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SAND GEORGE DEPOSIT – DECISION TO MINE

The Board of Directors has committed to development of the high grade underground Sand George Gold Deposit at Comet Vale, 100km north of Kalgoorlie, based on the findings from a mining study performed by Australian Contract Mining Pty Ltd.

The study indicates a potential net cash flow of A$4 - 6 million from the mining of 249,000 tonnes at 8.6 g/t Au from an existing indicated resource for 65,200 ounces of gold after allowing for a recovery of 97% and the 2.5% State Royalty. Projected mine operating costs are A$385 per ounce over a period of 2 years using a gold price of A$600 per ounce.

The Company will now proceed to negotiate a mining contract and finalise agreements for the toll-milling and financing of the operation. As part of a Strategic Alliance with Consolidated Minerals Limited ("Consolidated"), Consolidated have agreed to underwrite a convertible note issue to the value of A$4 million. An application to clear land has been lodged with the Department of Environment and the Notice of Intent is materially complete.

The development of the Sand George Deposit has the Company on target to join the ranks of gold producers in 2005.

By order of the Board,

David Reed
EXECUTIVE CHAIRMAN