

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

25th September 2014

Dear Sirs

Your Directors are determined to rebuild shareholder confidence and value. To this end the Company has appointed Odyssey Capital Partners to assist in the identification of new business opportunities and the sourcing of additional funding for working capital.

Given the current market difficulties the junior mining sector is experiencing, the Board believes that it needs to assess a range of new opportunities, which may well include opportunities beyond the Company's traditional resource sector.

In addition to reviewing new opportunities, the Company has instigated a number of cost cutting measures aimed at minimising cash outflows through this transitional phase.

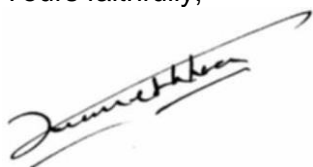
Exploration activities in Chile have been curtailed, while operational and administrative overheads have been reviewed and reduced. The Directors have agreed to suspend key terms of their existing service contracts during this period of austerity, and will not receive remuneration until additional funding has been raised on the back of new opportunities or improved market conditions for juniors.

The Company, like many other junior exploration companies, has recently experienced difficulty in maintaining investor support and raising further funds to advance its operations, notwithstanding positive operational and technical results in South America.

Attempts to refine business strategy through a greater focus on iron sands exploration in Chile, proposed strategic alliances and the disposal of certain Chilean assets, have to date not come to fruition in view of significant falls in the iron ore price and has materially affected the marketability of SAIS iron sands.

The recent actions of the Board should give shareholders reassurance that it is determined to preserve capital and rebuild shareholder value, and implement the necessary steps to do so.

Yours faithfully,



Kenneth Lee
CEO