



8 January 2009

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Dear Shareholder,

As you would be aware from the Annual General Meeting, the global financial crisis has disrupted the Company's IPO plans and unfortunately as the crisis deepened the Information Memorandum to institutions did not result in immediate funding.

West Minerals, the Company's cornerstone investor, has been a staunch supporter of the Company and despite investing a further A\$1 million in September 2008 at A\$0.20 per share it has continued its support to the Company with a short term funding package until other funding can be arranged. West Minerals increased its share ownership above 19% in September 2008 and therefore, the only mechanism open to it to contribute further funds to the Company was via a convertible loan. As a related party, this requires your approval and hence this Notice of Meeting provides an explanation to assist your decision.

The Company continues to seek additional funding from institutions and other parties and it is a condition of the convertible note that the Company approaches shareholders with a 1:4 Rights Issue at the same conversion rate as for West Minerals, namely A\$0.08 per share. This pricing is inline with other listed peer group companies but a far cry from our intended listing price of A\$0.30 only a few months ago.

Directors recommend your approval of this temporary facility as the Company seeks an adequate level of funding to proceed with the doubling of the resource base at Omitiomire as part of its move to complete a definitive feasibility study of that deposit.

Yours sincerely,

Stephen Blackman  
Managing Director