



**CHAIRMAN'S ADDRESS**  
**ANNUAL GENERAL MEETING - 16 NOVEMBER, 2001**

**INTRODUCTION**

This was our first full year of operations since listing in May 2000. Our focus has been and continues to be on mineral exploration in Australia, with three main objectives:

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

**MOUNT GUNSON COPPER PROJECT**

Substantial shareholder, Billiton Exploration Pty Ltd, now a wholly owned subsidiary of BHP Billiton, elected in April to sole fund ongoing expenditure on the project. BHP Billiton have committed to a minimum expenditure of \$675,000 and have the right to earn a 70% interest in the project by spending \$6 million over five years.

Since our first AGM last November the 10 kilometre long geophysical anomaly known as Elaine Zone has been tested with three drill holes, which have indicated its potential to host a major copper-gold deposit.

We note the success of Minotaur Resources Limited in their drilling on the Prominent Hill prospect, also funded by BHP Billiton. This prospect lies on the same copper corridor that hosts our Mount Gunson project and the giant Olympic Dam deposit. We are confident that our joint venture exploration at Mount Gunson will be well rewarded. Drilling of a prominent gravity feature on the Elaine Zone is due to commence next week.

**COBURN MINERAL SANDS PROJECT**

Interpretation of new aeromagnetic data indicates previously undetected zones of enhanced grade. Drilling to verify the interpretation will commence next Autumn. There is considerable mineral sands industry interest in this project due to its potential size and the indicated quality of end-product.

**SHELL LAKES NICKEL / DIAMOND PROJECT**

With grant of title expected at the end of 2001, the project will be of considerable interest in 2002, both as a nickel and a diamond prospect. The property is situated on the major Mundrabilla Fault, which hosts the Argyle diamond mine and the WMC West Musgrave Prospect.

**ONSLow COPPER - GOLD PROJECT**

The first drill hole found anomalous values of copper, uranium, lead and zinc, and further evaluation is warranted.

**FINANCIAL**

Our cash position is currently about \$1.5 million. Due to the free carry by BHP Billiton at Mount Gunson, our present cash burn rate is relatively low.

**SUMMARY**

The 2000-01 financial year was one of significant progress, particularly at Mount Gunson and Coburn, and we are very optimistic about the coming year.

  
W.H. Cunningham  
Chairman.