

05 May 2009

Company Announcements Office  
Australian Securities Exchange  
By electronic transmission

### **Announcement to ASX – Advice re General Meeting of Shareholders**

As advised in the company's announcement dated 22 April, 2009 the company has received a requisition from a group of shareholders for a General Meeting.

The Company advises that the Meeting will be held on Monday 22 June, 2009 at 4.00 pm Sydney time. The meeting will be held at the company's Registered Office located at Level 7, 10 Barrack Street, Sydney.

The Notice of Meeting and Explanatory Memorandum are currently being prepared and will be forwarded to shareholders when finalised and approved by the ASX. The information will also include the requisitioners response to the company's request for information and a Statement by the Members requisitioning the meeting.

At a Board meeting held today the company advises that the Board was unanimous in its intention to vote against all of the proposed resolutions. The Board notes that Bhushan Steel Limited (Bhushan) via its Australian subsidiary Bhushan Steel (Australia) Pty Limited has been the major source of funding for the company. At present they are the only source of funding for the company via the Joint Venture Agreements and loan funding. The Board notes the following with regards to that funding to date:-

- Bhushan has provided \$6,632,000 to the Company by way of share subscriptions and loan funds.
- Of that amount, \$4,236,000 was required to be applied towards exploration expenditure under the Joint Venture Agreements between Bhushan and the Company's subsidiaries.
- However, up to 31 March 2009, only \$2,826,000 has been spent on joint venture exploration expenditure.
- Consequently, the Company is required to pay the next \$1,410,000 towards joint venture exploration expenditure.

### **Current Loan Facility**

The current loan facility dated 31 March 2009 for \$4 million from Bhushan to the Company provides that an event of default includes the Managing Director ceasing to be a person approved by Bhushan. Nittin Johari is the current Managing Director and if he is removed as a director then he will cease to be the Managing Director by virtue of clause 29.2 of the Company's constitution.

Bhushan has decided to support the Company's current solvency and agreed that any loan funds drawdown from 5 May 2009 to 22 June 2009 will not be subject to that event of default to enable operations of the Company to continue but that if any of the 4 directors are removed from office at the General Meeting then such loan funds shall be applied automatically from the date of that meeting as payments by Bhushan as a joint venturer under the Joint Venture Agreements. Bhushan may then also cancel the loan facility in respect of any undrawn amount.

Yours faithfully,

Glenn Merchant  
Company Secretary