

Mr Neville Manhire  
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24 October 2007

Dear Neville

Thank you for the opportunity to review your tenement holdings in the Marrakai area of the Northern Territory.

After careful consideration it has been decided that the prospects outlined in the reports you sent would not be of sufficient size for GBS to exploit economically. GBS currently has over 3500 square kilometres of exploration ground in the territory and our exploration budget has been set aside to explore in GBS owned tenements only.

I wish you every success in finding a suitable partner for the landholdings and would like to point out that if any other future opportunities are forthcoming that GBS will always look diligently at them with a view to partnership.

Regards



Adam Elliston  
Exploration Manager  
GBS Gold Australia Pty Ltd