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MARKET ANNOUNCEMENT

Statement of Commitments

The Company provides the following summary of its expenditure commitments based on actual funds raised (\$10 million) under its IPO Prospectus dated 3 April 2007 (**Prospectus**)¹.

Pro-Forma Working Capital Position

	Notes	_____
Application monies received under the Prospectus		\$10,000,000
Existing net cash and receivables	1	\$41,491
Total net working capital		_____ \$10,041,491
2 year budgeted exploration expenditure	2	\$7,650,500
Reimbursement of exploration expenditure	3	\$50,000
Expenses of the Issue	4	\$563,500
Unallocated working capital		_____ <u><u>\$1,777,491</u></u>

Notes:

- (1) Audit reviewed as at 9 March 2007; refer to the Independent Accountant's Report in Section 13 of the Prospectus;
- (2) Refer below (extracted from Summary of Indicative Exploration Expenditure in Section 9.4 of the Prospectus);
- (3) Pursuant to Material Contracts as described in Sections 16.1, 16.2 and 16.3 of the Prospectus;
- (4) Refer to Section 8.2 of the Prospectus.

The Directors are of the opinion that the Company has sufficient working capital to carry out its objectives.

1 All defined terms are to such terms defined in the Prospectus.



Summary Of Indicative Exploration Expenditure

PROJECTS	YEAR 1	YEAR 2
Pampacolca (Peru)	\$755,300	\$980,200
Bigryli South (Northern Territory)	\$1,115,000	\$1,445,000
Mt James (Western Australia)	\$605,000	\$770,000
Mt Lawrence Wells (Western Australia)	\$530,000	\$680,000
Canning Well (Western Australia)	\$335,000	\$435,000
TOTAL	\$3,340,300	\$4,310,200
2 YEAR TOTAL	\$7,650,500	

The above exploration programme expenditures are subject to change and are contingent on circumstances, results and other opportunities which may arise. Accordingly, expenditure may be reallocated amongst the existing projects or to new projects or to general working capital.

Expenditure allocated to those projects with tenements pending application (being primarily the Pampacolca Project) is based on the expectation that those tenement applications will be granted. If any of the tenement applications are not granted, the expenditure allocated to those affected Projects will be reallocated to other Projects or to find and establish new exploration projects for the Company.

Further information:

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