



FACSIMILE MESSAGE

To:	Australian Stock Exchange Limited
Facsimile:	1300 300 021
From:	D N Harley
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Subject:	CHAIRMAN'S ADDRESS – AGM

The information contained in this facsimile is confidential and intended for the addressee only. If you have received this facsimile please contact us immediately by telephone on (08) 9226 3130.

Attached is a copy of the Chairman's address to the annual meeting of shareholders.

DN HARLEY
MANAGING DIRECTOR



CHAIRMAN'S ADDRESS, ANNUAL GENERAL MEETING

22ND NOVEMBER 2002

INTRODUCTION

In our second full year of operations since listing in May 2000, we have made significant progress in advancing the Company's three main projects and our focus continues to be on mineral exploration in Australia.

I would like to take the opportunity to restate the Company's three key objectives:-

- To discover world class ore deposits of mineral commodities with large markets;
- Where appropriate, to form alliances with major mining companies specialising in those minerals; and
- To maintain the highest standards of exploration expertise, in order to minimise risk and maximise the utilisation of our financial resources.

We deliberately explore for a range of minerals in order to reduce reliance on any one commodity for future cash flow.

I would now like to provide a brief overview of the progress we have made with our three main projects during the year.

COBURN MINERAL SANDS PROJECT (10 km south of Shark Bay, WA)

An inferred resource containing 7 million tonnes of heavy minerals has been defined in the Amy Zone deposit and based on today's prices for the mineral assemblage Amy Zone has an estimated in ground value of \$2 billion. We commenced a pre-feasibility study in August 2002 that is on schedule for completion in January 2003. The mineralogical test work has so far confirmed the high quality of the heavy mineral assemblage as indicated previously in the Scoping Study.

Several parties have now shown an interest in participating in this project.

SHELL LAKES DIAMOND/NICKEL PROJECT (600 km east of Kalgoorlie, WA)

Diamond and nickel exploration commenced in late August 2002, only days after receiving grant of 5 exploration titles covering 900 square kilometres.



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Our diamond Joint Venture partner, De Beers, who may earn a 51% interest by spending \$2.5 million in three years from April 2002, encountered a para kimberlitic pipe in their first and only completed drill hole. This is very encouraging and De Beers intend to continue the planned eight hole drilling program in January 2003. Problems with the drilling contractor have prevented further drilling this year.

MOUNT GUNSON COPPER PROJECT (100 km northwest of Port Augusta, SA)

Our Joint Venture partner, BHP Billiton, elected to suspend further funding from July 2002 to allow definition of further quality drill targets. Since July, we have sole funded a soil geochemical and geophysical program to build up the case for further drilling. The final infill soil geochemical results were forwarded to BHP Billiton yesterday and their decision on further funding is expected in December.

Several high quality targets have been defined by Gunson since July and the promising 23 Mile Tank Prospect has been upgraded. Drilling is anticipated to commence early in the new year, funded by either BHP Billiton or one of several other major companies interested in the project's potential.

FINANCIAL

Our cash position is currently just over \$2 million. With De Beers funding exploration for diamonds at Shell Lakes and the likely prospect of obtaining further funding for Mount Gunson, our cash burn rate next year is expected to be low in comparison with previous years.

SUMMARY

The Company is focussed on creating value for shareholders through advancing our three high quality exploration projects, which are capable of producing world class discoveries, and continued development of additional projects. The Coburn mineral sands project is the most advanced of these, with good potential for future commercial production. We look forward to the coming year with well founded optimism.



Bill Cunningham
CHAIRMAN

Attribution

The technical information in this address to shareholders is based on, and accurately reflects, information compiled by Mr D N Harley, a corporate member of the Australasian Institute of Mining and Metallurgy, who has over five years experience in the field of activity being reported on.