its nominees. RASL is a Baltimore US based investment company.
- ii. RASL currently directly holds no Shares or Options or other securities in the Company. If the Acquisition Shares are issued to RASL and/or its nominees, RASL will hold a relevant interest in 31% of the voting power of the Company. If, in addition to the aforementioned share issues, the Notes are converted and shares issued to RASL and/or its associates, RASL will hold a relevant interest in 42% of the voting power of the Company.
- iii. At the date of the AGI Purchase Agreement, the Company is required to appoint two persons nominated by RASL to the Board. No nominations have been received from RASL as at the date of this Notice of Meeting.
- iv. Future intentions of RASL for KBRL.

The Company understands RASL have the following intentions for the Company:

- A. There will be no change to the business of the Company. It will remain in the resource exploration and extraction industry.
 - B. Upon approval of the acquisition of AGI, the Company will commence initial field work including an infill and extensional RC program to further delineate, increase and improve the resource base with further exploration as required to the remainder of the tenement package.
 - C. At this time it is not intended to inject further capital into the Company.
 - D. The Company has two employees and engages consultants when required. At this time RASL intends to retain the current employees and consultants.
 - E. It is not the intention of RASL to change significantly the financial or dividend policies of the Company.
 - F. At present there is no proposal whereby any Company property will be transferred between the Company and RASL and/or its nominees or any associates of RASL and/or its nominees.
 - G. It is not the intention of RAL to re-deploy any fixed assets or property of the Company.
- v. KBRL will allot and issue the Acquisition Shares and Notes within 5 Business Days of the date upon which all of the conditions precedent contained within the AGI Purchase Agreement are satisfied, but in any event no later than 3 months after the date of the General Meeting. Ordinary shares will be allotted and issued upon conversion of the Notes at such times as allowed under the Convertible Note Deed as described in section (e) above.
 - vi. Ordinary shares will be allotted and issued upon conversion of the Notes at such times as allowed under the Convertible Note Deed, that is between 12 and 36 months after settlement of the AGI Purchase Agreement as explained in more detail in section (c) of this Explanatory Memorandum
 - vii. The Directors of the Company have no interest in the outcome of the proposed issue of Shares or Notes to RASL.
 - viii. The Directors of the Company have commissioned BDO Consultants (WA) Pty Ltd to prepare a report on the question of whether the proposal the subject of Resolution 1 is fair and reasonable to shareholders not associated with RASL and/or its nominees or any

associates of RASL and/or its nominees. This report is attached to this Explanatory Memorandum and Shareholders are urged to read this Independent Expert's Report which concludes that such proposal is fair and reasonable to the shareholders of the Company that are not associated with RASL and/or its nominees or any associates of RASL and/or its nominees

- ix. The Directors intend to vote and cause their associates to vote in favour of Resolution 1.
- x. No votes can be cast on Resolution 1 by RASL nor Delta Capital Pty Ltd or their associates.

(j) Effect of the Acquisition on the Capital Structure of the Company and the Voting Interest of RASL

	No. of Shares	RASL's Relevant Interest (%)
Shares on issue as at the date of this Explanatory Memorandum*	107,291,388	
Issue and allotment of Delta Capital Shares	1,500,000	
Issue and allotment of Acquisition Shares	50,000,000	31
Total	158,791,388	
Issue and allotment pursuant to conversion of Convertible Notes	30,000,000	42
Total	188,791,388	

On a fully diluted basis whereby 100% of the options granted by the Company are exercised and fully paid ordinary shares are issued and allotted pursuant to the exercise of the options:

	No. of Shares	RASL's Relevant Interest (%)
Shares on issue as at the date of this Explanatory Memorandum*	107,291,388	
Issue and allotment pursuant to the exercise of 100% of the options granted by the Company	60,955,472	
Issue and allotment of Delta Capital Shares	1,500,000	
Issue and allotment of Acquisition Shares	50,000,000	23
Total	219,746,860	
Issue and allotment pursuant to conversion of Convertible Notes	30,000,000	32
Total	249,746,860	

* Includes shares issued and allotted pursuant to the Placement and Entitlements Issue.

Independent Expert's Report

Additional information relevant to the proposed acquisition is contained in the Independent Expert's Report attached as Schedule 1 to the Explanatory Memorandum.

Conclusion and Directors' Recommendations

All the current Directors are considered independent for the purposes of Resolution 1 as they do not have any personal interest in the outcome of that resolution. They have the same interest as other non-associated shareholders in the Company to the extent that they, or companies associated with them, hold shares in the Company.

The Directors are unanimously of the opinion that the proposed transaction is in the best interests of the Company and its shareholders and accordingly recommend that shareholders vote in favour of Resolution 1.

The Directors' unanimously recommendation that Shareholders vote in favour of Resolution 1 is based on the following reasons:

- i. As announced to ASX on 8 December 2006, gold projects with the potential to develop a JORC standard resource of more than 1 million ounces are very rare anywhere in the world so to be in a position to acquire one in the Goldfields of Western Australia is extremely rare. The Directors see the acquisition adding tremendous shareholder value in the coming 12 months as the Company carries out drilling programs and database review to elevate the resource size, drill the obvious extensions to the mineralisation and explore the other tenements. At the conclusion of this the Directors expect to be in a position then to carry out a scoping study on the development of the Project.
- ii. The acquisition compliments the Company's existing tenement holdings in the Goldfields region of Western Australia.
- iii. The Independent Expert has concluded that the transaction is fair and reasonable to the shareholders not associated with RASL and/or its nominees or any associates of RASL and/or its nominees.

GLOSSARY

In the Notice of Meeting and Explanatory Memorandum, the following terms have the following meanings unless the context otherwise requires:

ACN	Australian Company Number.
AGI	Australian Gold Investments Pty Ltd (ACN 089 489 645).
AGI Purchase Agreement	The agreement dated 7 December 2006 between the Company and RASL for the acquisition by the Company of AGI, the owner of the Norseman Project and described more detail in section (c) of this Explanatory Memorandum.
Acquisition Shares	The 50,000,000 Shares proposed to be issued to RASL under the AGI Purchase Agreement.
AGI SSA	The conditional share sale and purchase agreement with various vendors of AGI shares, whereby RASL has agreed to purchase 64.5% (64,500,000 fully paid ordinary shares) of the issued share capital in AGI, being the balance of the entire issued share capital of AGI.
AGI Trust Deed	The agreement dated 4 December 2006 between the Company and RASL, whereby RASL is to hold the shares it legally acquires under the AGI SSA and all distributions, profits and benefits accrued in respect of these shares on trust for the Company and described in more detail in section (d) of this Explanatory Memorandum.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Stock Exchange Limited (ACN 008 624 691).
ASX Listing Rules or Listing Rules	The Listing Rules of ASX which are applicable while the entity is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.
Board	The board of Directors.
Business Day	The same meaning as that expressed in the ASX Listing Rules.
Company or KBRL	Kalgoorlie-Boulder Resources Ltd (ACN 106 732 487).
Consideration Shares	The 48,500,000 Shares proposed to be issued to RASL under the AGI Purchase Agreement and which form part of the Acquisition Shares.
Constitution	The constitution of the Company.
Convertible Note Deed	The convertible note deed, dated 7 December 2006, entered into by the Company and RASL, pursuant to which the Company agreed to create and issue the convertible notes to RASL as partial consideration for the benefits received under the AGI Purchase Agreement between the companies as described more detail in section (e) of this Explanatory Memorandum.
Convertible Notes	The 12 convertible notes to be created and issued under the Convertible Note Deed, each with a face value of \$250,000 and convertible into 2,500,000 fully paid ordinary shares in the Company.
Corporations Act	The Corporations Act 2001 (Commonwealth).

Delta Capital Shares	The 1,500,000 Shares proposed to be issued to Delta Capital Pty Ltd under the AGI Purchase Agreement.
Directors	The current Directors of KBRL, as the context requires.
Dollar or \$	Australian dollars unless otherwise stated.
Entitlements Issue	The entitlements issue pursuant to the prospectus lodged with ASIC on 13 December 2006.
Explanatory Memorandum	This explanatory memorandum which accompanies and forms part of the Notice of Meeting.
Independent Expert	BDO Consultants (WA) Pty Ltd
Independent Expert's Report	The Report dated 2 February 2007 by BDO Consultants (WA) Pty Ltd which is annexed to this Explanatory Memorandum.
Meeting	The meeting convened in accordance with this Notice.
Norseman Project	The mineral development and exploration project referred to in the Company's announcement to the ASX dated 8 December 2006.
Notes	The same meaning as that expressed in Convertible Notes above.
Notice	The notice convening the Meeting which accompanies this Explanatory Memorandum.
Official List	The Official List of the ASX.
Option(s)	An option to acquire a Share.
Placement	The placement of 10,000,000 Shares referred to in the Company's announcement to the ASX dated 8 January 2007.
Promisory Note	A Promisory Note dated 1 August 2005 as extended under which AGI owes RASL \$3,000,000.
Quotation	The same meaning as that expressed in the ASX Listing Rules above.
RASL	RASL AU LLC of 7061 Columbia Gateway Drive, Columbia, Maryland 2106, United States of America.
Resolution	Resolution in the Notice of Meeting.
Share(s)	Ordinary fully paid share(s) in the capital of KBRL.
Shareholder	The registered holder of a Share.
WDST	Western Daylight Savings Time, Perth, Western Australia.

PROXY FORM

The Company Secretary
Kalgoorlie-Boulder Resources Ltd
PO Box 312, Northbridge, WA, 6865

Facsimile No: 08 9228 8685

I/We

of

being a holder of shares in the capital of Kalgoorlie-Boulder Resources Ltd hereby appoint

.....

of

or failing him, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the General Meeting of the Company to be held on 6 March 2007 and at any adjournment thereof, in the manner indicated below, or in the absence of indication as he or she thinks fit.

A Statement of the Chairman's voting intentions in relation to undirected proxies.

*If you do **not** wish to direct your proxy how to vote, please place a mark in the box.*

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

☐

The Chairman intends to vote for the Resolutions.

ORDINARY BUSINESS

1. **Approval of Issue of Shares and Notes to RASL and Shares to Delta Capital Pty Ltd *inter alia***

FOR

☐

AGAINST

☐

ABSTAIN

☐

(Shareholders to indicate by a tick in the box above how a proxy holder is to vote in respect of the above resolutions).

Signed by the said member this day of 2007

If the shareholder is an individual or joint holder:

Signature:

Signature:

If the shareholder is a company:

Affix common seal (if required by Constitution)

.....
Director/Sole Director and Secretary

.....
Director/Secretary

Attendance and Voting Eligibility

For the purposes of the meeting, securities will be taken to be held by the persons who are registered holders at 7am on Monday, 5 March 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Proxies

A member of the Company entitled to attend and vote at the meeting shall be entitled to appoint not more than two other persons (whether members of the Company or not) as the member's proxy or proxies, to attend and vote on the member's behalf. Where two proxies are appointed the appointments shall be of no effect unless each proxy is appointed to represent a specified proportion of the member's voting rights. Forms of proxy must be deposited at the registered office of the Company in Perth not less than forty-eight (48) hours before the time appointed for the holding of the meeting.

SCHEDULE 1

EXPERT'S REPORT OF BDO CONSULTANTS (WA) PTY LTD

**FINANCIAL SERVICES GUIDE
AND
INDEPENDENT EXPERT'S
REPORT**

**KALGOORLIE-BOULDER
RESOURCES LIMITED**

2 February 2007



Consultants (WA) Pty Ltd
ABN 92 008 864 435



BDO Consultants (WA) Pty Ltd

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PO Box 7426 Cloisters Square Perth WA 6850
Tel: (61-8) 9360 4200
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Financial Services Guide

2 February 2007

BDO Consultants (WA) Pty Ltd ABN 92 008 864 435 ("**BDO Consultants**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged by Kalgoorlie-Boulder Resources Limited ("**KBRL**") to provide an independent expert's report on the Proposal to acquire 100% of the shares in Australian Gold Investments Pty Ltd.

You will be provided with a copy of our report as a retail client because you are a shareholder of KBRL.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our **Australian Financial Services Licence, Licence No. 246328**;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Consultants (WA) Pty Ltd is ultimately owned by the Perth partnership of BDO. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services. Our Directors are partners in the Perth partnership of BDO.

The Perth partnership of BDO is a member firm of BDO in Australia, a national association of separate partnerships and entities. The financial product advice in our report is provided by BDO Consultants (WA) Pty Ltd and not by the Perth partnership of BDO or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and the Perth partnership of BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice to retail and wholesale clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues in relation to:

- ◆ derivatives limited to old law securities options contracts and warrants;
- ◆ debentures, stocks or bonds issued or proposed to be issued by a government;
- ◆ interests in managed investments schemes (excluding investor directed portfolio services);
- ◆ securities; and
- ◆ superannuation.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, Commissions and Other Benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee for this engagement is \$15,000.

Except for the fees referred to above, neither BDO Consultants, nor any of its Directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

We have received a fee from Kalgoorlie-Boulder Resources Limited for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Consultants (WA) Pty Ltd, PO Box 7426 Cloisters Square, Perth WA 6850.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Industry Complaints Service Limited ("**FICS**"). FICS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FICS will be able to advise you as to whether or not they can be of assistance in this matter. Our FICS Membership Number is F-3820.

Further details about FICS are available at the FICS website www.fics.asn.au or by contacting them directly via the details set out below.

Financial Industry Complaints Services Limited
PO Box 579
Collins Street West
Melbourne VIC 8007
Toll free: 1300 78 08 08
Facsimile: (03) 9621 2291

Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

KALGOORLIE-BOULDER RESOURCES LIMITED

INDEPENDENT EXPERT'S REPORT

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BDO Consultants (WA) Pty Ltd

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AFS Licence Number 246328
Email: bdo@bdowa.com.au
www.bdo.com.au

Our ref: SA/SK/7949

2 February 2007

The Directors
Kalgoorlie-Boulder Resources Limited
45 Lake Street
NORTHBRIDGE WA 6003

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1. INTRODUCTION

BDO Consultants (WA) Pty Ltd ("**BDO**") has been engaged by Kalgoorlie-Boulder Resources Limited ("**KBRL**" or "**the Company**") to prepare an Independent Expert's Report ("**our Report**") to express an opinion as to whether or not the Proposal to purchase 100% of the shares in Australian Gold Investments Pty Ltd ("**AGI**"), ("**the Proposal**"), is fair and reasonable to non-associated shareholders ("**Shareholders**") of KBRL. Our Report is to be included in the Explanatory Memorandum for KBRL to be sent to all Shareholders to assist them in deciding whether to accept or reject the Proposal.

2. SUMMARY AND OPINION

We have considered the terms of the Proposal as outlined in the body of this report and have concluded that the Proposal is fair and reasonable to Shareholders.

2.1 Fairness

In section 8 we determined the value of a KBRL share before the Proposal and in section 11 we determined the value of a KBRL share if the Proposal is approved, as detailed below:

	Ref	Low \$	High \$
Value of a KBRL share pre Proposal	8.3	0.144	0.154
Value of a KBRL share post Proposal and Placement	11.2	0.186	0.354
Value of a KBRL share after completion of the Placement and conversion of the Convertible Notes	11.2	0.172	0.341

The above pricing indicates that the Proposal is fair for Shareholders.

2.2 Reasonableness

We have considered the analysis in Section 14 of this report in terms of the advantages and disadvantages of the Proposal.

In our opinion, the position of Shareholders if the Proposal proceeds is more advantageous than the position if the Proposal does not proceed. Accordingly, we believe that the Proposal is reasonable for Shareholders. The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1.1	The Proposal is fair	14.2.2	Controlling interest held by RASL
14.1.2	Diversification of the Company's exploration asset portfolio	14.2.1	Dilution of control over the Company of existing shareholders
14.1.3	Participation in the Norseman Project	14.2.3	Composition of the board of directors
14.1.4	Potential achievement of "Critical Mass"	14.2.4	Effect on liquidity

3. DETAILS OF THE PROPOSAL

3.1 The Proposal

The Proposal is contained in Resolution 1 of the Notice of Meeting, as detailed below:

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.1 and Section 611 Item 7 of the Corporations Act and all other purposes Shareholders agree to, authorise and approve:

- a) *the acquisition by the Company of 100% of the issued shares of Australian Gold Investments Pty Ltd ('AGI') and the endorsement in favour of KBRL of a \$3,000,000 Promissory Note owed by AGI to RASL AU LLC ('RASL') in consideration for the issue to RASL and/or its nominees of a total of 50,000,000 ordinary fully paid shares in the Company ('Acquisition Shares') and 12 convertible notes convertible into 30,000,000 fully paid shares in the Company with a total face value of \$3,000,000 ('Convertible Notes') together with a cash payment of up to \$2,650,000 pursuant to agreements (as described in the Explanatory Memorandum accompanying this Notice of Meeting) the Company has entered into and the performance by the Company of its obligations under those agreements and ratify the execution of those agreements by the Company;*
- b) *the Company allotting and issuing to RASL and/or its nominees the Acquisition Shares;*
- c) *the acquisition by RASL and/or its nominees, by way of allotment, of the Acquisition Shares;*
- d) *the Company allotting and issuing to RASL and/or its nominees the Convertible Notes;*
- e) *the acquisition by RASL and/or its nominees, by way of allotment, of the Convertible Notes;*
- f) *the Company allotting and issuing to RASL and/or its nominees up to 30,000,000 fully paid ordinary pursuant to conversion of the Convertible Notes;*

- g) *the acquisition by RASL and/or its nominees of up to 30,000,000 fully paid ordinary shares in the Company pursuant to conversion of the Convertible Notes; and*
- h) *the Company allotting and issuing to Delta Capital Pty Ltd 1,500,000 fully paid ordinary shares in the capital of the Company,*

in each case for the purposes, on the terms and conditions and in the manner more particularly described in the Explanatory Memorandum accompanying this Notice of Meeting."

Acquisition Shares are defined in the Notice of Meeting as being ordinary fully paid shares in the Company.

3.2 The Proposal Background

By a share sale agreement dated 7 December 2006 between the Company and RASL, the Company agreed to purchase 35.5% of the issued share capital (35,500,000 shares) of AGI, which is the owner of the mining tenements that comprise the Norseman Project.

Under a conditional share sale and purchase agreement with various vendors of AGI shares, RASL has agreed to purchase the remaining 64.5% (64,500,000 shares) of the issued share capital of AGI ("**the AGI SSA**"). RASL will hold the remaining 64.5% interest as bare trustee for the Company under the terms of the AGI Trust Deed. Subject to the satisfaction of the conditions precedent of the AGI SSA, within 90 days of execution or such further period as the parties agree in writing:

- (a) The Company agrees to ensure RASL meets all of its payment obligations under the AGI SSA insofar as they relate to the acquisition of the remaining interest in AGI, amounting to 64.5% of the issued share capital of AGI.
- (b) RASL agrees to endorse in the Company's favour a Promissory Note dated 1 August 2005 as extended, under which AGI owes RASL \$3 million, and to transfer and assign to the Company its rights, title and interest in, and obligations under, each security given to RASL as security for the Promissory Note.

For the purpose of the valuation components of this report, we have assumed that these agreements are duly reached and executed immediately following the approval of the proposal.

3.3 Capital Structuring Events

The Company is in the process of implementing a Reorganisation of Capital ("**RoC**"), which will be agreed by members on 19 December 2006 at the discretion of the directors. Should the directors decide to proceed with the capital reduction they have announced their intention to satisfy the payment to shareholders by way of an in specie distribution of shares in Burey Gold Limited ("**BGL**"). Shareholders will receive approximately 3.5 BGL shares for every 10 shares they hold in the Company.

Options will be similarly reconstructed. The exercise price of the quoted options will be reduced, the exact amount will be determined in the in specie distribution proceeds.

The Company has also undertaken a 1 for 1 Rights Issue ("**the Rights Issue**"). The Rights Issue was a non renounceable entitlement issue to shareholders under which 48,645,694 new shares and 24,322,847 new options were issued, on the basis of one new share for every share held at 5pm WDSF on the record date of 27 December 2006, at an issue price of 10 cents per share, together with one free attaching new option for every two new shares subscribed for. These new options are exercisable at 20 cents on or before 31 July 2008. The company entered into agreements with Montagu Corporate Pty Ltd, ACNS Capital Markets Pty Ltd and Chase Capital

Partners Pty Ltd to place any shortfall. A total of 29,156,898 shares were placed under these agreements.

On 8 January 2007 the Company issued 10 million ordinary shares and 10 million listed options to provide funds to meet costs associated with assessing new projects and business opportunities as well as to meet corporate overheads. This placement ("**the Placement**") was approved by Company shareholders at the annual general meeting on 29 November 2006.

The structure of the AGI SSA is such that further conditional consideration is payable to RASL upon the milestones outlined below:

- ◆ \$500,000 upon finance being approved on terms satisfactory to the Company following the successful completion of a bankable feasibility study of the Norseman Project; and
- ◆ \$1,000,000 within 180 days of gold first being commercially produced from the Norseman Project.

For the purposes of this report, the effect of the RoC and Rights Issue have been included in the valuation of the Company prior to the approval of the Proposal.

3.4 Capital Structure

The table below shows the capital structure of KBRL immediately prior to the Proposal and immediately after the Proposal is approved. For the purposes of our report the effect of the Rights Issue and the Placement have been included in the pre proposal share structure.

The table below assumes the convertible notes are not converted to shares.

Number of Shares	Pre Proposal Share Structure		Post Proposal Share Structure	
	Number	%	Number	%
RASL	-	-	50,000,000	31.49%
Non Associated Shareholders	107,291,388	100%	108,791,388	68.51%
Total	107,291,388	100%	158,791,388	100%

The table below assumes that the convertible notes are converted to shares in full to show the full dilutionary effect of the transaction.

Number of Shares	Pre Proposal Share Structure		Post Proposal and Conversion Share Structure	
	Number	%	Number	%
RASL	-	-	80,000,000	42.37%
Non Associated Shareholders	107,291,388	100%	108,791,388	57.63%
Total	107,291,388	100%	188,791,388	100%

The pre Proposal share structure includes the shares issued pursuant to the Rights Issue which was finalised on 17 January 2007, which resulted in the issue of 48,645,694 ordinary shares and the issue of 10 million shares under the 8 January 2007 Placement.

4. REPORT REQUIREMENTS

- 4.1** AGI does not currently hold any shares in KBRL however following the approval of the Proposal AGI will hold a minimum of approximately 31.5% of KBRL's issued ordinary shares. Section 606 of the Corporations Act ("**the Act**") expressly prohibits a transaction which causes a person's voting power in a company to increase from 20% or below to more than 20%.
- 4.2** Section 611 permits an exception to the prohibition contained in Section 606 if shareholders of that entity have agreed to the issue of the shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.
- 4.3** Policy Statement 74 issued by the Australian Securities and Investments Commission ("**ASIC**") deals with "Acquisitions Agreed to by Shareholders". It states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of KBRL, by either:
- ◆ undertaking a detailed examination of the Proposal themselves, if they consider that they have sufficient expertise; or
 - ◆ by commissioning an Independent Expert's Report.

The directors of KBRL have commissioned this Independent Expert's Report to satisfy this obligation.

5. BASIS OF EVALUATION

5.1 Regulatory Guidelines

In determining whether the Proposal is fair and reasonable, we have had regard to the views expressed by the ASIC in their Policy Statements 74 and 75. These Policy Statements suggest that an opinion as to whether transactions are fair and reasonable should entail consideration of all the circumstances of the Proposal.

Such consideration includes a comparison of the likely advantages and disadvantages for Shareholders if the Proposal is accepted, with the advantages and disadvantages to those Shareholders if it is not.

5.2 Adopted Basis of Evaluation

Having regard to both Policy Statements above, BDO has completed this comparison in two parts:

- ◆ A comparison between the value of a KBRL share immediately before and after the approval of the Proposal. (fairness – see Section 12 "Is the Proposal Fair?"); and
- ◆ An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Proposal, after reference to the value derived above (reasonableness – see Section 14 "Is the Proposal Reasonable?").

The Proposal could be considered "reasonable" if there are valid reasons to approve the Proposal, notwithstanding that it may not be regarded as "fair" to Shareholders.

6. BACKGROUND OF KALGOORLIE-BOULDER RESOURCES LIMITED

6.1 History & Background

KBRL is a Western Australian based exploration company with strategic holdings in environments that are geologically-prospective for gold and base metals, uranium and oil and gas. KBRL's projects are mainly located in the Kalgoorlie region for gold and base metals, the Gascoyne region of Western Australia and South Australia for uranium and Oklahoma, USA for oil and gas.

The company has taken advantage of strategic opportunities in acquiring a portfolio of assets, with exposure to energy as well as precious and base metals. The Company intends to maintain its focus on realising the value of these assets in the best interest of the shareholders of the Company. In summary KBRL has the following interests which provide exposure to a range of opportunities:

- ◆ 69,600 ounce gold resource (Indicated and Inferred Mineral Resource of 333,000 tonnes at 6.5g/t) at Jackpot with near term development potential located within 10 kilometres of an operating processing plant and a further 4 projects prospective for gold and base metals within a 75 kilometre radius from Kalgoorlie.
- ◆ Oil and gas leases covering 640 acres in Oklahoma with near term production potential, and exposure to the Caney and Woodford shale gas play.
- ◆ The Company granted an exclusive option to Burey Gold Limited to purchase the Company's rights, title and interest in uranium assets. Burey Gold Limited paid the company an option fee of \$500,000 to KBRL and will pay another further \$50,000 and issue 17,200,000 ordinary fully paid shares. The Directors of KBRL intend to distribute these shares to KBRL shareholders by way of an in-specie distribution.

6.2 Capital Structure - Shares

The capital structure of KBRL as at 18 December 2006 was as follows:

Ordinary Shares	18 December 2006
Total Ordinary Shares on Issue	48,645,694
Top Twenty Shareholders – Ordinary Shares	14,797,852
Top Twenty Shareholders – % of Ordinary Shares on Issue	30.42%

Source: KBRL 2006 Annual Report, Appendix 3B's

The spread of KBRL shareholders as at 18 December 2006 was as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares
1-1,000	19	3,886
1,001-5,000	81	313,197
5,001-10,000	125	1,109,469
10,001-100,000	459	19,110,103
100,001 – and over	95	28,109,039
TOTAL	779	48,645,694

The current number of Shares held by the most substantial shareholders is detailed below:

Shareholder	Ordinary Shares	% Shares Held
Royce William Allen	5,000,000	10.278
Garry and Judith Frere	1,141,681	2.347
Julian Grill	1,125,133	2.313
Trevor Matthews	1,001,682	2.059
Baumann & Cie	800,000	1.645
Chad Everitt	625,134	1.285
Mark Sampson	625,133	1.285
Peplon Nominees	501,681	1.031
Golden Words Pty Ltd	500,000	1.028
Lundy Holdings Pty Ltd	500,000	1.028
Shaun Bunn & Associates	493,348	1.014

Source: KBRL 2006 Annual Report, KBRL Share Registry report

These shareholding figures are effective 18 December 2006 and do not include the changes associated with the Rights Issue or the Placement.

6.3 Capital Structure – Shares post Rights Issue and Placement

Note that the 29,156,898 shares placed with parties who had agreed to take up 100% of the shortfall of the Rights Issue are yet to be allotted and do not appear in the tables below.

The capital structure of KBRL as at 22 January 2007 was as follows:

Ordinary Shares	22 January 2007
Total Ordinary Shares on Issue	78,134,490
Top Twenty Shareholders – Ordinary Shares	25,109,486
Top Twenty Shareholders - % of Ordinary Shares on Issue	32.136%

Source: KBRL Share registry report.

The spread of KBRL shareholders as at 22 January 2007 was as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares
1-1,000	20	4,866
1,001-5,000	61	242,459
5,001-10,000	114	1,014,733
10,001-100,000	495	22,774,962
100,001 – and over	159	54,097,450
TOTAL	849	78,134,490

The current number of Shares held by the most substantial shareholders is detailed below:

Shareholder	Ordinary Shares	% Shares Held
Royce William Allen	5,000,000	6.399
Don Evans	3,000,000	3.840
Brazilliant Pty Ltd	3,000,000	3.840
Baumann & Cie	2,400,000	3.072
Garry and Judith Frere	2,283,362	2.922
Julian Grill	1,125,133	1.440
Henry James Adams	1,000,000	1.280
Golden Words Pty Ltd	1,000,000	1.280
Blackview Pty Ltd	920,000	1.177
Avanteos Investments Limited	800,000	1.024
JFC Corporate Services	780,000	0.998

Source: KBRL Share registry report.

6.4 Capital Structure – Options post Rights Issue and Placement

The capital structure of KBRL as at 22 January 2007 was as follows:

Note that the options placed with parties who had agreed to take up 100% of the shortfall of the Rights Issue are yet to be allotted and do not appear in the tables below.

Options	22 January 2007
Total Options on Issue	30,877,028
Top Twenty Holders – Options	15,635,464
Top Twenty Holders - % of Options on Issue	50.638%

Source: KBRL Share registry report.

The spread of KBRL option holders as at 22 January 2007 was as follows:

Range of Options Held	No. of Holders	No. of Options
1-1,000	3	3,000
1,001-5,000	68	226,981
5,001-10,000	62	528,491
10,001-100,000	261	9,327,049
100,001 – and over	49	20,791,507
TOTAL	443	30,877,028

The current number of Options held by the most substantial holders is detailed below:

Holder	Options	% Options Held
Don Evans	4,734,500	15.33
Brazilliant Pty Ltd	3,000,000	9.716
Baumann & Cie Banquiers	1,600,000	5.182
Golden Words Pty Ltd	1,000,000	3.239
Lawrence Crowe Consulting	540,200	1.750
Chaus Capital Pty Ltd	503,000	1.629

Source: KBRL Share registry report.

The listed options on issue are exercisable on or before 31 July 2008 at an exercise price of 20 cents.

6.5 Historical Income Statements

KBRL	Unaudited period ended 31 October 2006 \$	Audited Year ended 30 June 2006 \$	Audited Year ended 30 June 2005 \$
Revenue from continuing operations		45,498	31,929
Depreciation and amortisation expense		25,578	1,297
Occupancy expenses		42,750	17,087
Promotional expenses		-	11,384
Consultancy expenses		-	90,000
Finance costs		24,151	-
Equity settled transaction		90,000	-
Exploration and evaluation expenses		213,637	-
Foreign currency translation		243,828	-
Provision for diminution of amount receivable from wholly owned subsidiary		-	-
Other expenses from ordinary activities		359,439	114,828
Loss before income tax expense	(978,494)	(953,435)	(202,667)
Income tax expense	-	24,297	-
Loss for the year	(978,494)	(977,732)	(202,667)
Loss attributable to members of the parent entity	(978,494)	(977,732)	(202,667)

Source: KBRL 2006 Annual Report, Management accounts for the four months ended 31 October 2006

6.6 Historical Balance Sheets

KBRL	Unaudited As at 31 October 2006 \$	Audited As at 30 June 2006 \$	Audited As at 30 June 2005 \$
CURRENT ASSETS			
Cash and cash equivalents	(237)	887,329	2,424,449
Trade and other receivables	44,886	85,654	142,630
Other current assets	121,881	122,262	7,844
TOTAL CURRENT ASSETS	166,530	1,095,245	2,574,923
NON-CURRENT ASSETS			
Trade and other receivables	-	-	-
Exploration and evaluation asset	7,180,764	7,389,395	2,344,480
Plant and equipment	47,872	56,734	62,887
Financial assets	-	15,001	11,000
TOTAL NON-CURRENT ASSETS	7,228,636	7,461,129	2,418,367
TOTAL ASSETS	7,395,166	8,556,374	4,993,290
CURRENT LIABILITIES			
Trade and other payables	1,159,380	2,332,140	154,460
Interest bearing liabilities	750,000	750,000	-
Provision	47,326	47,000	-
TOTAL CURRENT LIABILITIES	1,956,706	3,129,140	154,460
NON CURRENT LIABILITIES			
Deferred tax liabilities	24,297	24,297	-
TOTAL NON CURRENT LIABILITIES	24,297	24,297	-
TOTAL LIABILITIES	1,981,003	3,153,437	154,460
NET ASSETS	5,414,163	5,402,937	4,838,830
EQUITY			
Issued capital	6,492,843	5,497,843	4,295,629
Reserves	1,085,625	1,090,905	751,280
Accumulated losses	(2,164,305)	(1,185,811)	(208,079)
TOTAL EQUITY	5,414,163	5,402,937	4,838,830

Source: KBRL 2006 Annual Report, Management accounts for the four months ended 31 October 2006

7. VALUATION METHODOLOGIES

7.1 Methodologies commonly used for valuing assets and businesses are as follows:

7.1.1 Capitalisation of future maintainable earnings ("FME")

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("**EBIT**") or earnings before interest, tax, depreciation and amortisation ("**EBITDA**"). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

7.1.2 Discounted future cash flows ("DCF")

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, that are experiencing growth, in a start up phase, or experiencing irregular cash flows.

7.1.3 Net asset value

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- ◆ Orderly realisation of assets method
- ◆ Liquidation of assets method
- ◆ Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when entities are not profitable, a significant proportion of the entity's assets are liquid or for asset holding companies.

7.1.4 Quoted Market Price Basis

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a "deep" market in that security.

7.2 Valuation methods adopted to value KBRL

As KBRL is an ASX listed company the Quoted Market Price Basis is a possible approach. This measure will represent the market's view of the value of KBRL. The market value will likely differ somewhat from the net asset value of the company, due to the observable difference between the market perception of the exploration assets of the Company and their book value.

We therefore consider the Quoted Market Price Basis to be the primary appropriate valuation methodology to value the company prior to the Proposal.

The Net Assets on a Going Concern Basis is also a possible approach in valuing KBRL. We have utilised this methodology, as a secondary valuation method to value the Company prior to the Proposal and a primary method to value the revised structure of KBRL post Proposal.

An independent geologists' report has been obtained from RSG Global to provide a value for the Norseman Project to enable a post Proposal transaction value to be calculated.

A summary of this report is included at Appendix Two, the full report is available on request from the Company.

8. VALUATION OF KBRL PRE PROPOSAL

8.1 Net Assets on a Going Concern Basis Valuation of KBRL

The value of the net assets of KBRL on a going concern basis has been reflected below.

Item	Ref:	Unaudited As at 31 October 2006 \$	Realisable value \$
Assets			
Cash and cash equivalents		(237)	5,864,331
Trade and other receivables		44,886	44,886
Exploration and evaluation asset		7,180,764	7,180,764
Plant and equipment		47,872	47,872
Other current assets		121,881	121,881
Total assets		7,395,16	13,259,735
Liabilities			
Trade and other payables		1,159,380	1,159,380
Interest bearing liabilities		750,000	750,000
Current tax liabilities		24,297	24,297
Deferred tax liabilities		47,326	47,326
Total liabilities		1,981,003	1,981,003
Net value of KBRL		5,414,163	11,278,732
Ordinary share on issue			107,291,388
Value per share (\$)			0.10512

We do not consider it necessary to adjust the values of any of the items in the KBRL balance sheet for the purpose of our valuation as their realisable value is accurately represented by the carrying value.

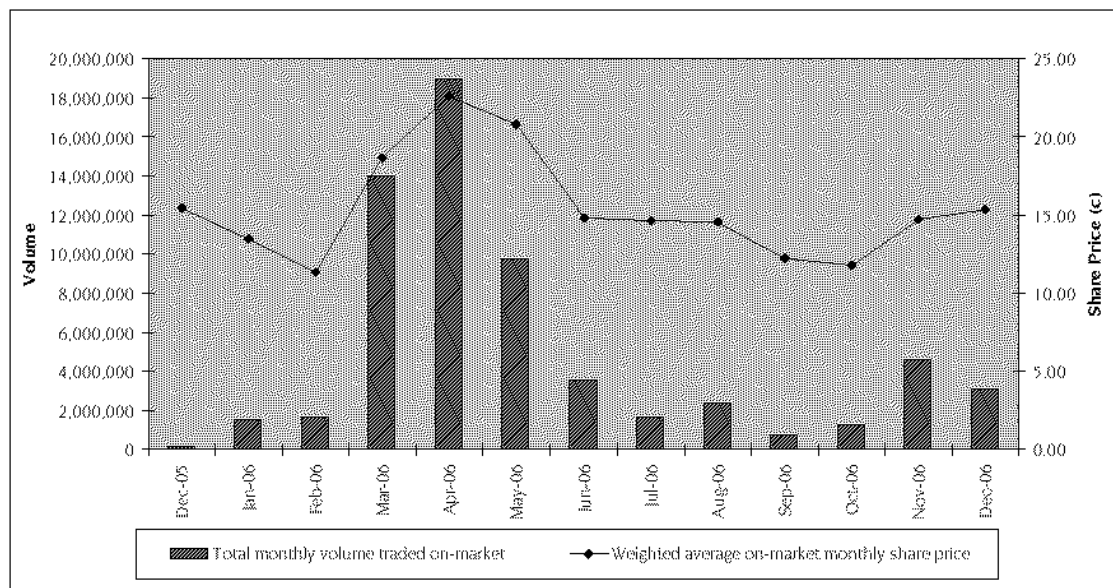
The exception to this is the change in the level of cash from the accounts as at 31 October 2006 to the realisable value pre Proposal. We have included the effect of the Rights Issue on this valuation, being the issue of 48,645,694 ordinary shares (and free attaching options) at \$0.10 to raise \$4,864,569. We have also included the effect of the placement being the issue of 10 million ordinary shares at \$0.10 each to raise \$1 million.

We have not obtained an independent specialist valuation of KBRL's existing exploration and evaluation assets as these assets will continue to be owned by the Company post Proposal and their value will not alter as a direct resolution of the Proposal.

Therefore our assessment is that the net value of KBRL is \$11,278,732. Prior to the Proposal, KBRL has (effectively) 107,291,388 ordinary shares on issue (of which 11,815,044 are in escrow until 20 April 2007), giving a value per share of 10.51 cents on a net assets on a going concern basis.

8.2 Quoted Market Prices for KBRL Securities

We have also assessed the value of KBRL based on the market prices for a KBRL share. The following chart provides a summary of the share price movement over the year to 15 December 2006, which was immediately before the Proposal was announced to the market.



Source: ASX

The daily price of KBRL shares from 16 December 2005 to 15 December 2006 has ranged from a high of \$0.265 on 2 May 2006 to a low of \$0.095 on 10 October 2005. To provide further analysis of the market prices for KBRL shares, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 15 December 2005.

KBRL per share	15 December 2006	10 Days	30 Days	60 Days	90 Days
	\$	\$	\$	\$	\$
Closing Price	0.150				
Weighted Average		0.154	0.151	0.146	0.144

An analysis of the volume of trading in KBRL shares prior to 15 December 2005 is set out below:

Prior to 15 December 2006	Share price (low)	Share price (high)	Cumulative volume traded	As a % of issued capital
	\$	\$		
1 day	0.145	0.165	1,074,000	1.10%
1 week	0.145	0.165	2,548,670	2.62%
1 month	0.130	0.165	4,241,882	4.36%
3 months	0.120	0.170	6,640,949	6.83%
6 months	0.095	0.170	15,381,811	15.81%
12 months	0.095	0.265	63,380,245	65.14%

Our assessment is that a range of values for KBRL shares based on market pricing is between \$0.144 and \$0.154.

8.3 Assessment of KBRL Value Pre Proposal

The following table summarises our assessment of the value of KBRL shares prior to approval of the Proposal:

	Ref.	Low Value \$ per share	High Value \$ per share
Net assets on a going concern basis	8.1	0.1051	0.1051
Quoted market price basis	8.2	0.144	0.154

We have preferred the market price valuation of KBRL as it is a relatively frequently traded, or liquid stock and the market value incorporates the perceived value of the KBRL exploration assets. Therefore prior to the completion of the Proposal, we consider the value of a KBRL share to be between \$0.144 and \$0.154.

We have not attributed a value to the Burey distribution rights as this only applies to those who held shares in the Company prior to the Rights Issue and Placement and the Burey distribution does not impact on our assessment of the value of Shareholders' interests for the purpose of this report.

9. INDEPENDENT VALUATION OF THE MINERAL ASSETS OF AGI

RSG Global ("RSG") has prepared an Independent Specialist Valuation of the Mineral Assets of Australian Gold Investments Pty Ltd. We have relied upon their valuation, as summarised below and included it as Appendix 2 to this report.

9.1 Background of the Exploration Assets of AGI

The mineral assets of AGI include the following projects:

- ◆ Norseman Global Resources
- ◆ Norseman Exploration Potential

9.2 Independent Valuation of the Exploration Assets of AGI

RSG arrived at the following valuation of the projects.

Asset	AGI Interest %	Min \$m	Max \$m	Preferred \$m
Norseman Global Resources	100%	20.28	45.62	25.38
Norseman Exploration Potential	100%	2.84	4.26	3.79
		\$23.12	\$49.88	\$29.17

We have used this valuation of the Mineral Assets of AGI in our Net Assets on a Going Concern basis valuation of KBRL post Proposal, specifically the range of between \$23.12m and \$49.88m.

9.3 Technical Valuation methodology

The VALMIN code, which is binding upon "Experts" and "Specialists" involved in the valuation of mineral assets and mineral securities, defines the level of assets maturity under the following categories:

- ◆ **"Exploration Areas"** refer to properties where mineralisation may or may not have been identified, but where a mineral resource has not been defined.
- ◆ **"Advanced Exploration Areas and Pre-Development Projects"** are those where Mineral Resources have been identified and their extent estimated, but where a positive development decision has not been made.
- ◆ **"Development Projects"** refers to properties which have been committed to production, but which have not been commissioned or are not operating at design levels.
- ◆ **"Operating Mines"** are those mineral properties, which have been fully commissioned and are in production.

Following this classification a suitable valuation technique has been applied, being one of:

- ◆ Discounted cash flow method;
- ◆ The In-situ or **"Yardstick"** method; or
- ◆ The multiple of exploration expenditure method.

10. VALUATION OF CONSIDERATION

10.1 Valuation of KBRL shares

Based on the value of a KBRL share we have valued the 50 million shares to be issued as part consideration under the Proposal at the pre Proposal value per share. This is further detailed in section 8.3 above, and gives a value of between \$0.144 and \$0.154 per share, which results in a total value of the cash consideration of between \$7.2 million and \$7.7 million.

10.2 Valuation of Convertible Notes

As part of the consideration to be paid under the Proposal, KBRL will issue convertible notes ("the Notes") to RASL to an aggregate amount of \$3 million. Each of the 12 Notes will have a face value of \$250,000 and a quarterly coupon payment at 8% per annum, paid in arrears. Each of the Notes will be convertible by RASL to 2.5 million ordinary shares at any time between 12 months and 36 months after Settlement (being the date of settlement of the Heads of Agreement executed on 7 December 2006 in relation to AGI).

10.2.1 Requirements of AASB 132 'Financial Instruments Presentation'

Under AASB 132 convertible notes are classified as compound financial instruments in that they have both a liability and equity component. KBRL is required to classify the liability and equity components separately in its financial statements.

AASB 139 'Financial Instruments: Recognition and Measurement' deals with the measurement of financial assets and liabilities. Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of a compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount first determined for the liability component.

10.2.2 Valuation of Financial Liability Component of the Convertible Notes

In selecting an appropriate discount rate, we have considered the implied interest rate of a number of corporate bonds which are listed on the ASX. We have excluded corporate bonds that are thinly traded. The implied interest rates of these corporate bonds are shown in the following table and have been calculated as at 23 January 2007.

Company Name	ASX Code	Market Price (\$)	Coupon (%)	Implied Interest Rate (%)
Australian Central Credit Union Limited	ACDHC	1.020	9.000	8.824
Generator #1 Trust	GNAHA	1.041	9.000	8.646
Ale Property Group	LEBHP	1.030	7.265	7.053
Timbercorp Limited	TIMHA	1.008	9.000	8.929
Timbercorp Limited	TIMHB	0.998	8.900	8.922
Timbercorp Orchard Trust	TODHA	0.977	9.000	9.212
			Mean	8.598
			Median	8.824

Source: ASX

Based on the implied interest rates calculated in the above tables, we consider an appropriate discount rate that would apply to a comparable note without a conversion option to be between 8.5% and 9.0%.

10.2.3 Present Value of the Principal

The value of the financial liability component of the converting notes using the DCF methodology and assuming the face value is paid upon redemption is as follows:

	Notes
Face Value (\$)	3,000,000
Issue Date (Valuation date)	23 January 2007
Present Value of the principal at issue date (\$) at 8.5%	2,348,514
Present Value of the principal at issue date (\$) at 9.0%	2,316,332

The liability component of the Notes attributable to the principal is between \$2,316,332 and \$2,348,514.

10.2.4 Present Value of Future Interest Payments

The present value of the future interest payments, assuming a discount rate range of between 8.50% and 9.00% is summarised below:

Interest Payments	Date	AUD\$
Quarter 1	23/04/2007	59,178
Quarter 2	23/07/2007	59,836
Quarter 3	23/10/2007	60,493
Quarter 4	23/01/2008	60,493
Quarter 5	23/04/2008	59,836
Quarter 6	23/07/2008	59,836
Quarter 7	23/10/2008	60,493
Quarter 8	23/01/2009	60,493
Quarter 9	23/04/2009	59,178
Quarter 10	23/07/2009	59,836
Quarter 11	23/10/2009	60,493
Quarter 12	23/01/2010	60,493
NPV at 8.50%		737,744
NPV at 9.00%		732,530

10.2.5 Total Liability component of the Notes

The total liability component of the Notes is the combination of the present value of the principal and the present value of the interest payments, as set out below:

	9.00%	8.50%
Present value of Principal	2,316,332	2,348,514
Present value of Interest Payments	732,530	737,744
Total Liability Component	3,048,862	3,086,259

10.2.6 Valuation of the Equity Component of the Converting Notes

The equity component of the converting notes represents the option to convert the bonds to ordinary KBRL shares on the part of the holder. It represents the residual of the fair value of the converting notes after deducting the financial liability component. Accordingly the equity component of the convertible notes is calculated as shown below:

At issue date at 8%	Value of Notes @9% \$	Value of Notes @8.5% \$
Face Value of the Principal	3,000,000	3,000,000
Total Liability Component	(3,048,862)	(3,086,259)
Equity Component	-	-

As the liability component exceeds the face value of the Notes, no value exists for the equity component of the Notes.

10.2.7 The Conversion Terms of the Notes

Conversion of the Notes during their life is to be carried out on the following terms:

- ~ RASL has the option to convert the Notes at any time between 12 and 36 months after the settlement of the Heads of Agreement executed on 7 December 2006 in relation to AGI, into fully paid ordinary shares in KBRL. The rate of conversion is one Note to 2.5 million shares.
- ~ If the Company sells substantially all of its shareholding in AGI, RASL is entitled to convert a Note into 2.5 million shares irrespective of the amount of time elapsed since the settlement of the HOA.
- ~ Provision is made for an early redemption event, in the event of which, RASL may, by giving the Company an early redemption notice redeem the Notes by repaying the face value of, and all accrued and unpaid interest on, the relevant Notes.
- ~ RASL may redeem a Note by giving the Company a Redemption Notice, requiring the Company to redeem the Note by repaying the face value of, and all accrued and unpaid interest on, the relevant Notes.

10.3 Summary of value of consideration

The table below summarises the value of the consideration to be paid for the acquisition:

	Ref	Low \$	High \$
Cash		2,650,000	2,650,000
50 million ordinary shares	10.1	7,200,000	7,700,000
Converting Notes	10.2.6	3,048,862	3,086,259
Total Consideration		12,898,862	13,436,259

The value of the assets being acquired per section 9.2 is \$23.12 million to \$49.88 million indicating that the proposal is fair; we have further evaluated the transaction to take into account the changes in share capital at section 11.2.

11. VALUATION OF KBRL POST PROPOSAL

11.1 Net Assets on a Going Concern Basis Valuation of KBRL

The value of the net assets of KBRL on a going concern basis assuming the proposal is approved has been reflected in our valuation below.

Item	Ref:	Unaudited As at 31 October 2006 \$	Realisable Value Low \$	Realisable Value High \$
Assets				
Cash and cash equivalents	11.1.1	(237)	5,864,332	5,864,332
Trade and other receivables		44,886	44,886	44,886
Exploration and evaluation asset		7,180,764	7,180,764	7,180,764
Value of 100% of AGI	11.1.2	-	23,120,000	49,880,000
Plant and equipment		47,872	47,872	47,872
Other current assets		121,881	121,881	121,881
Total assets		7,395,166	36,379,735	63,139,735
Liabilities				
Trade and other payables		1,159,380	2,992,713	2,992,713
Interest bearing liabilities		750,000	750,000	750,000
Current tax liabilities		24,297	24,297	24,297
Deferred tax liabilities		47,326	47,326	47,326
Convertible notes	10.2.5	-	3,086,259	3,048,862
Total liabilities		1,981,003	6,900,595	6,863,198
Net value of KBRL		5,414,163	29,479,140	56,276,537
Ordinary shares on issue		48,645,694	158,791,388	158,791,388
Value per share (\$)			0.186	0.354

Therefore our assessment is that the net value of KBRL immediately prior to the approval of the Proposal is between \$29.5 million and \$56.2 million. After the Proposal, KBRL will have 158,791,388 ordinary shares on issue, giving a value per share of between \$0.186 and \$0.354 on a net assets on a Going Concern basis, prior to the conversion of the notes. On the basis that the notes convert, the value is between \$32.6 million and \$59.3 million with 188,791,388 shares on issue giving a value per share of \$0.172 to \$0.314.

11.1.1 Cash

Cash has been adjusted for the Rights Issue and also for the Placement.

11.1.2 Value of 100% of AGI

The value range we have included in our post Proposal valuation is the value provided by RSC for the mineral assets of AGI, detailed further in section 9 above. We have included the low and high ends of the RSC valuation. It should be noted that the preferred value arrived at by RSC is weighted toward the low end of the valuation range, suggesting that the high end may include a "Blue Sky" component.

KBRL received the following warranties in the Heads of Agreement dated 7 December 2006 in respect of the value of the assets and liabilities of AGI (at settlement):

- ~ There are no liabilities of AGI other than the Promissory Note and under the Mining Act 1978 or as disclosed to the purchaser pursuant to the due diligence investigations or which the purchaser becomes aware of as a result of the due diligence investigations.
- ~ AGI has \$150,000 cash on its statement of financial position.
- ~ There are no liabilities in favour of any related entity (as that term is defined in the Act) of AGI or any associate (as that term is defined in the Act) of AGI or a related entity of AGI.
- ~ The inclusion of any further assets or liabilities of AGI would not affect our valuation significantly

11.1.3 Convertible notes

We have valued the Notes that will be issued to RASL under the terms of the Proposal in section 10.2 above. The effect of their conversion to ordinary shares has been calculated per section 10.3.

11.1.4 Creditors

The following events will occur at an indeterminable time after the approval of the Proposal:

- ~ The payment of \$500,000 by the Company to RASL upon finance being approved on terms satisfactory to the Company following the successful completion of a bankable feasibility study of the Norseman Project. This has been recorded as liability.
- ~ The payment of \$1,000,000 by the Company to RASL within 180 days of gold first being commercially produced from the Norseman Project. This has been recorded as liability.
- ~ The payment of \$333,000 to Delta Capital under the transaction has been included as an adjustment to creditors.

11.2 Assessment of KBRL Value after the Proposal

The following table summarises our assessment of the value of KBRL shares after approval of the Proposal:

	Ref.	Low Value \$ per share	High Value \$ per share
Net assets on a going concern basis	11.1	0.186	0.354
Net assets on a going concern basis following conversion of the convertible notes	11.1	0.172	0.314

12. IS THE PROPOSAL FAIR?

The following table summarises our assessment of the value of KBRL shares before and after the Proposed approval of the Proposal.

	Ref	Low \$	High \$
Value of a KBRL share pre Proposal	8.3	0.144	0.154
Value of a KBRL share post Proposal	11.2	0.186	0.354
Value of a KBRL share post Proposal and conversion of the Convertible Notes	11.2	0.172	0.314

As such in our opinion the Proposal is fair to Shareholders.

13. OTHER CONSIDERATIONS

13.1 Alternative Proposal

We are unaware of any alternative Proposal which would offer the non-associated shareholders of KBRL a premium over the value ascribed to that resulting from the Proposal.

13.2 Premium For Control

ASIC Policy Statement 74 requires that the expert give an opinion as to whether the proposed transaction will result in the Company receiving any premium for control. We do not consider that the Proposal will result in a premium for control being paid.

There is a premium for control being paid by AGI being the excess of the post value per share over the pre value per share

14. IS THE PROPOSAL REASONABLE?

We have considered the position of the Shareholders if the Proposal is accepted and have taken into account the following advantages and disadvantages in this assessment.

We have assessed that in all cases the advantages and disadvantages of rejecting the Proposal are the inverse of accepting the Proposal. Thus for simplicity and ease of evaluation of the Proposal, we have set out the significant factors only in the context of accepting the Proposal.

14.1 Advantages of Accepting the Proposal

14.1.1 The Proposal is fair

As shown in Section 12 we have assessed the Proposal to be fair to Shareholders. ASIC Policy Statement 75 states that "an offer is reasonable if it is fair".

The value we have arrived at for the consideration payable under the Proposal is less than the value indicated by the RSC valuation of the Exploration assets of AGI. It is evident that the acquisition will be on terms that are prospectively very favourable to the Company.

Accordingly, the acquisition represents value to the Company and its shareholders in the context that a discount is received for the purchase of the AGI assets through the AGI shares. Increasing the asset base of the Company at a discount will provide a stronger financial position for the Company which therefore provides a more valuable investment to the shareholders.

14.1.2 Diversification of the Company's asset portfolio

The assets of AGI to be acquired under the Proposal are rich in base metal mineralisation, predominantly gold, and located in the Goldfields region of Western Australia. This will represent a diversification in the nature and geography of the exploration asset portfolio.

The benefit of increased diversification is fundamentally the reduction of the risk that the Company will suffer a loss of profitability from a fall in the price of a particular commodity. The reduced risk profile will accordingly reduce the risk associated with the value of the holdings of each shareholder and hence will provide a benefit to non associated shareholders should the Proposal be approved.

14.1.3 Participation in the Norseman Project

The approval of the proposal will allow the current shareholders of the Company to participate in the benefits that may be realised from the further exploration and potential development of the Norseman Project.

The independent valuation of the Norseman Project, provided by RSC, includes significant potential upside from their preferred value, which suggests that there is significant potential to the value of the project to increase significantly with further development. Should the Proposal be approved, then the current shareholders of the Company will have the opportunity to benefit from the profits of this Project.

14.1.4 Potential achievement of "Critical Mass"

The approval of the Proposal will significantly increase the net asset value of the company, which typically exhibits a directly proportional relationship to, and is arguably very similar to, the market capitalisation of the Company.

The approval of the Proposal will therefore project the Company into a higher value segment within the listed mining company market. It is considered that this change may increase the availability of equity funding through the ASX; to increase the potential that the Company will achieve a form of "Critical Mass", being a condition wherein the size of the Company dictates to some extent the availability of and exposure to funding opportunities.

Accordingly, the increased potential of the achievement of critical mass will increase the demand for the shares of the Company which will increase the value of the holdings of non associated shareholders.

14.2 Disadvantages of Accepting the Proposal

14.2.1 Dilution of control over the Company of existing shareholders

The Proposed consideration for the shares in AGI includes a substantial holding in the shares of KBRL. 50 million shares are to be issued to RASL immediately, with a further 30 million issueable upon the conversion of the Notes.

With the issue of these shares, the existing shareholders will experience a diminishing of their current share holdings and accordingly a reduction in the control of the Company that they enjoy. This dilutionary effect is therefore a disadvantage to non associated shareholders due to the reduction in the control of the Company that they have currently.

14.2.2 Significant interest held by RASL

Our analysis suggests that RASL, a foreign owned company, would have the largest interest in the Company following the approval of the Proposal. The holding of RASL could be in up to 42.37% (section 3.4), which will enable RASL to exert a significant influence upon the future strategic decision making of the Company.

Non associated shareholders may consider it a disadvantage of the Proposal to relinquish control of the Company and a significant component of the decision making input to RASL.

14.2.3 Composition of the Board of Directors

RASL has been offered and has indicated that they will accept two board positions this will result in RASL having 40% of the directors' votes at board meetings.

14.2.4 Effect on liquidity

There may be an adverse effect on liquidity as there will following the proposal be a significant shareholder that is subject to restrictions meaning that a significant proportion of the Company's share will not be traded.

15. CONCLUSION

We have considered the terms of the Proposal as outlined in the body of this report and have concluded that the Proposal is **fair and reasonable** to shareholders. A summary of the Independent Geologists report is included at Appendix Two, a copy of the full report is available from the Company on request.

16. SOURCES OF INFORMATION

This report has been based on the following information:

- ◆ financial statements of KBRL for the financial years ended 30 June 2006 and 2005;
- ◆ management accounts of KBRL for the four months ended 31 October 2006;
- ◆ the draft Notice of Meeting and Explanatory Memorandum;
- ◆ Convertible Note Deed between KBRL and RASL dated 7 December 2006;
- ◆ Declaration of Trust between RASL and KBRL dated 4 December 2006;
- ◆ Share Sale Agreement between RASL and KBRL dated 7 December 2006;
- ◆ the Rights Issue Prospectus dated 13 December 2006;
- ◆ Discussions with Directors and Management of KBRL; and
- ◆ An independent Geologists Report dated 3 January 2007 from RSG Global
- ◆ Information available in the public domain, such as Bloomberg, brokers' reports, comparable companies' annual reports and ASX announcements.

17. INDEPENDENCE

BDO Consultants (WA) Pty Ltd is entitled to receive a fee of between \$12,000 and \$15,000 for the preparation of this report. Except for this fee, BDO Consultants (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

Prior to accepting this engagement BDO Consultants (WA) Pty Ltd considered its independence with respect to KBRL and any of their respective associates with reference to the ASIC Practice Note 42 entitled "Independence of Expert's Reports". BDO Chartered Accountants provides tax advice to the Company; however in our opinion BDO Consultants (WA) Pty Ltd is independent of KBRL and their respective associates.

BDO has provided tax advice to KBRL, other than this, neither the two signatories to this report nor BDO Consultants (WA) Pty Ltd have had within the past two years any professional relationship with KBRL, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to KBRL and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

In addition, BDO Consultants (WA) Pty Ltd has been indemnified by KBRL in respect of any claim arising from BDO Consultants (WA) Pty Ltd's reliance on information provided by the KBRL, including the non provision of material information, in relation to the preparation of this report.

18. QUALIFICATIONS

BDO Consultants (WA) Pty Ltd is wholly owned by BDO, a member of BDO International, which has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Consultants (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes, Matt Giles, Adam Myers and Steve Kite of BDO Consultants (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports and valuations.

19. DISCLAIMERS AND CONSENTS

This report has been prepared at the request of KBRL for inclusion in the Explanatory Memorandum which will be sent to all KBRL Shareholders. KBRL engaged BDO Consultants (WA) Pty Ltd to prepare an independent expert's report to consider the potential early conversion of performance shares in KBRL.

BDO Consultants (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Consultants (WA) Pty Ltd.

BDO Consultants (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

BDO Consultants (WA) Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit of KBRL. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Consultants (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CONSULTANTS (WA) PTY LTD



Sherif Andrawes
Director



Matt Giles
Director

Appendix 1 – Glossary of Terms

Reference	Definition
Acquisition Shares	The 50 million ordinary fully paid shares in KBRL to be issued to RASL
AGI	Australian Gold Investments Pty Ltd
AGI SSA	The conditional share sale agreement the vendors of AGI shares and RASL
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange
AUD	Australian Dollar
BDO	BDO Consultants (WA) Pty Ltd
BGL	Burey Gold Limited
Convertible Notes	The 12 convertible notes which are convertible into 30 million fully paid ordinary shares in the Company with a total face value of \$3 million to be issued to RASL
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FMD	Future Maintainable Dividends
FME	Future Maintainable Earnings
KBRL	Kalgoorlie-Boulder Resources Limited
Our Report	This Independent Expert's Report prepared by BDO
PPE	Property Plant & Equipment
RASL	RASL AU LLC
ROC	Reorganisation of Capital
RSG	RSG Global
Section 411	Section 411 of the Corporations Act 2001
Shareholders	Shareholders of KBRL
The Act	The Corporations Act 2001
The AGI SSA	The share sale agreement for the remaining interest being 64.5% of AGI
The Company	Kalgoorlie-Boulder Resources Limited
The Notes	The convertible notes over KBRL ordinary shares payable to RASL
The Proposal	The Proposal for KBRL to acquire 100% of the shares of AGI
USD	United States Dollar

Appendix 2 – RSG GLOBAL SUMMARY REPORT



Summary of Independent Technical Review of the Norseman Project

Prepared by RSG Global Consulting Pty Ltd on behalf of:
Kalgoorlie Boulder Resources Ltd

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Independent Technical Review of the Norseman Project

Prepared by RSG Global Consulting Pty Ltd on behalf of:
Kalgoorlie Boulder Resources Ltd

Author(s): Richard Hyde Senior Consultant - Audits (BSc MAusIMM)

Date: 3 January 2007

Job Number: PNOR19

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EXECUTIVE SUMMARY

The Norseman Project is located in the Norseman region of the Goldfields of Western Australia. Access to the area is excellent from Perth via the Great Eastern Highway to Kalgoorlie (600Km), thence 200km southwards via the Coolgardie-Esperance Highway to the town of Norseman, a well-serviced regional centre.

The Norseman Project consists of a series of granted mining leases, prospecting licences, exploration licence applications and mining lease applications. The project is separated into three groups of tenements covering the including Norseman, Abbotshall and Everlasting areas. In total the licences cover approximately 124km².

Three major geological formations, Woolyeener, Noganyer and Penneshaw, occur within the Norseman, Abbotshall and Everlasting tenements. The Woolyeener formation is predominantly comprised of west dipping mafic volcanics with minor ultramafic and sedimentary units. The Noganyer formation is comprised of banded iron formation (BIF), sulphidic chert, and shale while the Penneshaw formation, which underlies the Noganyer formation, is a mafic package of basalt and dolerite. The contact between the Penneshaw and Noganyer formation is marked by shearing and alteration.

The exploration and development history of the Norseman Project and surrounding areas is summarised below.

Norseman Project Exploration and Development Summary		
Period	Company	Work Completed
1890 - 1900		Discovery of gold in the district. Production from Break O' Day of 383kg Au. Production declined post turn of the century.
1980 - 1982	Esso Exploration Inc.	Mapping, pitting, trenching, rockchip sampling, RC and DD drilling
1982 - 1988	Australis Mining N.L.	Mapping, rockchip sampling, ground magnetics, trenching, percussion and RC drilling. Open pit mining and trial open pit mining at Mt Henry (112Kt at 1.12g/t Au) and Iron Prince (2Kt 1.50g/t Au).
1988 - 1994	Great Western mines N.L.	Mapping, soil and rockchip sampling. Percussion and RC drilling.
1994 - 1997	Australasian Gold Mines N.L.	Gridding, soil sampling, mapping, RC and DD drilling, resource estimation (Abbotshall, Mt Henry and Selene) and oxide mining at Abbotshall (11,000Oz Au)
1998 - 2005	Kinross Gold Australia Pty Ltd	Gridding, soil sampling, detailed geological mapping, airborne geophysics, RAB, Aircore, RC and DD drilling and scoping studies.
2005-	Australian Gold Investments Pty Ltd	Geological reviews, analysis of soil pulps for nickel.

The main deposits associated with the Norseman Project are the Mount Henry and Selene deposits and are located in the BIF units of the Penneshaw formation. Abbotshall and North Scotia are more typical 'Norseman-style' quartz reef gold mineralisation is hosted within sheared and altered mafic and ultramafics volcanics of the Woolyeenyer formation.

RSG Global completed resource estimation in September 2006, based on the available exploration data which was provided as an Access database by AGI. Multiple Indicator Kriging (MIK) was applied to grade estimation at Norseman. The Mineral Resource for each deposit, reported at a 0.7g/t Au lower cutoff and subdivided by JORC resource category is presented below. All resources have been classified as Inferred under the December 2004 JORC guidelines.

Norseman Project Grade Tonnage Report – Multiple Indicator Kriging 0.7g/t Au Cutoff			
Lower Cutoff Grade (Au g/t)	Inferred Resources		
	Tonnage (Kt)	Au g/t	KOzs
Mt Henry	12,480	1.4	566
Selene	15,550	1.2	624
North Scotia	481	2.6	40
Abbotshall Deposit	536	1.6	31
Total	29,047	1.3	1,261

Significant exploration potential exists on the Norseman Project. Numerous targets exist along strike, adjacent to and down dip from existing mineralisation. Less advanced targets have also been highlighted in the extensive geochemical dataset which covers various soil sampling programs from previous explorers over the last 20 years.

The provisional valuations for the Norseman Resources and Exploration Potential are summarised below.

Norseman Project Valuation Summary			
Exploration Asset	Notional Valuation Range (100% Equity)		
	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Norseman Resources	20.28	45.62	25.36
Norseman Exploration Potential	2.84	4.26	3.79
Total	23.12	49.88	29.17

In determining a technical value for a 100% interest in AGI's Norseman Gold Project, RSG Global has selected a provisional valuation range from A\$23.12M to A\$49.88M, within which range we have selected a preferred provisional value of A\$29.17M.

1 INTRODUCTION

1.1 Terms of Reference

RSG Global Consulting Pty Ltd (RSG Global) has been commissioned by Kalgoorlie Boulder Resources Ltd (KBR) to provide an Independent Geologist's Report to assist a capital raising for the Norseman Project. KBR is earning a 100% in the project which is located in the Norseman region of Western Australia.

RSG Global has not been requested to provide comment on the fairness or reasonableness of any vendor or promoter consideration in relation to the assets, and has therefore not offered any opinion on these matters.

1.2 Qualifications, Experience and Independence

RSG Global is an independent privately owned firm providing exploration, mining and resource consulting services to the minerals industry since 1987 and is accredited with many of the major international stock exchanges, financial institutions and equity funds.

The primary author, Mr Richard Hyde, is a professional geologist with over 11 years international experience in the exploration and mining industry. He is a Senior Consultant with RSG Global and a Member of the AusIMM, and has the appropriate relevant qualifications and experience to satisfy the requirements as an "Expert" as defined under the Valmin Code.

In addition, Mr David Slater was retained by the primary author as a "Specialist" to advise and report on mineral resource estimates associated with the AGI assets. All contributing authors are appropriately qualified and experienced to act as "Specialists" as defined in the VALMIN Code and Mr David Slater is also appropriately qualified to act as a "Competent Person" as defined in the JORC Code.

1.3 Principal Sources of Information

The principal sources of information used to compile this report comprise independent technical reports and valuations completed by RSG Global, along with technical reports and data variously compiled by Kinross Gold Australia Pty Ltd (KGA) and AGI's consultants, and discussions with AGI and KGA management. A listing of the principal sources of information is included in Section 5 of this report.

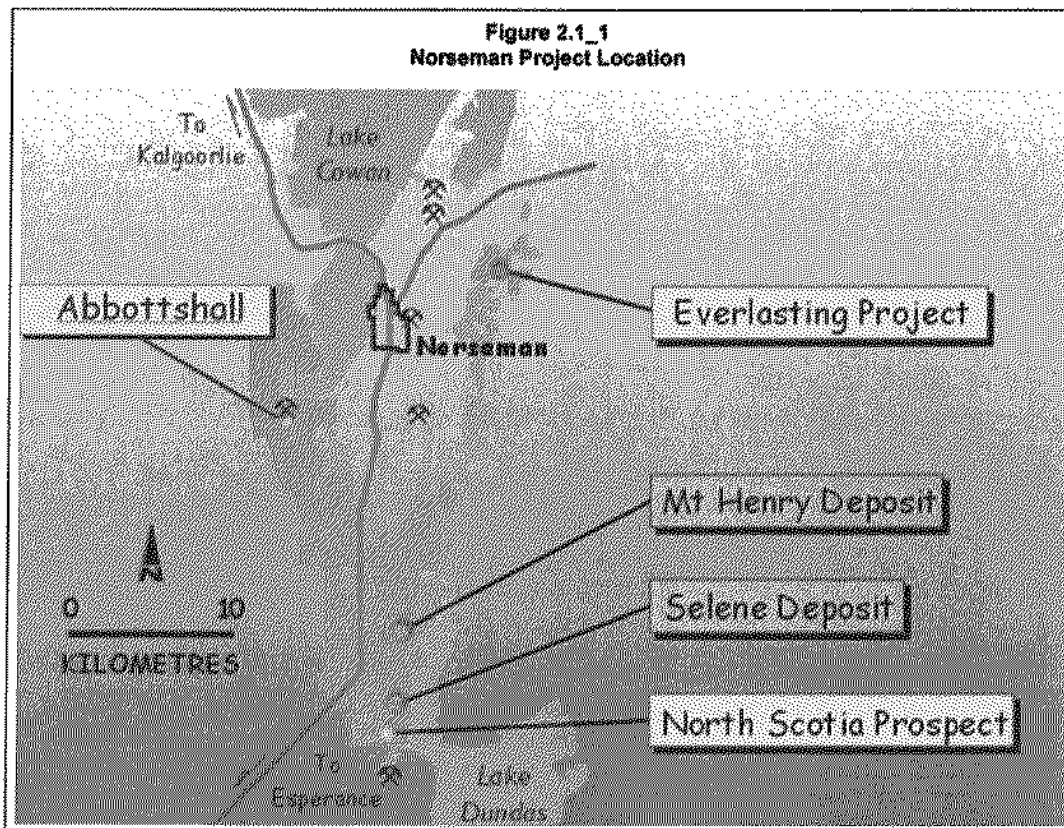
A site visit was undertaken to the Norseman Project by Mr Richard Hyde between 12th and 14th of December 2005, during which the previous mining facilities were inspected. The site review also involved visits to higher priority resources and exploration targets, along with the assessment of representative diamond core and RC chips from the majority of these deposits and prospects.

All reasonable enquiries have been made to confirm the authenticity and completeness of the technical data upon which this report is based. A final draft of this report was also provided to KBR, along with a request to identify any material errors or omissions prior to final submission.

2 NORSEMAN PROJECT

2.1 Project Setting

The Norseman Project is located in the Norseman region of the Goldfields of Western Australia. Access to the area is excellent via the national series of major sealed roads and highways (Figure 2.1_1). The project is accessed from Perth via the Great Eastern Highway to Kalgoorlie (600Km), then 200km southwards via the Coolgardie-Esperance Highway to the town of Norseman. Norseman is a well-served regional centre, with a population of approximately 700 people.



2.2 Tenure

The Norseman Project consists of a series of granted mining leases, prospecting licences, exploration licence applications and mining lease applications. The project is separated into three groups of tenements covering the including Norseman, Abbotshall and Everlasting areas. In total the licence cover some 124km².

The Norseman tenements consist of 8 granted pre-native title mining leases and 12 granted prospecting licences, which have all expired except for P63/1159. There are 14 mining lease applications covering the expired prospecting leases. The applications have not been granted to date due to native title claims.

The Abbotshall tenements lie immediately west of the Norseman tenements and consist of one granted prospecting licence, one granted miscellaneous licence (Red White and Blue haul road), two granted pre-native title mining leases (covering the Abbotshall resource) and 31 granted prospecting licences, which have expired. There are 10 mining lease applications and one exploration licence application covering the expired prospecting licences. Due to native title claims these licences have not yet been granted.

The Everlasting tenements are located to the east of the Norseman tenements and consist of 3 granted prospecting licences and one mining lease application.

The annual expenditure commitment for the Norseman Project is summarised below in Table 2.2_1 while a detailed tenement schedule is presented in Appendix 1.

Table 2.2_1 Norseman Project Annual Expenditure Commitments			
Project	Expenditure	Rent	Fees
Abbotshall	\$206,480	\$10,812	\$7,705
Everlasting	\$17,440	\$815	\$690
Norseman	\$172,820	14,554	\$6,296
Total	\$396,740	\$26,181	\$14,691

2.3 Geology

The Norseman Project is located at the southern end of the Norseman-Wiluna Greenstone Belt, one of a number of elongate, broadly north-northwest-south-southeast striking structural-stratigraphic late Archaean greenstone terranes of the Yilgarn Craton of Western Australia. The Yilgarn Craton comprises 2700 to 2609 Ma metamorphosed mafic and ultramafic volcanic and intrusive rocks plus felsic volcanic and sedimentary rocks forming linear greenstone belts, intruded by, and separated by, variably deformed and metamorphosed granitoid rocks.

Total gold production from the Norseman Terrane is in excess of 5.5 million ounces of gold. Gold is principally sourced from narrow but very high-grade quartz reefs that have historically had significant strike lengths and or down dip ore shoot plunges. The majority of production has been sourced from underground operations. From 1935 to the early 1990's, CNGC gold production was predominantly sourced from three underground deposits, Mararoa, Royal and Crown. Respectively, these mines produced 0.8Mozs, 1.8Mozs and 1.1Mozs of gold.

Weathering is common but can be variable in the Norseman region with contrasting lithologies (e.g. BIF, metavolcanics) and geomorphological settings (e.g. salt lakes). Many small deposits are the result of supergene weathering and concentration of gold in the first 20-50 metres below surface.

2.4 Mineralisation

Gold mineralisation occurs in three main styles on the Norseman Project:-

- Quartz veins/reefs
- BIF hosted
- Supergene gold

The bulk of the current and historic gold production, some 5.5Moz to June 2000, for the Norseman region has come from narrow north trending – steeply east dipping quartz veins/reefs, from the lower portion of the Woolyeener formation.

2.5 Exploration and Development History

The exploration and development history of the Norseman Project and surrounding areas is summarised below in Table 2.5_1.

Table 2.5_1 Norseman Project Exploration and Development Summary		
Period	Company	Work Completed
1890 - 1900		Discovery of gold in the district. Production from Break O' Day of 383kg Au. Production declined post turn of the century.
1960 - 1982	Esso Exploration Inc.	Mapping, pitting, trenching, rockchip sampling, RC and DD drilling
1982 - 1988	Australis Mining N.L.	Mapping, rockchip sampling, ground magnetics, trenching, percussion and RC drilling. Open pit mining and trial open pit mining at Mt Henry (112Kt at 1.12g/t Au) and Iron Prince (2Kt 1.50g/t Au).
1988 - 1994	Great Western mines N.L.	Mapping, soil and rockchip sampling. Percussion and RC drilling.
1994 - 1997	Australasian Gold Mines N.L.	Gridding, soil sampling, mapping, RC and DD drilling, resource estimation (Abbotshall, Mt Henry and Selene) and oxide mining at Abbotshall (11,000Oz Au)
1998 - 2005	Kinross Gold Australia Pty Ltd	Gridding, soil sampling, detailed geological mapping, airborne geophysics, RAB, Aircore, RC and DD drilling and scoping studies.
2005-	Australian Gold Investments Pty Ltd	Geological reviews, analysis of soil pulps for nickel.

2.6 Mineral Resources

RSG Global completed resource estimation studies in September 2006, based on the available exploration data which was provided as an Access database by AGI. Multiple Indicator Kriging (MIK) was applied to grade estimation at Norseman. All grade estimation was completed in the mining package Vulcan and the implemented GSLib geostatistical algorithms. MIK is considered a robust estimation methodology for grade estimates for gold deposits like those present within the Norseman Project when adequate consideration is given to restricting the influence of high-grade data.

Mineralisation interpretation was modelled based on the 2004 Kinross interpretations. The mineralisation zone definition criteria were as follows:-

- Broad mineralisation envelopes were developed that encompass the geological vein systems using a notional 0.3g/t Au lower cutoff.
- A minimum zone horizontal thickness of 2m.
- No strict internal waste criterion.

Various upper cuts were applied to the Mt Henry and North Scotia deposits, while no upper cut was applied to the Selene and Abbotshall deposits. The application of high grade caps resulted in relatively few data being capped (generally less than 3 composites).

No bulk density data was available for statistical review. Assumed bulk density values were used for tonnage determination.

Variography was generated and modelled for the major mineralisation domains for each deposit using the geostatistical software package Isatis. Traditional grade variograms and correlograms were calculated and modelled using the cut 2m composites.

The mineralisation domain and regolith was coded to the block model for tonnage reporting. The assumed bulk density, sub-divided by regolith, was applied to the block model for tonnage reporting, as summarised below:-

- Saprolite 2.2t/m³
- Primary 2.6t/m³

Categorisation of the MIK resource estimate has been conducted based on the criteria discussed and tabled in the December 2004 JORC Code. The key parameters considered during the resource categorisation include the geological knowledge and interpretation, confidence in the sampling, assay and bulk density data, number of composites used to complete the estimate and the confidence of the grade estimate.

The Mineral Resource for each prospect, reported at a 0.7 lower cutoff grade is presented in Table 2.6_1 below for the Mt Henry, Selene, North Scotia and Abbotshall prospects respectively. All resources have been classified as Inferred under the December 2004 JORC guidelines.

Table 2.6_1 Norseman Project Grade Tonnage Report – Multiple Indicator Kriging 0.7g/t Au Cutoff			
Deposit	Inferred Resources		
	Tonnage (Kt)	Au g/t	KOzs
Mt Henry	12,480	1.4	566
Selene	15,550	1.2	624
North Scotia	481	2.6	40
Abbotshall	536	1.8	31
Total	29,047	1.3	1,261

2.7 Metallurgy

KGA completed two programs of metallurgical testwork in 1999 and 2003. The 1999 program focussed on testing for potential heap-leach style operations, and later CIL. Heap leach studies gave poor recoveries due to sulphides and consuming cyanide and oxygen. Later CIL testwork indicated that recoveries of 85% could be obtained from sulphide material. At that time KGA deemed the project uneconomic, with a prevailing gold price of US\$300/Oz.

The 2003 metallurgical program was completed on oxide and fresh core from the Mt Henry and Selene deposits, with an aim to provide sample that would represent likely material processed in a potential CIL operation. Diagnostic leach analysis of samples during this testwork showed that that gold was not refractory or preg robbing which was in contrast to previous work, and recoveries of up to 90% are achievable, with fine grinding to 10 microns.

In May 2005 KGA completed test work on the Abbotshall project. Test work revealed that the samples were particulate, and neither refractory or preg robbing. Pre-leach recoveries of 75% were achieved at a grind size of 80microns. Recoveries increased to almost 85% by regrinding (to 10microns) and leaching a post float residue. Further spatially representative testwork was recommended.

2.8 Exploration and Resource Potential

Significant exploration potential exists on the Norseman Project. Numerous targets exist along strike, adjacent and down dip from existing mineralisation. Less advanced targets have also been highlighted in the extensive geochemical dataset which covers various soil sampling programs from previous explorers over the last 20 years.

Immediate targets, with excellent potential to add to the project resource base include:-

- Everlasting – a number of quartz vein targets over a strike extent of 600m, directly along strike from Croesus Mining Ltd's Daisy deposit (119KOz).
- Break O' Day – Historical production of 13KOz at 50g/t Au. Hosted in quartz vein. Coherent +40ppb Au gold in soil anomaly.
- Magills – Coherent +80ppb Au gold in soil anomaly. Historical workings. RC drilling results including 5m at 3.15g/t Au.
- North Scotia – Open mineralisation to the south of known mineralisation, coincident 100ppb Au gold in soil anomaly extending over 500m.
- Telegraph – historical drilling results, 400m of coherent gold in soil anomalism.
- Scotia (BIF) – shear zone hosted oxide target. Aircore results +3g/t Au.

3 VALUATION OF THE AGI RESOURCES MINERAL ASSETS

3.1 Norseman Project

3.1.1 Previous Valuations

RSG Global was previously commissioned by RASL AU LLC to complete an Independent Technical Valuation of the Norseman Project in December 2005. Based on a review of the previous exploration expenditure and an assessment of the geological and grade models RSG Global derived a preferred provisional technical value for a 100% interest in the Norseman Project of A\$25.61M at a prevailing spot gold price of A\$744/oz.

3.1.2 Resources

RSG Global has elected to apply the In-situ or Yardstick method by valuing the contained metal incorporated in the Norseman Projects global resources. This technique involves discounting the in-ground value of the metal to a range from 2% to 4.5% (depending on the perceived level of technical and other project risks) of the prevailing metal price as at the valuation date (2 January 2007). At the time of reporting no recent mining studies have been completed therefore it not possible to develop a cash flow model to derive an NPV for the Norseman Projects.

The Norseman project contains combined resources totalling some 1.26Moz of gold in four deposits. Low grade resources of Abbotshall, Mt Henry and Selene are offset by relatively high grade North Scotia resource. The bulk of the value of the Norseman resources is in the Mt Henry and Selene BIF deposits. The potential mining and treatment costs of these deposits is likely to be high due to the hard nature of the host rock, and the necessity to 'fine-grind' the ore to liberate gold, and as such values have been selected towards the lower end of the valuation range for these deposits.

Based on the closing spot price for gold on 2 January 2006 of A\$804 per oz, and discounting the value of the currently defined in situ metal to between 2% and 4.5%, we can estimate a range of values from **A\$20.28M** to **A\$45.62M**. Within this range RSG Global has selected a preferred provisional value of **A\$25.38M** towards the lower end of the valuation range. A valuation summary for the Norseman Project Resources is presented below as Table 3.1.2_1.

Table 3.1.2_1 Norseman Project Resources Valuation Summary							
Deposit	Category	Tonnage (Kt)	Au g/t	Au KOz	Low A\$M	High A\$M	Preferred A\$M
Mt Henry	Inferred	12,480	1.4	566	\$9.10	\$20.48	\$11.38
Selene	Inferred	15,550	1.2	624	\$10.03	\$22.58	\$12.54
North Scotia	Inferred	481	2.6	40	\$0.64	\$1.45	\$0.96
Abbotshall	Inferred	536	1.8	31	\$0.50	\$1.12	\$0.50
Total		29,047	1.3	1,261	\$20.28	\$45.62	\$25.38

3.1.3 Exploration Potential

In valuing the exploration potential associated with the Norseman Project, RSG Global has elected to apply the Multiple of Exploration Expenditure method.

As far as can be reasonably ascertained, exploration expenditure on the Norseman Project since 2001 approximates A\$2.37 million, excluding expenditure on the resource licences. Most of this exploration expenditure can be directly related to regional surveys contributing to the project database, the assessment of less mature targets and prospects, and the definition of the more tenuous low confidence gold resources.

The exploration work completed is generally considered to have been effective, resulting in the discovery of a number of deposits and prospects. Assessment of the exploration data indicates that numerous significant geological and geochemical targets have been identified. RSG Global considers that there is a high likelihood that additional gold discoveries, like those at Everlasting, will be made with further systematic exploration. On this basis, RSG Global has reasonably elected to assign a range of productivity enhancement multipliers (PEMs) from 1.2 to 1.8, indicating that every dollar spent on regional exploration has returned between \$1.20 and \$1.80 in value.

Applying the EB of A\$2.37 million and a range of PEMs from 1.2 to 1.8, RSG Global derives a range of provisional values for the exploration potential from **A\$2.84M** to **A\$4.26M**, within which range we have selected a preferred provisional value of **A\$3.79M**. The preferred value reflects the significant exploration potential and inclusion of the more tenuous lower confidence resources.

3.2 Material Agreements

3.2.1 Agreements

The northern portion of the Abbotshall tenements (Norseman Project) is subject to a 1% royalty payable to Golden Valley Mines NL on production of the first 50K oz of gold.

The Everlasting tenements are subject to a royalty payable to Sons of Gwalia Ltd (formerly Gascoyne Gold Mines) of \$1.50/t of ore mined from the licences.

3.2.2 Equity Considerations

The derived provisional valuations, which are based on a 100% interest in the various assets, require adjustment to account for the actual or deemed AGI equity in each case to determine a final valuation.

RSG Global is not aware, nor have we been made aware, of any other agreements that have a material influence on the provisional valuations and, on this basis, no further adjustments are necessary.

3.3 Valuation Summary

The provisional valuations for the Norseman Resources and Exploration Potential are summarised in Table 3.3_1 below.

Table 3.3_1 Norseman Project Valuation Summary			
Exploration Asset	Notional Valuation Range (100% Equity)		
	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Norseman Resources	20.28	45.62	25.38
Norseman Exploration Potential	2.84	4.26	3.79
Total	23.12	49.88	29.17

In determining a technical value for a 100% interest in AGI's Norseman Gold Project, RSG Global has selected a provisional valuation range from **A\$23.12M** to **A\$49.88M**, within which range we have selected a preferred provisional value of **A\$29.17M**.

4 PRINCIPAL SOURCES OF INFORMATION

General

Appleyard, G. R.	1994	Joint Venture Terms as a Basis for Valuation. Mineral Valuation Methodologies 1994 (Valmin 1994).
AusIMM.	1998	Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (The Valmin Code) issued April 1998. AusIMM.
Butler, B.W.	2004	Norseman Project Western Australia. Information Memorandum. KGA Internal Report.
Butler, B.W.	2003	Norseman Project. Economic Review. KGA Internal Report.
Glover, G.E. and Ho S.E.	1992	The Archaean: Terrains, Processes and Metallogeny Key Centre UWA Publication 22
Ho, S.E., Groves, D. I. and Bennett J. M.	1990	Gold Deposits of the Archaean Yilgarn Block, Western Australia: Nature, Genesis and Exploration Guides Key Centre UWA Publication 20
Kinross Gold Australia Pty Ltd		Various Annual reports
RSG Global	2006	Independent Technical Valuation of the Mineral Assets of Australian Gold Investments Pty Ltd
RSG Global	2006	Norseman Project Resource Summary

APPENDIX 1:

Detailed Tenement Schedule



Project	Treatment	HA	SIS	Expenditure	DoR	Share	GR/DAT	EXPDATE	RENTDATE	FSO DATE	TECHDATE	COMMENTS
Abolishall	M330165	202		\$20,200.00	\$2,844.18	\$408.65	15-Feb-08	15-Feb-09	15-Feb-08	10-Apr-05	31-Mar-05	SV 207374 HAS BK BOND: HAS RESOURCE
Abolishall	M330226	16		\$10,000.00	\$1,300.00	\$230.00	03-Aug-91	03-Aug-12	03-Aug-05	01-Oct-05	31-Mar-05	207X BOND: HAS RESOURCE
Abolishall	P330070	122		\$4,860.00	\$278.14	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330391
Abolishall	P330072	122		\$4,860.00	\$278.14	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330391
Abolishall	P330074	144		\$5,760.00	\$269.28	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330391
Abolishall	P330076	122		\$4,860.00	\$278.14	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330392
Abolishall	P330077	122		\$4,860.00	\$278.14	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330391
Abolishall	P330078	122		\$4,860.00	\$278.14	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330392
Abolishall	P330079	122		\$4,860.00	\$278.14	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330391
Abolishall	P330081	128		\$5,120.00	\$239.36	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330392
Abolishall	P330083	122		\$4,860.00	\$278.14	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330392
Abolishall	P330084	122		\$4,860.00	\$278.14	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330392
Abolishall	P330087	182		\$6,480.00	\$332.84	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330392
Abolishall	P330089	55		\$2,700.00	\$102.85	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330392
Abolishall	P330092	69		\$2,400.00	\$112.20	\$230.00	03-Aug-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330392
Abolishall	P330094	229		\$5,180.00	\$241.23	\$230.00	17-Nov-93		02-Aug-05	01-Oct-05	31-Mar-05	CONV TO M330392
Abolishall	P330097	27		\$2,000.00	\$250.00	\$230.00	27-Nov-95		26-Nov-05	26-Jan-05	31-Mar-05	PT ANALG GR TO ES3480 BALANCE CONV M330391
Abolishall	ES30047	23		\$0.00	\$565.85	\$0.00	15-Jun-96	14-Jun-06	26-Nov-05	26-Jan-05	31-Mar-05	PT ANALG GR TO ES3480 BALANCE CONV M330391
Abolishall	ES30049		6	\$20,200.00	\$2,844.18	\$230.00	24-Jun-97		14-Jun-06	26-Jan-05	31-Mar-05	23K BOND
Abolishall	ES30054		6	\$20,200.00	\$2,844.18	\$230.00	24-Jun-97		14-Jun-06	26-Jan-05	31-Mar-05	23K BOND
Abolishall	M330030	849		\$94,948.00	\$11,113.41				23-Jan-05	24-Mar-05	31-Mar-05	AP 232258 ABUTTS NORSEMAN SECT 57(4) AT SW
Abolishall	M330031	856		\$95,000.00	\$11,205.04							AP 169707 CV P363774-60 783 ALATE P-782 785-8 (TITLE 43N4)
Abolishall	M330032	574		\$57,400.00	\$7,511.56							AP 169707 CV P363774-60 783 ALATE P-782 785-8 (TITLE 43N4)
Abolishall	M330051	156		\$15,800.00	\$2,042.04							AP 169707 CV P363774-60 783 ALATE P-782 785-8 (TITLE 43N4)
Abolishall	M330054	386		\$38,800.00	\$5,092.74							AP 169707 CV P363774-60 783 ALATE P-782 785-8 (TITLE 43N4)
Abolishall	M330055	597		\$59,700.00	\$7,856.73							AP 169707 CV P363774-60 783 ALATE P-782 785-8 (TITLE 43N4)
Total		5975	10	\$537,240.00	\$70,262.49	\$5,074.65						
Ungranted		3118	4	\$401,800.00	\$50,373.62	\$4,000.00						
Subtotal		2157	6	\$129,440.00	\$17,228.57	\$1,074.45						
Abolishall Nth	P330049	184		\$7,300.00	\$334.06	\$230.00	07-Dec-93		05-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330410
Abolishall Nth	P330050	178		\$7,120.00	\$332.65	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330411
Abolishall Nth	P330052	159		\$7,960.00	\$322.13	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330410
Abolishall Nth	P330053	200		\$8,000.00	\$374.00	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330411
Abolishall Nth	P330055	122		\$4,880.00	\$238.14	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330410
Abolishall Nth	P330056	122		\$4,880.00	\$238.14	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330411
Abolishall Nth	P330057	190		\$7,500.00	\$355.30	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330410
Abolishall Nth	P330058	183		\$7,200.00	\$342.25	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330411
Abolishall Nth	P330059	40		\$2,000.00	\$74.00	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330410
Abolishall Nth	P330061	122		\$4,880.00	\$238.14	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330411
Abolishall Nth	P330062	90		\$3,600.00	\$168.30	\$230.00	07-Dec-93		06-Dec-05	04-Feb-05	31-Mar-05	CONV TO M330410
Abolishall Nth	P330063	164		\$6,560.00	\$306.58	\$230.00	31-Jul-00	30-Jul-04	30-Jul-05	28-Sep-05	31-Mar-05	CONV TO M330411
Abolishall Nth	P330064	883		\$88,300.00	\$11,555.47							CONV TO M330410
Abolishall Nth	M3300410	673		\$67,300.00	\$8,869.57							CONV TO M330411
Abolishall Nth	M3300411	607		\$60,700.00	\$7,845.63							CONV TO M330410
Abolishall Nth	M3300555	238		\$23,800.00	\$3,115.42							CONV TO M330411
Total		4317		\$317,140.00	\$38,093.01	\$2,830.00						
Ungranted		2163		\$240,100.00	\$31,425.09	\$4,000.00						
Subtotal		2154		\$77,040.00	\$10,618.82	\$1,830.00						
Everlasting	P330752	60		\$2,400.00	\$312.20	\$230.00	09-Dec-92		05-Dec-05	05-Feb-05	31-Jan-05	CONV TO M330391 HAS RESOURCE
Everlasting	P330753	195		\$7,800.00	\$384.65	\$230.00	09-Dec-92		05-Dec-05	05-Feb-05	31-Jan-05	CONV TO M330391 HAS RESOURCE
Everlasting	P330754	181		\$7,240.00	\$338.47	\$230.00	09-Dec-92		05-Dec-05	05-Feb-05	31-Jan-05	CONV TO M330391 HAS RESOURCE
Everlasting	M3300073	439		\$43,900.00	\$5,707.24							AP 872986 CV P363775-4PL TITLE 52S NO DONE
Total		12405		\$67,040.00	\$8,632.56	\$106.00						
Ungranted		812		\$43,900.00	\$5,707.24	\$0.00						
Subtotal		11693		\$17,440.00	\$2,155.32	\$160.00						

