During the year ended 28 January 2001, the company appointed Bateman Engineering Pty Ltd as its consulting engineers. Preliminary work was undertaken, including informal capital/operating cost estimates for the wet process and plant design. Cost estimates were provided of $520,000 to complete the final definitive feasibility study, and using our pro-rated allocation of internal cost distribution of EL 9190 25%, EL 9191 25%, EL 9195 25%, EL 9558 15% & EL 8127 10%, proposed expenditure for the current year is:

$  
Plant/Process design 21,558  
Assay/Metallurgical 6,000  
Geological/Resource Invest. 14,535  
Water Resource Invest. 10,021  
Total 52,214

In August 2000, this company registered the enclosed Offer Information Statement with ASIC, to enable us to fund the abovementioned. This issue is currently oversubscribed and we envisage closing it 100% oversubscribed in the near future. On 4 May 2000, a letter of intent was signed with Pan Abrasives of Singapore to act as our marketing agent throughout Australia and Asia.

Costs Incurred during year ended 28 January 2001

$  
Consultants 1,600  
Travel & Accommodation 1,270  
Legal Fees 345  
Administration 1,022  
Rentals 1,120  
Sundry costs 185  
Total 5,542