

**PROPOSED APPLICATION OF FUNDS RAISED**

After successfully raising the maximum subscription of \$3,500,000, the Company intends to apply the funds raised from the Offer over the next two years as follows:

	Maximum Subscription \$000
Opening Cash*	430
Expenses of the Offer Including Broker's fees **	259
<b>Funds Raised by the Prospectus</b>	<b>\$3,500</b>
Exploration expenditure (refer below)	2,454
Administration costs	800
<b>Unallocated Funds</b>	<b>417</b>

\* June 30<sup>th</sup> audited close adjusted for July 2005 expenditure estimate.

\*\*Additional expenses of approximately \$143,000 for the Offer have been paid from existing funds of the Company (refer Section 8.10)

**Planned Exploration Expenditure per Project**

	Hellyer	East Henty	Loyetea	Mt Bischoff	Rosebery	Oonah	Other	Total
Geological & Supervision	51	26	103	83	25	10	-	298
Geological Modelling	180	57	190	200	62	28	-	717
Geophysics	175	-	20	-	-	-	-	195
Surface Sampling & Logistics	65	-	25	10	8	-	-	108
Drilling activities	670	45	75	31	-	-	-	821
Technical Studies	50	-	-	-	-	-	-	50
Rents & Rehabilitation	23	8	10	5	2	2	-	50
General Exploration	-	-	-	-	-	-	130	130
Project Generation	-	-	-	-	-	-	85	85
<b>Total</b>	<b>1,214</b>	<b>136</b>	<b>423</b>	<b>329</b>	<b>97</b>	<b>40</b>	<b>215</b>	<b>2454</b>