

Company Announcements Office  
Australian Securities Exchange  
Level 5, Riverside Centre  
123 Eagle Street  
Brisbane QLD 4000

30 September 2010

Dear Sirs

**Update on Implementation of Acquisition of Quince Concessions in Chile**

As announced on 1 July 2010, SAY gave notice to Hanwell on 30 June 2010 of the exercise of its option to acquire Hanwell's 90% interest in the Quince concessions in Chile.

The Company advises that to implement this exercise, it has today, on the advice of its solicitors in Chile, entered into a Chilean Mining Concessions Purchase Agreement in relation to the Quince concessions in accordance with the Chilean Mining Law. The Agreement has the following features:

- (a) The Company now has a mortgage over the Quince concessions registered in the Mines Department in Chile, which means no party can deal in this concession except SAY or its nominee during the period of this Agreement which ends 1 December 2011.
- (b) SAY or its nominee can carry out activities in relation to the concessions as if it owned them.
- (c) Hanwell keeps SAY indemnified against legal actions or past claims in relation to the concessions up until the date SAY becomes the legal owner of the concessions.
- (d) No debt is owed by SAY until SAY elects to effect formal completion under the Chilean Mining Concessions Purchase Agreement.
- (e) In consequence of (d) above, no interest will be payable or owed by SAY under this Agreement even though the original completion process contemplated interest to be payable by SAY at 12% pa. on the purchase price of AUD 8,292,683.
- (f) The purchase price of the Quince concessions remains unchanged at AUD 8,292,683.
- (g) SAY can at any time before 1 December 2011 effect final completion by payment of the purchase price in (f) above.

The substantive provisions of the purchase arrangement with Hanwell are otherwise unchanged.

As previously announced, stage 1 drilling at Quince, comprising a 2,500 metre program commenced on 1 September 2010. The first drilling samples assays are awaited from ACME assay laboratories.

By order of the Board



Kenneth Lee  
Company Secretary