

17 December 2007

To: The Australian Securities Exchange
By: Electronic Transmission

Negotiation with Bhushan Steel - Investment Agreement

The company advises it is currently in negotiation with Bhushan Steel regarding an investment agreement that would include the tenement EPC 1045 (Emerald Queensland).

Should a formal agreement be reached an announcement disclosing full details of the agreement will be made to ASX.

Yours faithfully,

Glenn Merchant – Company Secretary

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