REGALPOINT RESOURCES LIMITED
ACN 122 727 342

PROSPECTUS

for an offer of 60,000,000 Shares at an issue price of 20 cents each to raise $12,000,000.

This document is important and should be read in its entirety.
You may wish to consult your stockbroker, accountant, solicitor or other professional adviser about its contents.

The securities being offered by this Prospectus should be considered speculative.

The Offer will close at 5.00pm (WST) on 14 March 2011.
The Company reserves the right to close the Offer early or extend this date without prior notice.

Corporate Directory

DIRECTORS
Shane L. Stone
Nicholas Burn
Simon Trevisan
Richard Lockwood
Robert James Pett
Ian Murchison

COMPANY SECRETARY
Fleur Hudson

REGISTERED OFFICE
Level 14
191 St Georges Terrace
Perth WA 6000
Ph : (08) 9424 9320
Fx : (08) 9321 5932

SOLICITORS TO THE ISSUE
Minter Ellison
Level 49, Central Park
152-158 St Georges Terrace
Perth WA 6000

INDEPENDENT GEOLOGIST ON URANIUM PROJECTS
Snowden Mining Industry Consultants Pty Ltd
87 Colin Street
West Perth WA 6005

INDEPENDENT GEOLOGIST ON HIGHLANDER GOLD PROSPECT
CSA Global Pty Ltd
Level 2, 3 Ord Street
West Perth, WA 6005

SOLICITORS REPORTING ON MINING INTERESTS
Blakiston & Crabb
1202 Hay Street
West Perth WA 6005

LEAD MANAGER
Patersons Securities Ltd
Level 23, Exchange Plaza
2 The Esplanade
Perth WA 6000

SHARE REGISTRY
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Ph : (08) 9315 2333
Fx : (08) 9315 2233

AUDITOR
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

INVESTIGATING ACCOUNTANTS
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Investment Highlights

- In excess of $4 million spent creating extensive portfolio of uranium prospects.
- Targeting has been conducted by a team of highly qualified geoscientists from the Centre for Exploration Targeting at the University of Western Australia.
- Projects are located in emerging and known mineral provinces with potential for large discoveries.
- Key projects have targets identified and are ready to drill.
- Systematic and intensive exploration programs are commencing on known mineralised systems.
- Management team has experience and a successful track record.

Risks

Refer to Section 8 for a description of the risk factors that could affect the Company. Applicants should read the entire Prospectus before applying for Shares.

Key Offer Statistics

• Offer price per Share	20 cents
• Shares to be offered under this Prospectus	60,000,000
• Existing Shares	46,609,333
• Shares on issue following the Offer	106,609,333
• Market capitalisation at the Offer price	$21,321,867

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Letter from the Chairman

Dear Investor

Regalpoint Resources Limited was formed to utilise the best available science to explore the Australian continent for large scale or high grade uranium deposits.

Regalpoint has secured a large and diverse holding of highly prospective projects – primarily for uranium but also for gold and other minerals. The Company is now poised to undertake a major exploration programme to progress these projects rapidly with the aim of identifying significant economic ore bodies.

Due to an abundance of other sources of inexpensive energy and local political and legal constraints, little uranium exploration was carried out in Australia from the early 1970s until the last few years. The Company recognised the opportunity created by this historic under-investment in uranium exploration and four years ago engaged the Centre for Exploration Targeting, affiliated with the University of Western Australia and Curtin University in Western Australia, to utilise the best available technology and information to identify areas that were underexplored and prospective for uranium.

The result of the CET Study undertaken for Regalpoint was the creation of a significant geographical information system (GIS) database and targeting methodology which has resulted in the issue of scientific papers and, more importantly from the Company's perspective, enabled the Company to identify areas prospective for uranium and secure exploration rights over them.

Regalpoint's key projects include the Rum Jungle Project (an unconformity-style prospect in the Rum Jungle Mineral Field), Lake Gregory (a sandstone-hosted prospect near the Beverley deposit) and Gum Creek (a calcrete prospect hosted near BHP's Yeelirrie deposit, and Paroo Range (a metasomatic uranium prospect near the Skal, Valhalla and Anderson uranium deposits in Queensland). The Company has also secured a number of other projects, including the Lyons and Curbur Projects which together represent a 4,300 square kilometres landholding in the Carnarvon Basin of Western Australia. This basin hosts the Carley Bore, Manyingee and Bennet Well discoveries.

Each of these projects is 100% owned by Regalpoint, having been acquired by pegging the ground. The Company consequently enjoys the benefit of ownership of the exploration rights for other minerals that may be present on its ground. In the case of Rum Jungle Project, the Company's ground also hosts the promising Highlander gold prospect.

A full description of the Company's projects is contained in this Prospectus, which I encourage you to read carefully.

The Company has an experienced board of directors and management team with a track record of exploration success.

On behalf of the Regalpoint Board, I am pleased to offer you the opportunity to become a shareholder in the Company.

Yours faithfully

Hon. Shane L. Stone AC PGDK QC FACE FAIM FAICD
Chairman

Important Notice

This Prospectus is dated 14 February 2011 and a copy of this Prospectus was lodged with the ASIC on that date. ASIC takes no responsibility for the contents of this Prospectus. No Shares will be allotted or issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date which is 13 months after the date of this Prospectus. Shares allotted or issued pursuant to this Prospectus will be allotted or issued on the terms and conditions set out in this Prospectus.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects for the Company, investors should consider the risk factors that could affect the financial performance of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Company is undertaking exploration and the risks are therefore significant. The Shares offered by this Prospectus should be considered speculative. Refer to Section 8 for details relating to risk factors. Investors should seek professional advice from an accountant, stockbroker, solicitor or other professional adviser before deciding whether to invest.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

In accordance with Chapter 6D of the Corporations Act this Prospectus is subject to an Exposure Period of seven days from the date of lodgement with the ASIC. This period may be extended by the ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period and all Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

This Prospectus will be issued in paper form and as an Electronic Prospectus, which may be viewed online at www.regalpointresources.com.au/prospectus. The Offer is available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to or accompanied by a complete and unaltered version of this Prospectus. Prior to the Closing Date, any person may obtain a hard copy of this Prospectus by contacting the Company directly by telephone on (08) 9424 9320 or by email at companysecretary@regalpointresources.com.au or the Lead Manager on (08) 9263 1111 or by email at patersons@psl.com.au.

Privacy Disclosure

The Company collects information about each Applicant provided on the Application Form for the purposes of processing the Application, and, if the Applicant is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company's share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about security holders (including name, address and details of the securities held) in its register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about the Applicant subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Section 1. Overview of the Company

1.1 Purpose of the Offer

The purpose of the Offer is to raise the funds necessary to carry out the exploration and drilling of the Company's projects. Further details of the Company's objectives are set out in Section 1.2.

1.2 Regalpoint's Projects

Company Overview and Objectives

The Company was formed to pursue exploration opportunities, primarily for uranium, within proven and emerging mineral provinces in Australia.

In 2006 the Centre for Exploration Targeting was engaged to carry out a prospectivity study for uranium and other minerals utilising the mineral systems approach. The objective of the study was to identify promising new areas in Australia with potential for uranium mineral deposits and to generate exploration targets at the terrane-to-camp scale that satisfied targeting criteria determined based on geological and commercial considerations. Targets were ranked according to the designated criteria and the Company was able to obtain mineral exploration licences over available ground for the top ranking projects as identified by the CET Study.

Project Overview

The Company's mineral tenement portfolio currently comprises approximately 14,000km^2 of ground in Australia to which it holds 100% of the mineral exploration rights. In addition, it has tenement applications pending covering a further approximately 3,000km^2 of ground.

The Company's objective is to rapidly evaluate and develop its assets and to create value for its shareholders through the discovery of economic uranium or other mineral ore bodies. To this end the Company will focus initially on its key brownfields projects, targeting large tonnage high-grade deposits.

The priority projects are:

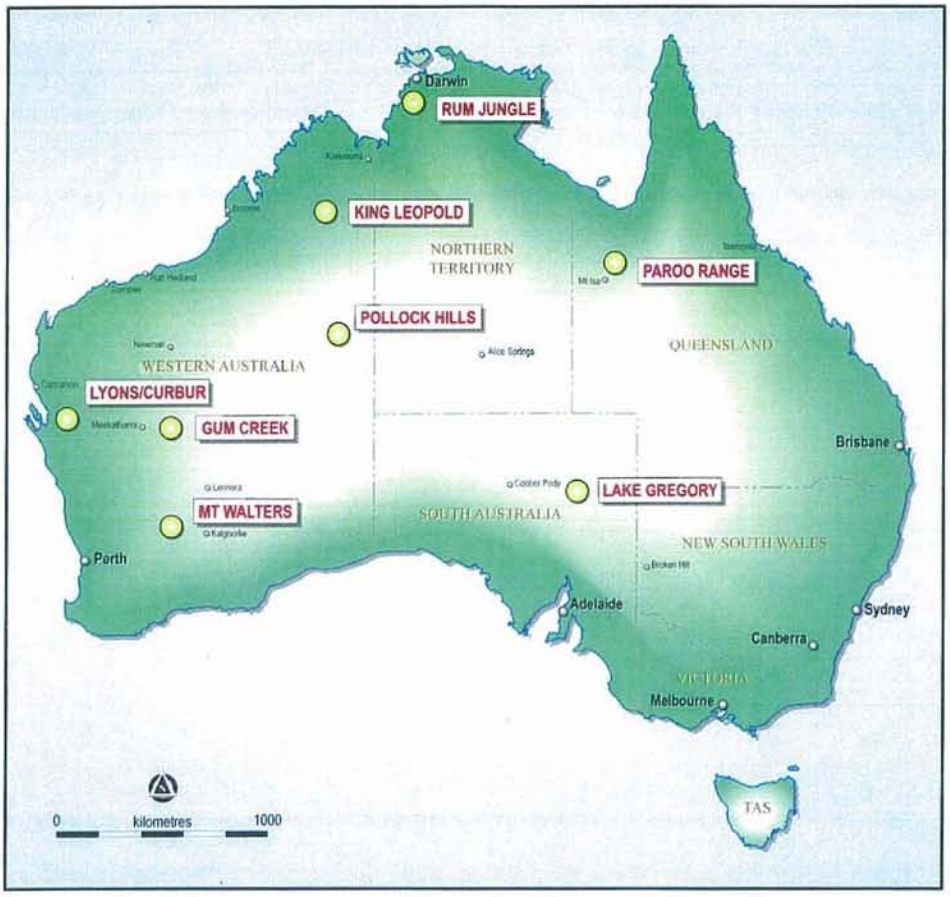
1. Rum Jungle, Northern Territory – targeting unconformity-style uranium deposits related to the Rum Jungle mineral field and gold and other minerals at the Highlander prospect;
2. Lake Gregory, South Australia – targeting sandstone-hosted uranium deposits near the Beverley Mine;
3. Gum Creek, Western Australia – targeting calcrete hosted uranium deposits near BHP's Yeelirrie calcrete deposit; and
4. Paroo Range, Queensland – targeting metasomatic uranium deposits adjacent to the Valhalla and Skal uranium deposits.

In support of these priority projects are more conceptual greenfields targets identified by the CET Study in emerging new areas, including:

1. Pollock Hills, Western Australia – an unconformity-related uranium target similar in setting to the Kintyre uranium deposit;
2. Mount Walters, Western Australia – targeting sediment-hosted uranium deposits in the Yilgarn Province;

3. Lyons/Curbur, Western Australia – targeting sediment-hosted uranium deposits in the Carnarvon Basin which also hosts the Manyingee, Bennet Well and Carley Bore deposits; and

4. King Leopold, Western Australia – targeting unconformity and sandstone-hosted uranium deposits.



CET Study and Uranium Database

The Company engaged the CET to develop a database and targeting tool which the Company has utilised to accumulate its tenement holding.

The CET Study utilised a mineral systems approach to identify areas prospective for uranium orebodies. The approach is based on similar technologies adopted in the petroleum industry that have been successfully used by hydrocarbon exploration companies for many years. The key advantage of the mineral systems approach is that it promotes a multi-scale and disciplinary approach to data collection analysis. The uranium mineral systems model has been found to be of a high standard and progressive in advancing uranium exploration in Australia.

The CET Study enabled the Company to extend significantly the knowledge of uranium mineralisation in Australia, which had suffered from a dearth of science due to nearly four decades of limited exploration, whilst the general understanding of Australia's geology and exploration tools focused on other mineral groups had advanced rapidly. Snowden has opined in its report that the Company has the potential to add considerable value to its portfolio using the knowledge gained from the CET Study and the Company's ability to more accurately target uranium mineralisation.

Rum Jungle Uranium

The Rum Jungle Project comprises three 100% owned exploration licences covering 96km^2 in the Pine Creek region of the Northern Territory. The Company's tenements in the Rum Jungle area cover unconformities analogous to those hosting known mineralisation in the area and are considered to be highly prospective for unconformity-related deposits. Some of the world's largest and highest grade uranium deposits are unconformity related – such as Cigar Lake and McArthur River in Canada and Jabiluka in the Northern Territory. The Rum Jungle Project covers a series of mapped unconformity surfaces. Uranium mineralisation in the regional area occurs at or proximate to these unconformities. In particular, the area has generated high uranium responses using gamma ray spectrometric imagery that are close to the identified unconformity surfaces. The Rum Jungle Project is located within a proven uranium producing area with its historic U_3O_8 production exceeding 6,000 tonnes extracted from unconformity-related deposits.

Rum Jungle Highlander Gold Prospect

Contained within the Rum Jungle Project tenements is a gold-in-soil zone exceeding 1.3km in length and open to the north in EL26094. Historic shallow RC drilling identified potentially ore-grade material presenting an excellent early target for follow-up exploration.

Additionally, the Company has identified a discrete magnetic anomaly striking north-south in the central eastern part of EL26094. The magnetic anomaly will be explored targeting iron associated copper-uranium, iron ore and base metal mineralisation (each of which has previously been mined in the Rum Jungle region).

The Company will explore both the uranium and gold prospects within the Rum Jungle Project. The Company proposes initially to carry out:

(a) surface geophysical and radon gas surveys testing the unconformity-related uranium targets; and

(b) validation of the Highlander gold mineralisation,

and anticipates to be in a position to commence drilling of both targets during the forthcoming dry season.

Lake Gregory Project

The Lake Gregory's Project is located in the Eromanga Basin in South Australia and is prospective for sandstone-hosted uranium mineralisation similar in style to the Beverley Uranium Mine and the North Beverley deposit (which received governmental approval to develop into a mine in December 2010). The Company has exploration licences covering 1,846km^2 located approximately 150km north west of the Beverley and North Beverley mines and the radiogenic Mt Painter Complex.

The Lake Gregory Project is considered to be prospective for sedimentary sandstone-hosted deposits such as those present at the Chu-Saryssu Province in Kazakhstan and similar mineralisation style to the Beverley and North Beverley uranium mines in the neighbouring Lake Frome Basin. Sandstone deposits represent a large proportion of the world's known uranium resources and include the Powder River Basin in Wyoming, Colorado and the Tim Mersoi Basin in Niger.

The Company has been notified that it has been successful in its application for PACE funding to undertake drilling on the Lake Gregory Project. Subject to finalisation of the formal

documentation, this funding will provide a contribution toward the Company's initial drilling campaign on the Lake Gregory Project, which is expected to commence in May 2011.

Geophysical modelling has identified a very large palaeochannel network including potential flow links to the radiogenic Mt Painter Complex. All of the ingredients for sandstone-hosted uranium deposits have been identified as present on the prospect: granites of the Mt Painter region (source), palaeochannels (pathway), and reduced Cretaceous and Tertiary sequences (redox-deposition). In addition, three radiometric clusters have been identified by airborne geophysics flown for the Company in 2008.

The regulatory and traditional owner approvals processes are underway and the Company anticipates being able to commence drill testing the project by May 2011.

Gum Creek Project

The Gum Creek Project comprises three granted exploration licences covering 658km^2. The project is interpreted to cover a 55km long section of palaeochannel and is highly prospective for surficial uranium mineralisation. It is geologically comparable to, and has common mineralisation source rocks with, the Yeelirrie deposit. Calcrete surficial uranium deposits include Yeelirrie and Langer Heinrich in Namibia. The Company plans to carry out aircore drilling along the interpreted palaeochannel.

Paroo Range Project

The Paroo Range Project in Queensland comprises 158km^2 located in the Mount Isa Region, approximately 5km east of the Skal uranium deposit and 15km east of the Valhalla uranium deposit. More than 70 uranium deposits, occurrences and prospects are located within a 50km radius of the Paroo Range Project, where the Company is targeting metamorphic and metasomatic styles of mineralisation.

Emerging Projects

In support of the Company's key brownfields projects are a number of projects in emerging provinces. These include the following:

Lyons/Curbur Project – The Company has approximately 4,300km^2 in 12 exploration licences in its Lyons/Curbur projects. These projects contain all of the essential ingredients for sandstone-hosted uranium deposits and the exploration targets are analogous to the Manyingee (Paladin Energy), Bennet Well (Cauldron Energy) and Carley Bore (Energia Minerals) deposits located in the Carnarvon palaeodrainage system.

Pollock Hills Project – The Company has two exploration licences covering 737km^2 in its Pollock Hills Project which straddles the boundary between the Amadeus and Arunta regions in Western Australia. The Company is targeting structurally controlled sediment-hosted uranium deposits.

Mount Walters Project – The Company has six exploration licences covering 1,025km^2 in its Mount Walters Project in Western Australia. The project area is considered to host the key components required for uranium mineralisation and is considered to be prospective for sediment-hosted deposits in the palaeochannels.

King Leopold Project – The Company has five exploration licences covering over 1,900km^2 in its King Leopold Project in Western Australia. This project is considered to be prospective for unconformity and sandstone-hosted uranium mineralisation and also has the potential of vein-related mineralisation.

Other Projects

In addition to its key and supporting projects outlined above, the Company has a number of other projects comprising both applications and granted tenements in Western Australia and Queensland. It intends to carry out initial exploration on each of these before determining whether to increase the activity or relinquish the projects.

The Company believes it has a significant competitive advantage by virtue of its joint ownership with the CET of the intellectual property developed by the CET and embodied in the uranium prospectivity database and the targeting methodology arising from the CET Study. Access to this database and methodology means that the Company will continue to be active in accessing new opportunities to either apply for or acquire projects in Australia and overseas which are considered to be prospective for economic mineralisation but are underexplored and present an opportunity for the Company to gain value from its expertise and intellectual property.

The Company's management is experienced in evaluating and developing mineral projects in Australia and overseas. The Company will maintain an outlook for opportunities to acquire further projects where management believes the terms of acquisition will improve the value of the Company's portfolio for the benefit of shareholders.

The Company has a 100% interest in all of its granted tenements and applications (except the Paterson Project, where Ausgold Ltd is acquiring the gold and base metal rights (excluding uranium) subject to the relevant tenement being granted and the acquisition of gold and base metal rights being approved with accordance with the Mining Act 1978 (WA) (refer to the summary of this agreement in Section 9.4(c)). A number of its projects may be prospective for minerals other than uranium and the Company may pursue other minerals if the commercial or exploration case warrants it.

The focus of the Company's exploration will initially be on the four priority projects, being Lake Gregory, Rum Jungle, Gum Creek and Paroo Range. It is not intended that funds will be expended on any tenements which are at the application stage only.

1.3 Expenditure plans

The funds raised from the Offer will be broadly applied over the two years following listing as follows:

Use of Funds	**$**
Exploration budget	7,000,000
Working capital	3,429,500
Administration	720,000
Expenses of the Offer	850,500
Source of funds	
New funds from Offer	12,000,000

Actual expenditure may vary from the above estimates, and the Board reserves the right to vary the expenditure dependent on circumstances and other opportunities.

Please refer to the Independent Geologist's Reports for a further breakdown of the Company's proposed expenditure program.

1.4 Working capital

On completion of the Offer, the Directors believe that the Company will have sufficient working capital to carry out its stated objectives.

1.5 Investment risks

Investors should be aware that there are risks associated with any investment in the stock market. In addition, there are a number of risk factors specific to investing in the Company and the mining and exploration industry in which the Company operates.

Key risks associated with the Company's business include:

- no guarantee of exploration success
- commodity price volatility and exchange rate risks
- discoveries may not be made or, if made, may not be economically exploited
- changes in environmental policy which are regulated by federal and state laws
- native title risk
- no assurance of when or if the current prohibition on uranium mining in Queensland will change
- limited cash resources which may require future financing
- competition from alternative energy sources and public perception of uranium mining
- regulation of the uranium industry, including exploration for and mining and export of uranium

Refer to Section 8 for a description of the risk factors that could affect the Company. Applicants should read the entire Prospectus before applying for Shares.

1.6 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Projects. The capacity to pay dividends will depend on a number of factors including future earnings, capital expenditure requirements and the financial position of the Company. The Directors do not expect to declare any dividends during the two-year period following the issue of this Prospectus and are unable, at this time, to state when a dividend may be declared.

1.7 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings, on the basis that the results of the Company's proposed operations are inherently uncertain. Any forecast or projected information would contain such a broad range of potential outcomes and possibilities as to be of little assistance and potentially misleading to prospective investors.

Section 2. Details of the Offer

2.1 Summary of the Offer

Pursuant to this Prospectus, the Company invites investors to subscribe for 60,000,000 Shares at an issue price of 20 cents each to raise $12,000,000 before the costs of the Offer.

From the date of issue the Shares offered by this Prospectus will rank equally with all other Shares on issue. The rights attaching to the Shares offered by this Prospectus are summarised in Section 9.5.

The purpose of the Offer is to raise funds to:

- provide funding to explore the Projects and to complete related test work and studies, including, mapping, sampling and drilling; and
- provide funds for the administration of the Company.

The issue of this Prospectus and completion of the Offer will also enable the Company to apply to ASX for admission to the Official List and for Official Quotation of the Shares.

2.2 Minimum subscription

The minimum subscription to be raised pursuant to this Prospectus is $12,000,000.

No Shares will be issued by the Company until the Company receives Applications in respect of the minimum subscription. Should the minimum subscription not be reached within four months from the date of this Prospectus, the Company will either repay the Application Monies to Applicants without interest or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Monies.

2.3 Conditions of Offer

Issue of the Shares comprised in the Offer is subject to:

(a) the Company receiving Applications for 60,000,000 Shares within four months after the date of this Prospectus; and

(b) Official Quotation of the Shares on ASX being granted within three months after the date of this Prospectus.

If conditions (a) and (b) are not met, the Company will repay the Application Monies to Applicants without interest.

2.4 Indicative Dates

Prospectus lodged with ASIC	14 February 2011
Applications open	21 February 2011[1]
Applications close	14 March 2011, 5.00pm (WST)
Allotment of Shares under this Prospectus and despatch of holding statements	21 March 2011
Expected date of commencement of trading of Shares on ASX	28 March 2011

Note 1: Assumes an Exposure Period of 7 days.

These dates are indicative only and may vary. The Company, in conjunction with the Lead Manager, reserves the right to vary any or all of these dates and times without prior notice subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company, in conjunction with the Lead Manager, reserves the right to extend the Closing Date, to accept late Applications (either generally or in particular cases), and to withdraw the Offer without prior notice. The commencement of Official Quotation of Shares is subject to confirmation from ASX. Applicants are encouraged to lodge their Application Forms as soon as possible after the Opening Date as the Offer may close earlier than the date specified above.

2.5 Applications

Investors who wish to apply for Shares in the Offer should complete the Application Form attached to or accompanying this Prospectus.

Applicants may apply for a minimum parcel of 10,000 Shares, representing a minimum investment of $2,000. Applicants wishing to apply for additional Shares must apply for Shares in multiples of 1,000 Shares (equivalent to $200) thereafter.

To apply for Shares under this Prospectus, the Application Form attached to or accompanying this Prospectus must be completed in accordance with the instructions accompanying it and lodged at one of the following addresses, on or before the Closing Date:

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

or

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Applications must be accompanied by payment in full in Australian currency of 20 cents for each Share applied for. Payment must be by way of cheque or bank draft drawn on and payable on an Australian bank and should be made payable to 'Regalpoint Resources Limited – Share Issue Account' and crossed 'Not Negotiable'.

No brokerage or stamp duty is payable by Applicants in respect of their Applications for Shares under this Prospectus. The amount payable on Application will not vary during the period of the Offer and no further amount is payable on allotment.

A duly completed and lodged Application Form will constitute an offer by the Applicant to subscribe for the number of Shares applied for pursuant to the Application Form.

An Application Form must not be provided to a prospective investor unless it is accompanied by a copy of this Prospectus.

2.6 Loyalty Options

The Company proposes to make an offer of Loyalty Options to Shareholders registered as such on a date which will be no later than three months after the Company lists on ASX. Subject to ASX approval, the offer will be on the basis of one Loyalty Option for every Share held at that time, at an issue price of one cent per Loyalty Option. The Loyalty Options will have an exercise price of 20 cents and an expiry date of 31 March 2014. Application will be made by the Company to have the Loyalty Options quoted on ASX. Further details of the Loyalty Options will be set out in a prospectus to be issued by the Company in relation to the offer of Loyalty Options.

2.7 Allotment of Shares

The acceptance of Applications and the allocation of Shares are at the discretion of the Directors. The Company reserves the right to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies, or to reject an Application. If the number of Shares allotted is fewer than the number applied for, surplus Application Monies will be refunded without interest.

Application Monies will be held in trust in a subscription account until allotment or, where applicable, it is repaid to the Applicants. The subscription account will be established and kept by the Company on behalf of the Applicants.

All interest earned on Application Monies (including those which do not result in allotment of Shares) will be retained by the Company.

2.8 Capital Structure

Immediately after completion of the Offer, the capital structure of the Company will be as follows:

Shares	
Shares on issue at the date of this Prospectus	46,609,333
Shares to be issued pursuant to this Prospectus	60,000,000
Total Shares on issue at completion of the Offer	106,609,333
Options	
Directors Options[1]	1,700,000

Note 1: The terms of the Directors' Options are set out in section 9.6.

2.9 Lead Manager

Paterson Securities Ltd has agreed to act as lead manager to the Offer. The Lead Manager will receive an issue management fee of 1% of the gross amount raised under the Offer (excluding GST), and a placement fee of 4% of the gross amount raised under the Offer (excluding GST). Further details of the agreement between the Company and the Lead Manager are summarised in Section 9.4.

2.10 ASX Quotation

Application will be made by the Company to the ASX, within seven days after the date of this Prospectus, for the Shares offered to be granted Official Quotation by ASX.

If the Shares offered pursuant to the Offer are not admitted to quotation by ASX within three months after the date of this Prospectus, all Application Monies will be refunded without interest and no Shares will be issued pursuant to this Prospectus.

The fact that ASX may grant quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

2.11 Restricted Securities

Securities issued to promoters, related parties, vendors and others prior to the Offer may be designated as 'restricted securities' by ASX. As such, a proportion of those securities, to be determined by the ASX, may be required to be held in escrow for a period determined by ASX. The maximum period of escrow will be two years from the date of official quotation by ASX.

2.12 CHESS

The Company will apply to ASX to participate in CHESS, operated by ASTC, a wholly owned subsidiary of ASX, in accordance with the Listing Rules and ASTC Settlement Rules.

Under this system, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive a statement of their holdings in the Company. If a Shareholder is broker-sponsored, the ASTC will send them a CHESS statement.

The CHESS statement will set out the number of securities allotted to each Shareholder under this Prospectus, give details of the Shareholder's holder identification number, and give the participant identification number of the sponsor.

If you are registered on the Issuer Sponsored Subregister, your statement will be dispatched by the share registry and will contain the number of securities allotted under the Prospectus and the Shareholder's security holder reference number.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time, however a charge may be made for additional statements.

2.13 Overseas Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

2.14 Underwriting

The offer is not underwritten.

2.15 Enquiries in Relation to the Offer

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant, solicitor or other professional adviser immediately.

Section 3. Directors and Management

3.1 Directors and Management

Hon SHANE L. STONE AC PGDK QC FACE FAIM FAICD – Non-Executive Chairman

Mr Stone is Chairman of the WPS Financial Group of Companies. He is also the Executive Chairman of the APAC Group consulting to companies operating in the Asia-Pacific Region. He is an alumnus of the Australian National University, Melbourne Law School, Adelaide and Sturt Universities and a Fellow of the Australian Institute of Management and Australian Institute of Company Directors. He is also a Fellow and Life Member of the Australian College of Educators. Mr Stone has a strong background in the export of Australian commodities. He has at various times acted an independent director to various public and private companies. He formerly served as Chief Minister of the Northern Territory, Minister for Mines and Energy and Federal President of the Liberal Party of Australia. He was a barrister prior to his entry into politics. In 2006 he was made a Companion of the Order of Australia in the Queen's Birthday Honours list. Mr. Stone has also received national awards from Indonesia and Malaysia. His not-for-profit activities include the Australian Children's Television Foundation, Defence Reserves Support Council, and the Order of Australia Association of which he is the National President.

Mr Stone is the Chairman of the Share Trading Committee and a member of the Audit and Risk Committee and Nomination and Remuneration Committee.

NICHOLAS ROSS BURN BSc.(Hons), MBA, MAIG – Chief Executive Officer and Executive Director

Mr Burn has 25 years' geological experience, including extensive uranium and gold exploration and development work in the Northern Territory, Western Australia and South Australia. His experience includes managing the exploration and pre-feasibility study of the Bigrlyi uranium deposit and the discovery of a number of other uranium resources.

He is a member of the Australian Institute of Geoscientists with a Bachelor of Science with Honours degree from the University of Adelaide. His Honours thesis was on palaeochannel-hosted uranium mineralisation, north-western Eyre Peninsula, SA. Mr Burn also has a Master of Business Administration (MBA) from Charles Sturt University, NSW and is a member of the Australian Institute of Company Directors.

SIMON TREVISAN B Econ, LLB (Hons), MBT – Executive Director

Mr Trevisan is the managing director of the Transcontinental Group of Companies and for the past 14 years and has been responsible for managing Transcontinental Group's mining and oil & gas investments and property development projects. Mr Trevisan has been involved in the promotion and management of a number of public companies, including Mediterranean Oil & Gas plc, an AIM listed oil & gas company with production and a substantial oil discovery in Italy. He was executive chairman of ASX-listed gold explorer Aurex Consolidated Ltd until its takeover by TerraGold Mining Ltd. He has a Bachelor of Economics and a Bachelor of Laws (UWA) and a Masters Degree in Business and Technology from the University of New South Wales.

Mr Trevisan initially practised as a solicitor with Allens Arthur Robinson Legal Group firm, Parker and Parker, in the corporate and natural resources practice groups and later acted as General Counsel to a group of public companies involved in the mining and exploration sectors. Mr Trevisan is currently an executive director of Ausgold Ltd.

Mr Trevisan is the Chairman of the Nomination and Remuneration Committee and a member of the Share Trading Committee and Audit and Risk Committee.

RICHARD LOCKWOOD – Director

Mr Lockwood has 35 years' experience in mining, mining investment and stockbroking. Formerly a mining investment partner for Hoare Govett and McIntosh Securities, he was involved in the development and financing of several gold and base metals projects in Europe, Australia and Africa.

Mr Lockwood is currently a Senior Fund Manager for City Natural Resources High Yield Trust, New City High Yield Trust, Geiger Counter Limited and Golden Prospect Precious Metals. He is also currently a non-executive director of Kalahari Minerals Ltd, Ausgold Ltd and Indochina Minerals Ltd.

ROBERT PETT BA(Hons), MA(Econ), FAICD, Minerals Economist – Director

Mr Pett is a minerals economist with over 29 years' experience in exploration and mining of gold and other metals. During that period he has overseen the successful exploration, development financing and operation of a number of mining projects worldwide. These include gold and nickel mines in Australia and gold mines in East and West Africa, a number evolving from grass roots discoveries, as well as numerous exploration projects. He holds a Masters Degree from Queens University Canada.

IAN MURCHISON B.Comm., FCA, Dipl Naut Sc. – Director

Mr Murchison is an Investment Director and a founding shareholder of Perth-based private equity fund manager Foundation Capital. Foundation Capital was established in 1994 and has invested institutional funds of over $125 million, primarily in Western Australia. Mr Murchison is a Fellow of the Institute of Chartered Accountants and was a founding partner of Sothertons Chartered Accountants. Mr Murchison is director of TFS Corporation Ltd, Ausgold Limited (alternate to Mr Simon Trevisan), Austwide Distributors Pty Ltd and Skill Hire Pty Ltd.

Mr Murchison is the Chairman of the Audit and Risk Committee and a member of the Share Trading Committee and Nomination and Remuneration Committee.

3.2 Governance Statement

The Board is responsible for the corporate governance of the Company. The Board guides and monitors the business activities and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Company's corporate governance practices have been structured with reference to the ASX Corporate Governance Council's 'Principles of Good Corporate Governance and Best Practice Recommendations' to the extent that they are applicable to the Company.

Information about the Company's corporate governance practices is available by contacting the Company directly. It is anticipated that these policies will also be made available on the Company's website shortly following listing.

The Board of Directors

The Company's Constitution and the Corporations Act require there to be at least three Directors. There is no requirement for Directors to hold Shares.

If the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

The Board's composition and role are subject to periodic review. The criteria for determining suitable candidates for appointment to the Board will include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties, and physical ability to undertake Board duties and responsibilities.

Under the Company's Constitution directors (other than managing director) are subject to reappointment by shareholders not later than the third anniversary following his last re-election. The Board does not subscribe to the principle of a set retirement age and there is no maximum period of service as a Director. A managing director may be appointed for such period and on such terms as the Board thinks fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

The Board has an Audit and Risk Committee, a Remuneration and Nomination Committee, and a Share Trading Committee. The Board does not consider that the Company is currently of a size, nor are its affairs of such complexity, to justify the formation of other separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The Directors have the right in connection with their duties and responsibilities as Directors to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to Director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Section 4. Independent Geologist's Report on Uranium Projects

SNOWDEN

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Perth, Brisbane, Vancouver, Johannesburg, London, Belo Horizonte

14 February 2011

The Directors
Regalpoint Resources Ltd
14th Floor, Parmelia House
191 St Georges Terrace
PERTH WA 6009

Dear Sirs

COMPETENT PERSON'S REPORT ON THE MINERAL ASSETS OF REGALPOINT RESOURCES LTD

At your request, Snowden Mining Industry Consultants ("Snowden") has prepared a Competent Person's Report on the mineral assets of Regalpoint Resources Ltd ("Regalpoint"). This report represents a Competent Person's review and independent assessment of the geology and exploration potential of Regalpoint's project areas in Australia. It is our understanding that this report will be included in a Prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") for a proposed listing on the Australian Securities Exchange ("ASX"). The purpose of the admission document is to offer for subscription a maximum of 60 million ordinary shares at an issue price of A$0.20 to raise A$12,000,000.

Regalpoint currently holds eight principal project areas comprising 10,749 km^2 in granted tenements that are considered prospective for uranium mineralisation. Regalpoint entered into a collaborative research project with the Centre for Exploration Targeting ("CET") at the University of Western Australia ("UWA") that resulted in the selection of these highly prospective conceptual exploration targets, namely:

- a 100% interest in the Rum Jungle project (Northern Territory)
- a 100% interest in the Lake Gregory project (South Australia)
- a 100% interest in the Paroo Range project (Queensland)
- a 100% interest in the Gum Creek project (Western Australia)
- a 100% interest in the Pollock Hills project (Western Australia)
- a 100% interest in the Mount Walter project (Western Australia)
- a 100% interest in the Lyons/Curbur project (Western Australia)
- a 100% interest in the King Leopold project (Western Australia).

Snowden understands that Regalpoint also holds a number of other tenements and tenement applications. These are at an early-stage of assessment and considered immaterial in the context of this report.

The objective of this report is to: (1) provide an overview of the geological setting of the project areas and the associated mineralisation; (2) outline the exploration undertaken on the project areas to date; (3) comment on the exploration potential of the project areas; and (4) provide a brief opinion on Regalpoint's proposed evaluation programmes.

This report relies upon information provided by Regalpoint and other consultants, on detailed discussions with the management of Regalpoint and a review of technical information compiled by Regalpoint, as well as published technical and various other reports. A listing of the documents

referenced is provided at the end of this report. For the purpose of this report, Snowden did not carry our site inspections of Regalpoint's properties. Snowden is familiar with the properties having previously completed a number of independent reviews on several areas in proximity to Regalpoint's project areas. Regalpoint has also advised Snowden that the main exploration targets are under cover and that there have been no material developments on which to form an opinion over and above that presented in the technical information provided. On this basis, site visits were not considered warranted.

Consent has been received from Regalpoint's representatives to include technical information and opinions expressed by them. None of the other entities referred to in this report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting, as a matter of fact, any relevant activities.

Snowden has based its findings upon information made known to it as at 11 February 2011. Snowden has endeavoured, by making reasonable enquiry of Regalpoint, to ensure that all material information in the possession of Regalpoint has been fully disclosed to Snowden. However, Snowden has not carried out any type of audit of the records of Regalpoint to verify that all material documentation has been provided. Regalpoint has agreed to indemnify Snowden from any liability arising from Snowden's reliance upon information provided or not provided to it by Regalpoint. A draft version of this report was provided to the directors of Regalpoint along with a request to confirm that there are no material errors or omissions in the report and that the information in the report is factually accurate. Confirmation of these terms has been provided in writing and has been relied upon by Snowden.

This report is provided subject to the following qualifications:

a) it is assumed that Regalpoint has made available to Snowden all material information in Regalpoint's possession or known to Regalpoint in relation to the technical, development, mining and financial aspects of the project and that Regalpoint has not withheld any material information and that information is accurate and up to date in all material respects

b) it is assumed that all geological reports and other technical documents provided by Regalpoint correctly and accurately record the result of all geological and other technical activities and testwork conducted to date in relation to the relevant tenements and accurately record any advice from relevant technical experts

c) it is assumed that Regalpoint has good and valid title to all tenements or other land tenure required by Regalpoint to explore, develop, mine and operate the projects in the manner proposed

d) it is assumed that all necessary governmental consents and approvals (including those regarding environmental issues) required to implement the various phases of the projects have been obtained or will be forthcoming without any material delay and on terms which will not cause any material change to any mining, exploration or other activities proposed and which will not cause any material change to the costs of such activities

e) it is assumed that Regalpoint will have access to sufficient working capital or other sources of finance to conduct the activities proposed by it

f) it is assumed that macro or other economic conditions will not cause any material change to the prices expected to be obtained for the mineral products expected to be produced and marketed from the projects

g) it is assumed that all factual information provided by Regalpoint as to the projects or their history or Regalpoint's future intentions, financial forecasting or the effect of relevant agreements is correct and accurate in all material respects.

In relation to the above qualifications, Snowden has not undertaken any independent enquiries or audits to verify that the assumptions are correct and gives no representation that the assumptions are correct.

In Snowden's opinion, Regalpoint's projects are of merit and warrant further exploration. The projects have been selected based on robust and well conceived conceptual models. Snowden considers the projects to be at an early stage of exploration but there remains good potential for the discovery of

significant uranium mineralisation. Furthermore, Snowden considers the exploration and development programmes proposed by Regalpoint's management have been carefully conceived and costed and are designed to realise the potential of the project in a prudent and efficient manner.

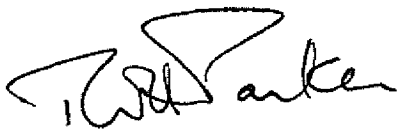
This report has been prepared by Mr Terry Parker (Principal Consultant – Corporate Services) and reviewed by Mr Trevor Bradley (Divisional Manager – Corporate Services) of Snowden's Perth office in accordance with the 2005 Edition of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("the VALMIN Code") and the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").

Snowden is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration, resource estimation, mining engineering, geotechnical engineering, risk assessment, mining information technology and corporate services. The company, with its principal office at 87 Colin Street, West Perth, Western Australia also operates from offices in Brisbane, Johannesburg, Vancouver, London and Belo Horizonte, and has prepared independent technical reports and valuations on a variety of mineral commodities in many countries.

Neither Snowden nor those involved in the preparation of this report have any material interest in Regalpoint or in the mineral properties considered in this report. Snowden is remunerated for this report by way of a professional fee determined in accordance to a standard schedule of rates which is not contingent on the outcome of this report.

Snowden has given, and has not before lodgement of Regalpoint's Prospectus, withdrawn its written consent to being named as author of this report and to the inclusion of this report in Regalpoint's Prospectus.

Yours faithfully
Snowden Mining Industry Consultants



Mr Terry Parker
BSc (Hons) Geology, Diploma Surface Mining, MBA, FAusIMM, CPGeo
Principal Consultant – Corporate Services

Mr Trevor Bradley
B(App)Sc (Hons), LLM (Distinction), MAIG.
Principal Consultant and Divisional Manager Corporate Services

File Reference: 110214_Final_2032_Regalpoint_CPR.docx

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1. SUMMARY

1.1 PURPOSE

Snowden Mining Industry Consultants ("Snowden") has prepared a Competent Person's Report on the mineral assets of Regalpoint Resources Ltd ("Regalpoint"). This report represents a Competent Person's review and independent assessment of the geology and exploration potential of Regalpoint's project areas in the Australia.

1.2 RESPONSIBILITY

Snowden personnel responsible for the preparation and review of this report are Mr Terry Parker (Principal Consultant – Corporate Services) and Mr Trevor Bradley (Divisional Manager – Corporate Services). Mr Parker is the principal author of this report which has been reviewed by Mr Bradley.

In preparing this report, the author has relied upon information provided by Regalpoint, on information recovered from reports by former tenement holders and by holders of adjacent tenements as well as information sourced from research papers by various academic and government institutions.

This report has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("the VALMIN Code") and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").

1.3 TENURE AND OWNERSHIP

Regalpoint currently holds eight principal project areas, comprising 10,749 km^2 in granted tenements that are considered prospective for uranium mineralisation. Regalpoint entered into a collaborative research project with the Centre for Exploration Targeting ("CET") at the University of Western Australia ("UWA") that resulted in the selection of these highly prospective conceptual exploration targets, namely:

- a 100% interest in the Rum Jungle project (Northern Territory)
- a 100% interest in the Lake Gregory project (South Australia)
- a 100% interest in the Paroo Range project (Queensland)
- a 100% interest in the Gum Creek project (Western Australia)
- a 100% interest in the Pollock Hills project (Western Australia)
- a 100% interest in the Mount Walter project (Western Australia)
- a 100% interest in the Lyons/Curbur project (Western Australia)
- a 100% interest in the King Leopold project (Western Australia).

Snowden understands that Regalpoint also holds a number of other tenements and tenement applications. These are at an early-stage of assessment and considered immaterial in the context of this report.

1.4 MINERAL ASSETS

1.4.1 Rum Jungle

The Rum Jungle project is located in the Pine Creek region of the Northern Territory, approximately 65 km south of Darwin. The project comprises three separate granted exploration licences (EL26091, EL26094 and EL26322) and covers approximately 96 km^2.

The Rum Jungle project covers the Archaean Rum Jungle Complex comprising schist, orthogneiss, banded iron formation and granite, unconformably overlain by a sedimentary succession comprising the Manton, Mount Partridge, South Alligator and Finniss River Groups. Uranium and polymetallic base metal mineralisation is known to occur in the Mount Partridge Group sediments around the margins of the Archaean domes and is also associated with regional scale faults.

The project area is known to incorporate a series of unconformity surfaces and uranium mineralisation may occur at, below or above these unconformities. EL26091 and EL26094 show high uranium responses on gamma-ray spectrometric imagery that are coincident with the identified unconformity

surfaces. Snowden considers that uranium exploration remains at an early stage of assessment at the Rum Jungle project despite the region's history of uranium mining. Regalpoint's tenements cover unconformities analogous to those hosting the known mineralisation in the area and are considered to be highly prospective for uranium mineralisation.

1.4.2 Lake Gregory

The Lake Gregory project comprises two granted exploration licences (EL3976 and EL3977) and is located in the Lake Eyre Basin of South Australia some 650 km north of Adelaide. The project covers an area of approximately 1,846 km^2.

The Lake Gregory project area contains Cretaceous shales, siltstones, sandstones and non-marine coal measures of the Eromanga Basin as well as largely unconsolidated Quaternary sediments. Snowden understands that the project area was selected because of its potential for sediment-hosted uranium mineralisation at regional redox boundaries, palaeochannels and within Cretaceous strata. The Lake Gregory project area is considered to include all mineral system components required for uranium mineralisation being; uranium enriched source rocks, a pathway for uranium transport and reduced Cretaceous sequences that could provide redox boundaries to facilitate uranium deposition.

Given the geological setting and mineral system components of the Lake Gregory area, Snowden considers the project to be prospective for sandstone-hosted uranium deposits and to be worthy of further exploration.

1.4.3 Paroo Range

The Paroo Range project is located in the Mount Isa region of northwestern Queensland. The project comprises a single granted exploration licence (EPM16923). The total area of the tenement is approximately 158 km^2.

The Paroo Range project is located within the Western Fold Belt of Mount Isa Inlier, a multiply deformed fold belt that has been subjected to an extended tectonic history. The region hosts numerous base metal and uranium deposits within metabasalts and volcaniclastic sedimentary rocks of the Eastern Creek Volcanics and less commonly within the underlying Mount Guide Quartzite and its lateral equivalents. Mineralisation tends to be strongly structurally controlled and generally located on second order structures positioned just off major north-south striking faults that extend through the Mount Isa area.

There are numerous known uranium occurrences hosted by the Eastern Creek Volcanics within a 50 km radius of the project area, including the Valhalla and Skal uranium deposits. The project area comprises the required structural and geological setting to host metasomatite style uranium mineralisation and is considered prospective for uranium mineralisation. Snowden considers the Paroo Range project to represent an early stage, conceptual exploration project and to be prospective for metamorphic and metasomatic uranium mineralisation.

1.4.4 Gum Creek

The Gum Creek project area is located in Western Australia, 650 km northeast of Perth and 50 km east of BHP Billiton Limited's Yeelirrie uranium deposit. The project comprises three granted exploration licences (EL51/1235, EL51/1236 and EL53/1340) and covers some 658 km^2.

The Gum Creek project is located within the Yilgarn palaeo-drainage system and hosts an approximately 55 km long section of palaeo-drainage. Bedrock exposure is limited within the project area and restricted to scattered outcrops of Archaean granite and gneiss with mafic and ultramafic rocks of Archaean age occurring outside of the project area.

The Gum Creek project area incorporates each of the uranium mineral system model components that are required for the generation of surficial uranium mineralisation. These components comprise a potential source of potassium and uranium (Archaean granites); sources of vanadium (Archaean mafic and ultramafic rocks); and a fluid pathway (interpreted palaeochannel). Favourable uranium host rocks (valley calcrete) are interpreted to be present within the 55 km long section of the interpreted palaeochannel.

Based on its review of the available data (remote sensing and geological mapping), Snowden considers the Gum Creek project to be an early-stage, conceptual exploration project. The geological

setting is considered prospective for surficial calcrete-hosted carnotite uranium mineralisation as demonstrated by its geological comparability and common mineralisation source rocks to the Yeelirrie deposit.

1.4.5 Pollock Hills

The Pollock Hills project is located in Western Australia, approximately 650 km west of Alice Springs at the boundary of the Amadeus and Arunta Regions. The project comprises two granted exploration licences (E80/3990 and E80/3991) with a total area of approximately 737 km^2.

The project area comprises Paleoproterozoic felsic volcanic rocks of the Pollock Hill Formation, which are unconformably overlain by the Neoproterozoic Dean Quartzite and Bitter Springs Formation. The felsic volcanic rocks of the Pollock Hill Formation are enriched in uranium both within and adjacent to the project area. In addition, the project area is situated at the intersection between two major fault zones.

The project area was identified by Regalpoint's area selection technology as being prospective for structurally-controlled sediment-hosted uranium deposits and is considered to incorporate the mineral system components required for uranium mineralisation. The Pollock Hills project remains at a very early stage of assessment and is considered to be a conceptual exploration target.

1.4.6 Mount Walter

The Mount Walter project area is located in Western Australia, some 120 km west of Kalgoorlie and approximately 430 km east of Perth. The project comprises six granted exploration licences (E15/1000 to E15/1002, E77/1458 and E77/1670 to E77/1671) and covers some 1,025 km^2.

The Mount Walter project is located in the Southern Cross Domain of the Youanmi Terrane within the Archaean Yilgarn Craton. The project covers an approximately 60 km long section of a Cenozoic palaeo-drainage system that cuts through and drains a basement of Archaean granite and gneiss that is enriched in uranium (up to 250 ppm eU). The project area is considered to host key components required for uranium deposition. Snowden considers the Mount Walter project to be an early stage, conceptual exploration target.

1.4.7 Lyons/Curbur

The Lyons/Curbur project area is located in the Murchison region of Western Australia, some 600 km north of Perth. The project comprises twelve granted exploration licences (E09/1467 to E09/1470, E09/1509, E09/1646 to E09/1650, and E70/3199) and covers some 4,316 km^2.

The southern project area is located at the western extremity of the Tertiary, Yilgarn-Carnarvon palaeo-drainage system, with examples of valley calcrete exposed within the Curbur North and Wanman areas. The project areas cover sections of a palaeo-drainage system that drained felsic and mafic igneous rocks along the western margin of the Archaean Yilgarn Region which are a potential source of uranium and vanadium. Valley calcrete within the project area presents a favourable host rock for surficial calcrete-hosted uranium mineralisation and further calcrete bodies may be present under cover.

The Lyons River sub project area is located over the southern Carnarvon Basin along the western margin of the Gascoyne Compex. The sub project covers Carboniferous-Permian sediments which are considered prospective for sandstone and sediment hosted mineralisation in palaeochannels draining the uranium rich granitic Gascoyne Complex.

Snowden considers the Lyons/Curbur project to be a conceptual, early stage exploration target that requires further investigation.

1.4.8 King Leopold

The King Leopold project is located in the King Leopold Region, Western Australia, approximately 65 km northeast of Fitzroy Crossing and 120 km west-northwest of Halls Creek. The project comprises five granted exploration licences (E04/3993 E80/4211, E80/4311, E80/4311 and E04/1877) and two pending exploration licences (and E80/4264 to E80/4265) and covers some 1,913 km^2.

The project area covers Paleoproterozoic rocks (1,790 Ma to 1,865 Ma) consisting of the Paperbark Suite (felsic to intermediate granitic rocks), Whitewater Volcanics (rhyolites, dacites and volcanoclastic

rocks), Speewah Group, King Leopold Sandstone, Elgee Siltstone and Hart Dolerite. Unconformity style uranium mineralisation has been identified within the basal sandstone unit of the Speewah Group. Numerous volcanic-hosted uranium occurrences have been identified in the Whitewater Volcanics elsewhere in the King Leopold and adjacent Halls Creek Region.

Remote sensing has identified targets for follow up work. Airborne aeromagnetic and radiometric surveys were undertaken late in 2010, but not yet interpreted. Proposed exploration includes reconnaissance geological mapping, rock sampling, alpha cup radon detection surveys, followed by RAB drilling and RC drilling if warranted. The project area is prospective for volcanic-hosted, sandstone hosted and unconformity-related uranium deposits. Snowden considers the King Leopold project to be an early stage exploration target that requires further investigation.

1.5 DEVELOPMENT AND EXPLORATION POTENTIAL

In Snowden's opinion, Regalpoint's project areas are at an early stage of assessment but hold good potential for the discovery of significant uranium mineralisation. The project areas have been selected based on robust and well considered conceptual models and Regalpoint's planned exploration expenditure on each of their project areas is considered appropriate and in accordance with industry practice.

In Snowden's opinion, Regalpoint's exploration approach has identified new project areas with significant potential for uranium mineralisation. Importantly, Snowden considers that Regalpoint has the potential to add considerable value to its uranium portfolio using the knowledge gained during its collaborative research project and its ability to accurately target uranium mineralisation based on its geological knowledge and uranium models. Furthermore, Snowden notes that the Area Selection Technology developed by Regalpoint has potential to be developed for other commodities and also for use in areas outside of Australia.

Snowden notes that, in addition to favourable geology, the success of Regalpoint is dependant upon the skills of its exploration team. In Snowden's opinion, Regalpoint has a well defined exploration strategy, the exploration budget is reasonable and the proposed exploration programme is well defined and appropriate for the targets being considered.

2. INTRODUCTION

2.1 PURPOSE

Snowden Mining Industry Consultants has prepared a Competent Person's Report on the mineral assets of Regalpoint Exploration Ltd. The mineral assets under consideration are located in South Australia, Western Australia, Northern Territory and Queensland. It is our understanding that this report will be included in a Prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") for a proposed listing on the Australian Securities Exchange ("ASX"). The purpose of the admission document is to offer for subscription a maximum of 60 million ordinary shares at an issue price of A$0.20 to raise A$12,000,000

Snowden understands that this report is to be included in its entirety in a Prospectus to be provided to ASIC and potential investors. The objectives of this report are to provide a review and independent assessment of the geology and exploration potential of Regalpoint's project areas in the Australia, namely:

- provide an overview of the geological setting of Regalpoint's project areas and the associated mineralisation
- outline the historic and recent exploration work undertaken on each of the project areas
- express Snowden's opinion on the exploration potential of Regalpoint's project areas
- consider the appropriateness of Regalpoint's budgeted work programmes.

2.2 RESPONSIBILITY OF THE COMPETENT PERSON'S REPORT

Snowden personnel responsible for the preparation and review of this report are Mr Terry Parker (Principal Consultant – Corporate Services) and Mr Trevor Bradley (Divisional Manager – Corporate Services). Mr Parker is the principal author of this report which was reviewed by Mr Bradley. For the purpose of this report, Snowden did not carry our site inspections of Regalpoint's properties. Snowden is familiar with the properties having previously completed a number of independent reviews on

several areas in proximity to Regalpoint's project areas. Regalpoint has also advised Snowden that the main exploration targets are under cover and that there have been no material developments on which to form an opinion over and above that presented in the technical information provided. On this basis, site visits were not considered warranted.

In preparing the report, Snowden has relied on information provided by Regalpoint, other data prepared by previous tenement holders and research papers published by various academic institutions. Snowden has also had in depth discussions with Mr Nicholas Burn (CEO) and Mr Simon Trevisan (Executive Director) of Regalpoint and other associates of the company regarding various aspects of the project areas.

3. OVERVIEW OF REGALPOINT

Regalpoint is an Australian based, unlisted, uranium exploration company that was established in 2006 to carry out a uranium prospectivity analysis of the Australian continent. Regalpoint's current primary mineral assets are located in Western Australia, the Northern Territory, Queensland and South Australia.

The selection of Regalpoint's exploration licences are the result of an in-depth study which is described in Section 3.1 below. The location and details of Regalpoint's projects are shown in Figure 3.1 and Table 3.1.

Figure 3.1 Location of Regalpoint's principal project areas

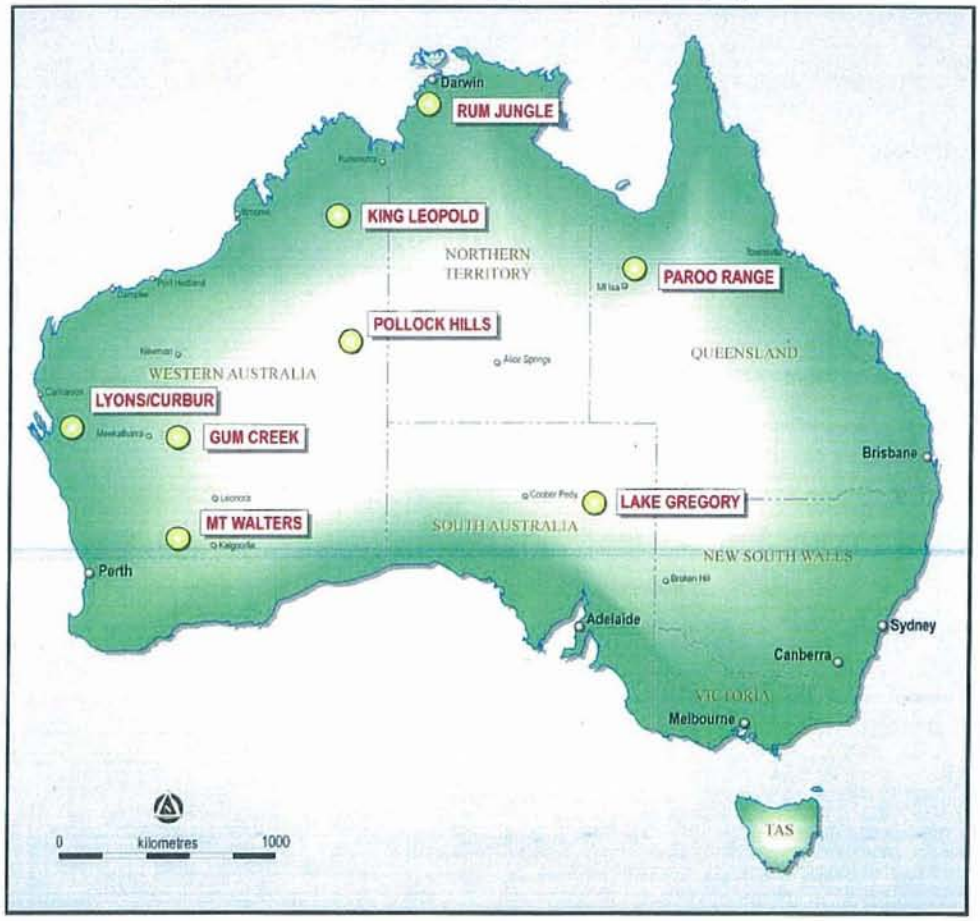


Table 3.1 Details of Regalpoint's principal granted project areas

Project name	Equity	State	Tenement	Status	Area (km^2)	Grant date	Expiry date
Rum Jungle	100%	NT	EL26091	Granted	6	26-Nov-07	25-Nov-13
Rum Jungle	100%	NT	EL26094	Granted	73	6-May-08	5-May-14
Rum Jungle	100%	NT	EL26322	Granted	16	30-Jun-08	29-Jun-14
Lake Gregory	100%	SA	EL3976	Granted	925	5-Nov-07	4-Nov-10
Lake Gregory	100%	SA	EL3977	Granted	921	5-Nov-07	4-Nov-10
Paroo Range	100%	QLD	EPM16923	Granted	158	18-Dec-09	17-Dec-11
Pollock Hills	100%	WA	E80/3990	Granted	359	20-Nov-08	19-Nov-13
Pollock Hills	100%	WA	E80/3991	Granted	378	20-Nov-08	19-Nov-13
Gum Creek	100%	WA	E51/1235	Granted	221	11-Feb-08	10-Feb-13
Gum Creek	100%	WA	E51/1236	Granted	221	11-Feb-08	10-Feb-13
Gum Creek	100%	WA	E53/1340	Granted	217	20-Feb-08	19-Feb-13
Mount Walter	100%	WA	E15/1000	Granted	183	18-May-08	17-May-13
Mount Walter	100%	WA	E15/1001	Granted	204	18-May-08	17-May-13
Mount Walter	100%	WA	E15/1002	Granted	207	20-May-08	19-May-13
Mount Walter	100%	WA	E77/1458	Granted	189	6-Aug-08	5-Aug-13
Mount Walter	100%	WA	E77/1671	Granted	118	1-Feb-10	31-Jan-15
Mount Walter	100%	WA	E77/1670	Granted	124	26-Mar-10	25-Mar-15
Curbur	100%	WA	E09/1467	Granted	397	28-Jul-09	27-Jul-14
Curbur	100%	WA	E09/1468	Granted	220	28-Jul-09	27-Jul-14
Curbur	100%	WA	E09/1469	Granted	316	28-Jul-09	27-Jul-14
Curbur	100%	WA	E09/1470	Granted	273	28-Jul-09	27-Jul-14
Curbur	100%	WA	E09/1509	Granted	161	28-Jul-09	27-Jul-14
Curbur	100%	WA	E09/1651	Granted	415	16-Sep-10	15-Sep-15
Curbur	100%	WA	E70/3199	Granted	183	19-Mar-10	18-Mar-15
Lyons River	100%	WA	E09/1646	Granted	329	4-Oct-10	03-Oct-15
Lyons River	100%	WA	E09/1647	Granted	406	4-Oct-10	03-Oct-15
Lyons River	100%	WA	E09/1648	Granted	543	4-Oct-10	03-Oct-15
Lyons River	100%	WA	E09/1649	Granted	583	4-Oct-10	03-Oct-15
Lyons River	100%	WA	E09/1650	Granted	490	4-Oct-10	03-Oct-15
King Leopold	100%	WA	E80/4211	Granted	639	14-Dec-09	13-Dec-14
King Leopold	100%	WA	E08/4311	Granted	168	27-Jul-10	26-Jul-15
King Leopold	100%	WA	E04/1877	Granted	556	26-Oct-10	25-Oct-14
King Leopold	100%	WA	E04/3993	Granted	298	30-Sep-10	29-Sep-15
King Leopold	100%	WA	E80/4263	Granted	252	15-Mar-10	14-Mar-15
Total					10,749		

3.1 AREA SELECTION TECHNOLOGY

In early 2006, Regalpoint entered into a collaborative research project with the CET at the UWA. Under this agreement, Regalpoint provided funding for a significant study into uranium prospectivity in Australia and the CET assembled a team of international uranium specialists to undertake this study. An overview of the uranium research project is shown in the Appendix.

The principle objectives of the collaborative research project were to:

- document and understand the processes that form the various uranium deposits on a global basis
- determine how these deposits are expressed in the various geological, geochemical and geophysical datasets
- use the uranium deposit knowledge gained to identify the most prospective and available areas in Australia for future uranium exploration.

These objectives were achieved through the development of a minerals system methodology which is largely based on similar systems used in the petroleum industry. Previous work in the petroleum industry has shown this approach to be rigorous, innovative and technically sound. The key steps in Regalpoint's approach included:

- review and modify (where required) previously documented uranium type deposit models and extract from the models the key physical and chemical processes required for the formation of each uranium deposit type
- compile all available and relevant digital geoscience and exploration information into a standalone GIS database
- identify and understand the processes that form uranium deposits and their expression in geological, geochemical and geophysical dataset
- identify and use the physico-chemical processes required for uranium deposit formation in the GIS datasets to generate uranium predictor maps
- use the derivative predictor maps for conceptual (manual) and empirical (automated) prospectivity analysis.

Snowden understands that CET's research programme represents the largest systematic assessment (globally) of uranium potential undertaken on a continent-wide basis and also the largest prospectivity analysis that the CET has undertaken. The resultant commercial outcomes of this collaborative research project include:

- the acquisition of a significant tenement portfolio of uranium prospective ground as a result of the scientific prospectivity analysis
- positioning Regalpoint as the first commercial entity to identify opportunities in under-explored and newly discovered uranium prospective provinces
- development of a unique GIS database that enables Regalpoint to rapidly evaluate new business opportunities and assess numerous areas in Australia in terms of their uranium potential
- management of a GIS-integrated uranium occurrence database that contains information about the location, geological setting, style, age and size of Australia's known uranium occurrences and deposits
- generation of detailed uranium prospectivity maps.

4. OVERVIEW OF THE URANIUM INDUSTRY

4.1 CLASSIFICATION OF URANIUM

The Organisation for Economic Co-operation and Development / Nuclear Energy Agency ("OECD/NEA") and the International Atomic Energy Agency ("IAEA") prepare periodical updates (usually every two years) of world uranium 'resources'. These updates are published in Uranium Resources, Production and Demand, commonly known as the 'Red Book'. The latest edition (OECD/NEA & IAEA, 2008) gives data as at 1 January 2007. It should be noted that the OECD/NEA 'resources' are primarily for national and international planning purposes and are not necessarily consistent with, and should not be confused with, Mineral Resources as defined by JORC (2004). The OECD/NEA reports 'Identified Resources' which consist of 'Reasonably Assured Resources' ("RAR") and 'Inferred Resources', recoverable at a cost of less than US$130/kgU.

National agencies from some 40 countries provide estimates of uranium 'resources' and other data in response to questionnaires distributed by the NEA/IAEA. For the NEA/IAEA classification scheme, 'resource estimates' are divided into the following categories that reflect the level of confidence in the

quantities reported. The 'resources' are further separated into categories based on the cost of production. All 'resource' estimates are expressed in terms of metric tonnes of recoverable uranium (U) rather than uranium oxide (U_3O_8). Estimates refer to quantities of uranium recoverable from mineable material, unless otherwise noted. 'Resources' are divided, according to different confidence levels of occurrence, into the categories discussed below.

- Reasonably Assured Resources ("RAR") refers to uranium that occurs in known mineral deposits of delineated size, grade and configuration such that the quantities which could be recovered within the given production cost ranges with currently proven mining and processing technology, can be specified. Estimates of tonnage and grade are based on specific sample data and measurements of the deposits and on knowledge of deposit characteristics. RAR have a high assurance of existence. Unless otherwise noted, RAR are expressed in terms of quantities of uranium recoverable from mineable ore. RAR are approximately comparable to Measured and Indicated Resources as defined by the JORC Code (JORC, 2004).
- Inferred Resources ("IR") refer to uranium, in addition to RAR, that is inferred to occur based on direct geological evidence, in extensions of well-explored deposits, or in deposits in which geological continuity has been established but where specific data, including measurements of the deposits, and knowledge of the deposit's characteristics, are considered to be inadequate to classify the resource as RAR. Estimates of tonnage, grade and cost of further delineation and recovery are based on such sampling as is available and on knowledge of the deposit characteristics as determined in the best known parts of the deposit or in similar deposits. Less reliance can be placed on the estimates in this category than on those for RAR. Unless otherwise noted, IR are expressed in terms of quantities of uranium recoverable from mineable ore. IR are approximately comparable to Inferred Resources as defined by the JORC Code (JORC, 2004).
- The NEA/IAEA also refers to Prognosticated Resources and Speculative Resources which are not considered relevant to this report and are not comparable to JORC Code classifications.

The resources are further separated into categories based on the cost of production:

- less than US$40/kg U
- less than US$80/kg U
- less than US$130/kg U.

4.2 URANIUM RESOURCES, PRODUCTION AND DEMAND

Uranium is primarily used to fuel nuclear reactors for the generation of electricity. Nuclear power is the third highest contributor to global electricity generation (at 17% of supply) and has remained relatively constant at 15% to 17% since the 1980s as the productivity of reactors has increased with global electricity consumption. The three countries with the highest rate of uranium production are currently Kazakhstan, Canada and Australia with 29%, 18% and 17% respectively.

According to the OECD/NEA, total global 'Identified Resources' of uranium increased by 17% in 2007 (to 4,456,000 tonnes of uranium metal) in the less than US$80/kg U category compared to their 2005 levels. A portion of this increase relates to new discoveries but the majority is from re-evaluations of previously 'Identified Resources' in light of the effects of higher uranium prices on cut-off grades. Assuming the 2006 rate of uranium consumption, the current 'Identified Resources' are sufficient for some 100 years of supply.

Uranium production in 2009 totalled some 48,510 tU. This represents an 11% increase from the 43,648 tU produced in 2008 and reverses production decreases from 2004 to 2006. The majority of the increase has been provided from Kazakhstan which increased production some 63% to 13,900 tU produced in 2009.

In 2009, world uranium production (estimated at 48,510 tU) provided about 75% of world reactor requirements (approximately 65,000 tU), with the remainder being met by supplies of already mined uranium (so called secondary sources) including excess government and commercial inventories, the delivery of low enriched uranium arising from the down-blending of highly enriched uranium ("HEU") derived from the dismantling of nuclear warheads, re-enrichment of depleted uranium tails and spent fuel reprocessing.

In 2010, a total of 436 commercial nuclear reactors were operating with a net generating capacity of about 370 GWe requiring about 66,500 tU per annum. By the year 2030, world nuclear capacity is

projected to grow to between about 509 GWe (low demand case) and 663 GWe (high demand case). Accordingly, world reactor-related uranium requirements are projected to rise to between 93,775 tU and 121,955 tU by 2030.

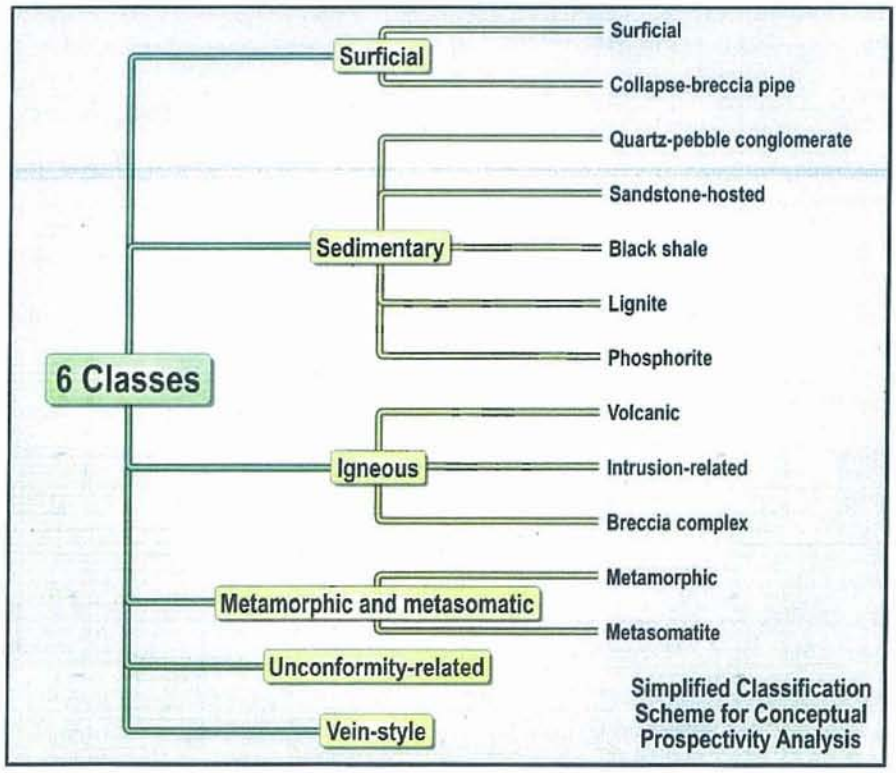
As currently projected, primary uranium production capabilities could satisfy projected high case world uranium requirements, however, in order for production to meet future demand, mine expansions and openings must proceed as planned and production will need to be maintained at full capability. This is considered unlikely, as illustrated by mine development setbacks and production difficulties experienced in recent years. Therefore, to ensure demand is met, secondary sources will continue to be necessary. Although information on secondary sources is incomplete, they are widely expected to decline in importance and be largely unavailable beyond 2015. As secondary supplies are reduced, reactor requirements will need to be increasingly met by mine production. The introduction of alternate uranium fuel cycles, if successfully developed and implemented, will impact the market balance, but it is uncertain how effective and widely implemented these proposed fuel cycles will be. What is clear is that a sustained strong demand for uranium will be needed to stimulate the timely development of production capability and to increase Identified Resources. Long lead-times required to identify new resources and to bring them into production (typically of the order of ten years or more), gives rise to the potential for the development of uranium supply shortfalls and continued upward pressure on uranium prices.

World demand for electricity is expected to continue to grow rapidly over the next several decades to meet the needs of an increasing population and economic growth. The recognition by many governments that nuclear power can produce competitively-priced base-load electricity, combined with the role that nuclear energy can play in enhancing security of energy supplies, has increased the prospects for growth in nuclear generating capacity, although the magnitude of that growth remains uncertain.

5. TYPES OF URANIUM DEPOSITS

The OECD/NEA and IAEA (2000) have classified uranium deposits worldwide into fifteen deposit types based on their geological setting. This classification includes one category of 'other types of deposit' and the remaining 14 deposit classes contain up to 39 subclasses. These have been simplified into six major classes, as summarised in Figure 5.1. The deposit types relevant to Regalpoint's project areas are described in further detail below.

Figure 5.1 Uranium deposit types and sub-classes (from Regalpoint)



5.1 SURFICIAL DEPOSITS

Surficial uranium deposits are broadly defined as young (Tertiary to Recent) near-surface uranium concentrations within sediments or soils. These deposits usually have secondary cementing minerals including calcite, gypsum, dolomite, ferric oxide and halite. Uranium deposits in calcrete (calcium and magnesium carbonates) are the most significant of the surficial deposits known in Australia. The calcrete bodies are typically interbedded with Tertiary sand and clay and are usually cemented by calcium and magnesium carbonates. Calcrete deposits form in regions where uranium-rich granites were deeply weathered in a semi-arid to arid climate. Surficial uranium deposits may also occur in peat bogs, karst caverns and soils.

In Western Australia, the calcrete uranium deposits occur in valley-fill sediments along Tertiary drainage channels (e.g. the Yeelirrie deposit) and in playa lake sediments (e.g. the Lake Maitland deposit). These deposits overlie or are proximal to Archaean granite and greenstone basement of the northern portion of the Yilgarn Craton with the granite providing the uranium source and the greenstone rocks providing the vanadium source. The primary uranium mineralisation is carnotite (hydrated potassium uranium vanadium oxide) which is readily extractable by acid or alkali leaching methods.

Calcrete deposits represent approximately 5% of Australia's and 4% of the world's total known 'Identified Resources' of uranium. Calcrete uranium deposits are also known to occur in the Central Namib Desert of Namibia, the largest being the Langer Heinrich deposit. Regalpoint's Gum Creek project is considered prospective for this type of deposit.

5.2 UNCONFORMITY RELATED DEPOSITS

Unconformity related deposits occur immediately below and above major unconformities that separate crystalline basement from overlying clastic sedimentary rocks of either Proterozoic or, less commonly, Phanerozoic age. The deposits are formed relating to geological and geochemical changes at the unconformity boundary. Some of the world's largest and highest grade uranium deposits are unconformity-related with the Athabasca Basin in Canada being of particular note. Currently all Canadian uranium production is from the Athabasca Basin.

Large high-grade uranium or polymetallic deposits are known to occur directly at or slightly above the unconformity (Cigar Lake and McArthur River in Canada). Large but medium to high-grade uranium deposits are found below the unconformity (Rabbit Lake in Canada and Jabiluka 2 in Australia) and low-grade small deposits may be up to 200 m above the unconformity (e.g. Maurice Bay in Canada).

Approximately 20% of Australia's and 33% of the world's known 'Identified Resources' of uranium are contained in unconformity-related deposits. Australia has two main known uranium provinces that contain Proterozoic unconformity-related deposits:

- the Alligator Rivers uranium field in the Northern Territory, including Ranger 1, Nabarlek, Jabiluka, Koongarra and Ranger 68 deposits
- the Rudall Complex in Western Australia, which hosts the Kintyre deposit.

A large proportion of Australia's uranium production since 1980 has been from two of these deposits; Ranger (No. 1 and No. 3 orebodies) and Nabarlek. Snowden understands that uranium exploration in the Alligator Rivers uranium field and Arnhem Land has been largely restricted since the late 1970s due to political and environmental factors. Regalpoint's Rum Jungle project is considered prospective for this type of deposit.

5.3 METAMORPHIC AND METASOMATIC DEPOSITS

Metasomatite deposits are hosted in structurally deformed and metamorphosed rocks that have been affected by sodium metasomatism. Metasomatic host rocks include albitites, aegirinites and alkali amphibole rocks. Uranium mineralisation tends to be unevenly disseminated.

The uranium host rocks may show several types of alteration including sodium-metasomatism which results in enrichment in Na_2O and depletion of SiO_2. Haematite and carbonate alteration is also usually present. Albitites that host the mineralisation often occur along mylonitic zones or major fault zones.

Two subtypes of metasomatite deposits are defined on the basis of host rock:

- Metasomatised granite deposits which include uranium deposits that occur in albitites and sodium-rich granite host rocks including the Ross Adams deposit in Alaska.

- Metasomatised metasedimentary uranium deposits which occur in metasedimentary rocks with metasomatic albite–aegerine, albite–arfvedsonite–aegerine and other sodium silicates including the Zheltye Vody deposit in the Krivoy Rog area, Ukraine, and Valhalla deposit, Australia.

Metasomatite deposits are typically small and generally contain less than 1,000 t of U_3O_8. Ore grades are usually low at less than 0.2% U_3O_8, but may range up to 3% U_3O_8. Less than 2% of Australia's known 'Identified Resources' are in this type of deposit. Metasomatite deposits occur in the Eastern Creek Volcanics north of Mount Isa, the largest of them being Valhalla, Skal and Anderson's Lode. The Valhalla deposit is hosted by breccciated metasediments (carbonaceous shale and mafic tuff), altered basalt and albitite. The host rocks show intense sodic and haematitic alteration, and the uranium–vanadium mineralisation is closely associated with the alteration. More than 100 other small uranium deposits and prospects of this type are known too occur in the Eastern Creek Volcanics.

Principal ore minerals are uranium-thorium oxides and silicates, including thorium–rich uraninite, uranothorite and thorite, and uranium-titanium oxide minerals including brannerite. Most of these minerals are refractory and are difficult to beneficiate using conventional acid-leach processes. Regalpoint's Paroo Range project is considered prospective for this type of deposit.

5.4 SEDIMENTARY (SANDSTONE-HOSTED) DEPOSITS

Sandstone-hosted uranium deposits are typically contained within medium to coarse-grained and poorly sorted, fluvial or marginal-marine sandstone. The sandstone is typically over and under-lain by impervious layers of siltstone or shale which allow groundwater to be focussed into the sandstone. The sandstones usually contain pyrite and organic matter which may be disseminated or form minor coal seams. The organic matter is important as it allows reducing conditions to be created in the host rock. As uranium is mobile under oxidising conditions and precipitates under reducing conditions, the presence of a reducing environment is essential for the formation of uranium deposits in sandstone. Post-Silurian (approximately 450 Ma) continental sandstone within tropical to temperate latitudes (ie ±50° of the palaeo-equator) is considered a potentially favourable host because of the widespread development of land plants which began in the equatorial Silurian period.

Sandstone with a slight dip, such as on the margins of continental basins and coastal plains, is favourable for uranium mineralisation processes as the rate of groundwater movement and oxygen intake are low enough to preclude destruction of reducing environments and favour the precipitation of uranium minerals. Sandstone units with low dips may also provide large surface areas for the capture and introduction of uraniferous groundwater into the host rocks.

Based on the shape of the uranium mineralisation and depositional or structural environment, sandstone-hosted uranium deposits may be further subdivided into three categories:

- Tabular deposits with mineralised zones parallel to the direction of groundwater flow. On a local scale the ore zones may cut across sedimentary features of the host sandstone.
- Roll-front deposits which tend to be crescent-shaped in cross-section. Uranium mineralisation may cut bedding and extend from the overlying to the underlying impervious mudstone/siltstone layers. The mineralised zone is convex down the hydraulic gradient. Mineralisation usually has a diffuse boundary down-dip (into a reducing environment) and a sharp boundary up-dip.
- Tectonic–lithologic deposits occur along permeable fault zones which cut sandstone-mudstone sequences. Mineralisation tends to inter-finger into the permeable sandstone layers adjacent to the fault. Often there are a number of mineralised zones 'stacked' vertically on top of each other within sandstone units adjacent to the fault zone.

Sandstone deposits contain a large proportion of the world's known uranium resources, although they are commonly of low to medium grade (0.05% to 0.4% U_3O_8). In each province or basin there are usually many small to medium-size deposits but the cumulative tonnage in the province or basin may be large. Major sandstone uranium provinces include the Powder River Basin in Wyoming, Colorado Plateau and Gulf Coastal Plain of the USA, and the Tim Mersoi Basin of Niger. Sandstone deposits comprise approximately 7% of Australia's and 18% of the world's total known uranium 'Identified Resources'. The principal uranium minerals tend to be uraninite and coffinite which are readily extractable. Furthermore, due to the inherent permeability of the host rocks, the mineralisation may be amenable to low cost, in-situ leach mining methods. Regalpoint's Lake Gregory, Pollock Hills, Mount Walter and Curbur projects are considered prospective for this type of deposit.

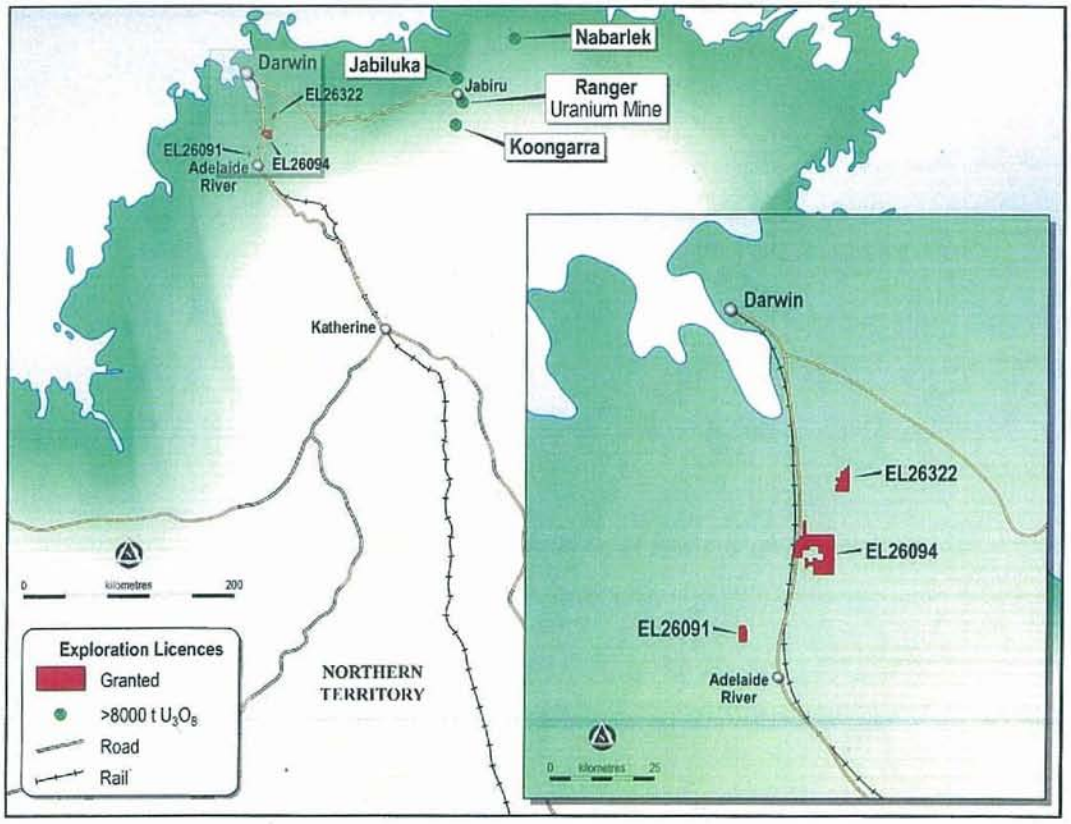
6. REGALPOINT'S PROJECT AREAS

6.1 RUM JUNGLE

Regalpoint's 100% owned Rum Jungle project is located in the Pine Creek region of the Northern Territory, approximately 65 km south of Darwin (Figure 6.1). The project comprises three separate granted exploration licences (EL26091, EL26094 and EL26322) and covers approximately 96 km^2. Snowden notes that between 1954 and 1971, the Rum Jungle uranium field produced more than 6,000 t U_3O_8.

The project area may be accessed to the south from Darwin via the sealed Stuart Highway and an extensive network of secondary roads. The area has a tropical climate with warm to hot temperatures throughout the year. The annual average rainfall is approximately 1,480 mm, principally between November and March with the highest rainfall occurring in February. The months of May to September are generally dry.

Figure 6.1 Location of the Rum Jungle project area



6.1.1 Geology and mineralisation

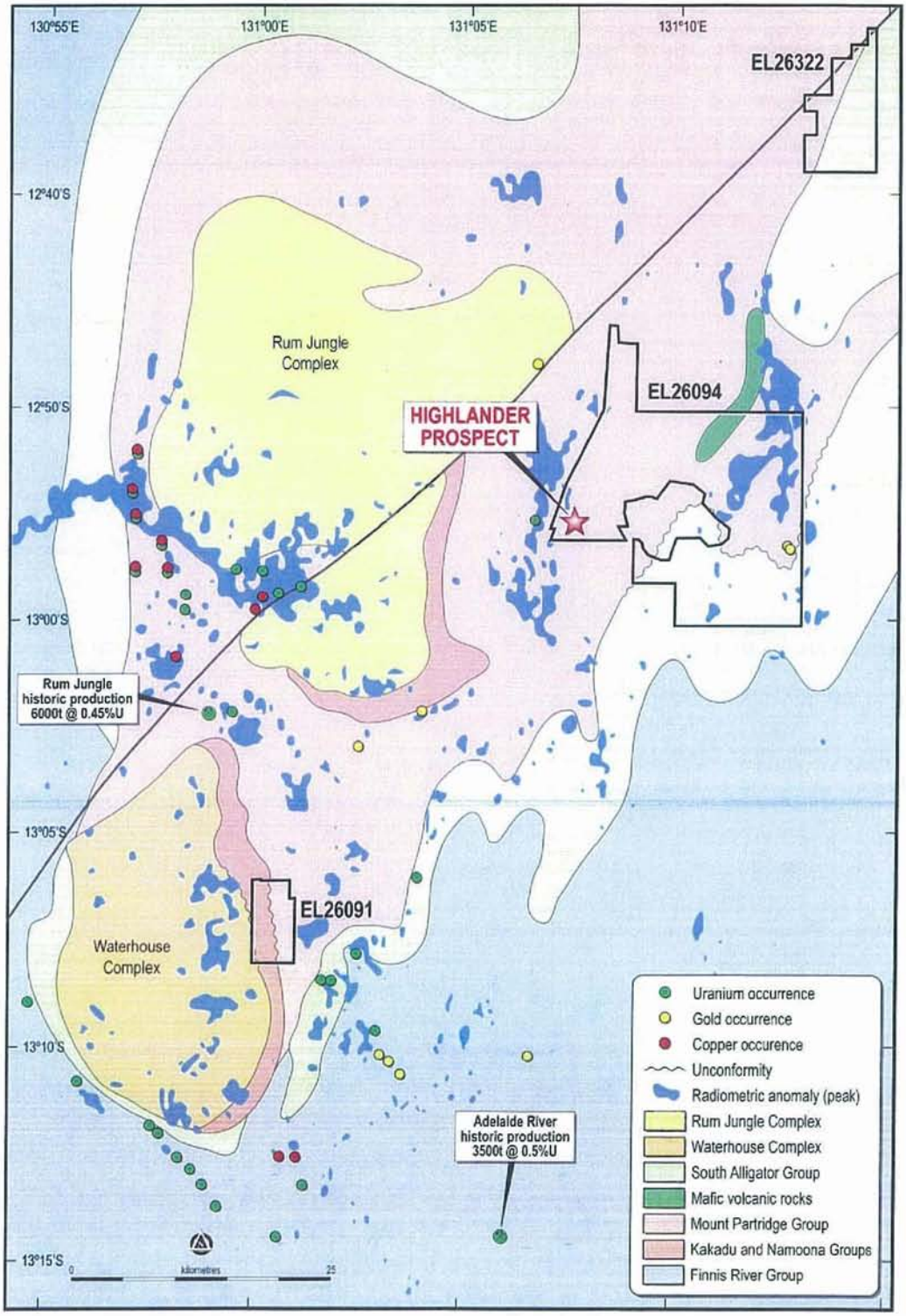
The Rum Jungle project covers the Archaean Rum Jungle Complex comprising schist, orthogneiss, banded iron formation and granite which are exposed in two domal inliers (Figure 6.2). The Rum Jungle Complex is unconformably overlain by a sedimentary succession comprising the Manton, Mount Partridge, South Alligator and Finniss River Groups. Dolerite and gabbro sills and plugs of the Zamu Dolerite intrude these sediments. A series of north-northwest trending syn- and anticlinal fold structures and reverse faults and northeast striking cross structures control the distribution of Palaeoproterozoic rock sequences which include (from oldest to youngest) the Whites Formation, Wildman Siltstone, Koolpin Formation, Gerowie Tuff, Mount Bonnie Formation and Burrell Creek Formation.

Multiple folding and faulting events ranging in age from 1,880 to 1,760 Ma have affected the region. Thrusts have been overprinted by tight to isoclinal north-trending folds and upper greenschist facies metamorphism. Open folding and kinking, as the distal expression of granite emplacement, was followed by retrograde lower greenschist facies metamorphism and regional-scale, northwest-trending strike-slip faulting.

Uranium and polymetallic base metal mineralisation is known to occur within the Mount Partridge Group sediments, around the margins of the Archaean domes and is also associated with regional scale faults.

Regalpoint's Rum Jungle project area covers a series of mapped unconformity surfaces. Uranium mineralisation in the regional area occurs at or proximal to these unconformities. Tenements EL26091 and EL26094 show high uranium responses using gamma-ray spectrometric imagery that are close to the identified unconformity surfaces. Furthermore, EL26094 hosts the Highlander gold prospect.

Figure 6.2 Schematic geology and licence locations of the Rum Jungle project



6.1.2 Previous exploration

Snowden understands that EL26094 is virtually unexplored with only one historical tenement ever overlapping this particular licence area. All previous exploration has been undertaken outside EL26094. A summary of previous exploration is given in Table 6.1.

Table 6.1 Summary of previous exploration at Rum Jungle

	Exploration undertaken
1974 to 1977	Geological mapping, reconnaissance geochemical sampling, airborne radiometric and magnetic surveying, stream sediment sampling, rock chip sampling, assaying (Cu, Pb, Zn, Ni, Co, Mn, U, Ag) and a track etch survey. Exploration failed to locate significant uranium mineralisation.
1979 to 1984	Geological mapping, gridding, rock chip sampling and traversing. Follow-up exploration focused on the Wildman Sandstone and included gridding, geological mapping, rock chip sampling, trenching, shallow vertical RAB drilling (to approximately 10 m), radiometric logging and a SIROTEM geophysical survey. None of the radiometric and gold anomalies identified were considered significant.
1987 to 1991	Field reconnaissance, rock chip sampling, stream sediment sampling and photogeological interpretation. Follow-up exploration including detailed stream sediment sampling and rock chip sampling, detailed exploration at the Octa Cu-Zn-Au anomaly (not held by Regalpoint). Exploration activities failed to define high priority exploration targets.
1989 to 1994	Stream sediment sampling, soil sampling, rock chip sampling and assaying (Au, Cu, Pb, Zn, Mn, As). Follow-up work on gold anomalous stream sediment samples with rock chip and soil sampling. Adequate testing of all gold and base metal anomalies was considered to be completed without encouragement.
1989 to 1999	Gridding, geological mapping, stream sediment sampling, soil sampling, seismic surveying, airborne radiometric and magnetic surveying, re-interpretation of the geology, costeaning and RC drilling. Definition of a stratabound zone of vein-hosted gold mineralisation was identified over a strike length of 4.5 km that was considered to reflect metal zonation within the larger Woodcutters mineralised system. Gold in soil anomalies ranged from 0.02 to 0.5 g/t Au.

Subsequent to the granting of the project area, Regalpoint completed a reconnaissance traverse across the main area of interest. This confirmed that the Whites Formation in the De Monchaux anticline is almost completely obscured by recent sediment cover. No zones of elevated uranium or vectors to uranium mineralisation were located by Regalpoint in any of the examined Palaeoproterozoic sequences.

Highlander prospect

The Highlander prospect (Figure 6.2) is a gold-in-soil anomaly which has been traced for over 1,000 m in the southwest corner of EL26094. Previous exploration included several costeans cut through the anomalous zone and results of channel sampling returned substantial widths of anomalous gold mineralisation. Selected gold anomalous costean samples include 9 m at an average grade of 1.2 g/t Au, 50 m at an average grade of 0.3 g/t Au and 4 m at an average grade of 1.4 g/t Au

Two of the high soil areas were drilled with 24 RC holes and one diamond hole. Work focused on two soil anomalies with over 0.1 g/t gold and no drilling was carried out in the intervening area or further to the south. Results of the drilling included the following intercepts:

- HLRC 1 1 m at 14.5 g/t gold from 2 m depth
- HLRC 4 1 m at 1.22 g/t gold from 3 m depth
- HLRC 7 9 m at 1.88 g/t gold from 12 m depth
- HLRC 8 9 m at 1.94 g/t gold from 25 m depth

Thirteen other holes in the programme returned similar intercepts but most assays were below 1.0 g/t Au. The soil anomaly is considered open to the north within EL26094. No assays are recorded for elements other than gold despite its possible relationship to the Woodcutters zinc, lead, silver deposit.

This prospect is discussed in greater detail in a separate independent geologist's report.

6.1.3 Discovery potential

Snowden notes that the Rum Jungle project is located within a proven uranium producing area with historic production of over 6,000 tonnes of U_3O_8 extracted from unconformity related deposits. Regalpoint's tenements cover unconformities analogous to those hosting the known mineralisation in the area and are considered to be highly prospective for uranium mineralisation.

Regalpoint selected the area because of its potential for uranium mineralisation at the boundary between the Coomalie Dolostone and overlying Whites Formation and for gold mineralisation in rocks of the Whites Formation, South Alligator Group and Finniss River Group.

The project area is known to incorporate a series of unconformity surfaces and uranium mineralisation may occur at, below or above these unconformities. EL26091 and EL26094 show high uranium responses on gamma-ray spectrometric imagery that are coincident with the identified unconformity surfaces. Snowden considers that uranium exploration remains at an early stage of assessment at the Rum Jungle project despite the region's history of uranium mining. Whilst Regalpoint's initial reconnaissance work did not identified immediate targets the area remains underexplored and warrants further exploration.

6.1.4 Proposed exploration

Snowden notes that the project area has been previously explored for uranium mineralisation but the existing data suggest that the uranium potential of the contact between the Coomalie Dolostone and overlying Whites Formation in the central part of the project area (i.e. core of the De Monchaux anticline) has not been systematically tested due to the extend of recent alluvial cover. As such, Regalpoint plans to complete an alpha-track (radon gas) survey and carry out RC drilling of any radon anomalies. Furthermore, a previously reported and significant gold anomaly is planned to be investigated with geological mapping, infill geochemical sampling and drilling if required. Regalpoint has allowed for 8,000 m of RC drilling which is considered appropriate. A summary of the planned exploration expenditure is provided in Table 6.2.

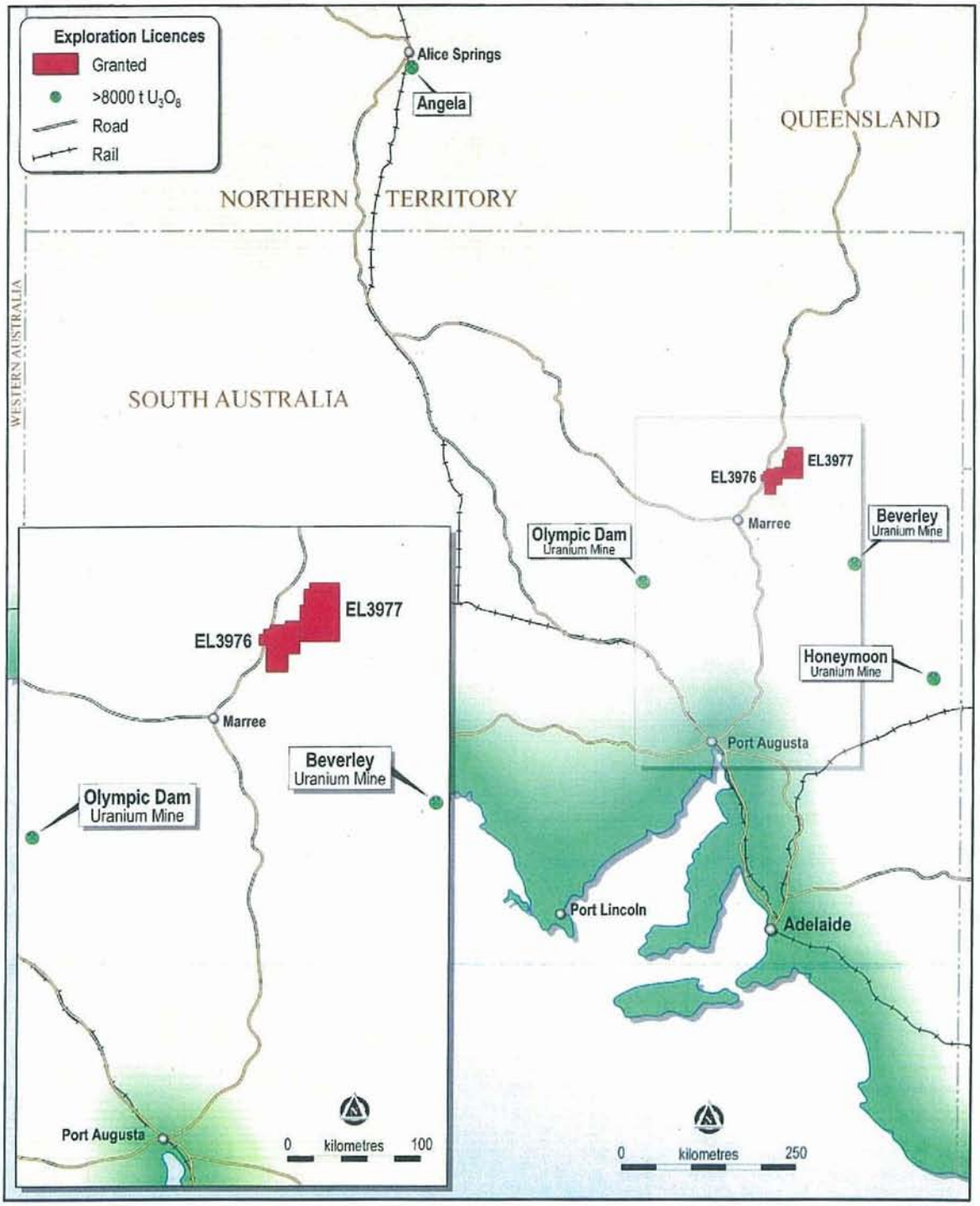
Table 6.2 Proposed Rum Jungle exploration budget (A$)

	$12M Capital Raising		
	Year 1	**Year 2**	**TOTAL**
Data review	17,000	17,000	34,000
Field Surveys	45,000	23,000	68,000
Geophysics	6,000	6,000	12,000
Drilling	539,000	612,000	1,151,000
TOTAL	**607,000**	**658,000**	**1,265,000**

6.2 LAKE GREGORY

Regalpoint's 100% owned Lake Gregory project is situated in the Lake Eyre Basin of South Australia some 650 km north of Adelaide and 100 km northeast of Marree (Figure 6.3). The project comprises two exploration licences (EL3976 and EL3977) covering an area of approximately 1,846 km^2.

Figure 6.3 Location of the Lake Gregory project



The project area is remotely located relative to any infrastructure with limited accommodation or facilities available. The project area may be accessed north from the small town of Marree via the unsealed Birdsville track. Local tracks are limited but the area is easily accessed due to its low relief and limited vegetation.

The area has an arid climate with hot summers and mild winters with occasional sub-zero temperatures occurring during winter. The annual average rainfall is less than 150 mm with considerable annual variation. Most rain tends to occur during the summer months associated with remnant tropical low pressure systems.

6.2.1 Geology and mineralisation

The Lake Gregory project area contains Cretaceous shales, siltstones, sandstones and non-marine coal measures of the Eromanga Basin as well as largely unconsolidated Quaternary sediments. Previous mapping by the Australian Bureau of Mineral Resources (now Geoscience Australia) identified the oldest exposed rocks in the area belonging to the Late Cretaceous Winton Formation and the underlying Mackunda Formation of the Eromanga Basin (Figure 6.4). Regionally these rocks are unconformably overlain by Tertiary sediments of the Lake Eyre Basin.

The Tertiary sediments have been almost completely eroded from the Lake Gregory project area. Small remnant outliers have been mapped in the southwest of the project area, but these outcrops are present only as thin layers on hill tops. Silcrete in the northeast of the project area has been interpreted to be Tertiary in age associated with sandstones, but the age of the parent sandstones remains unclear.

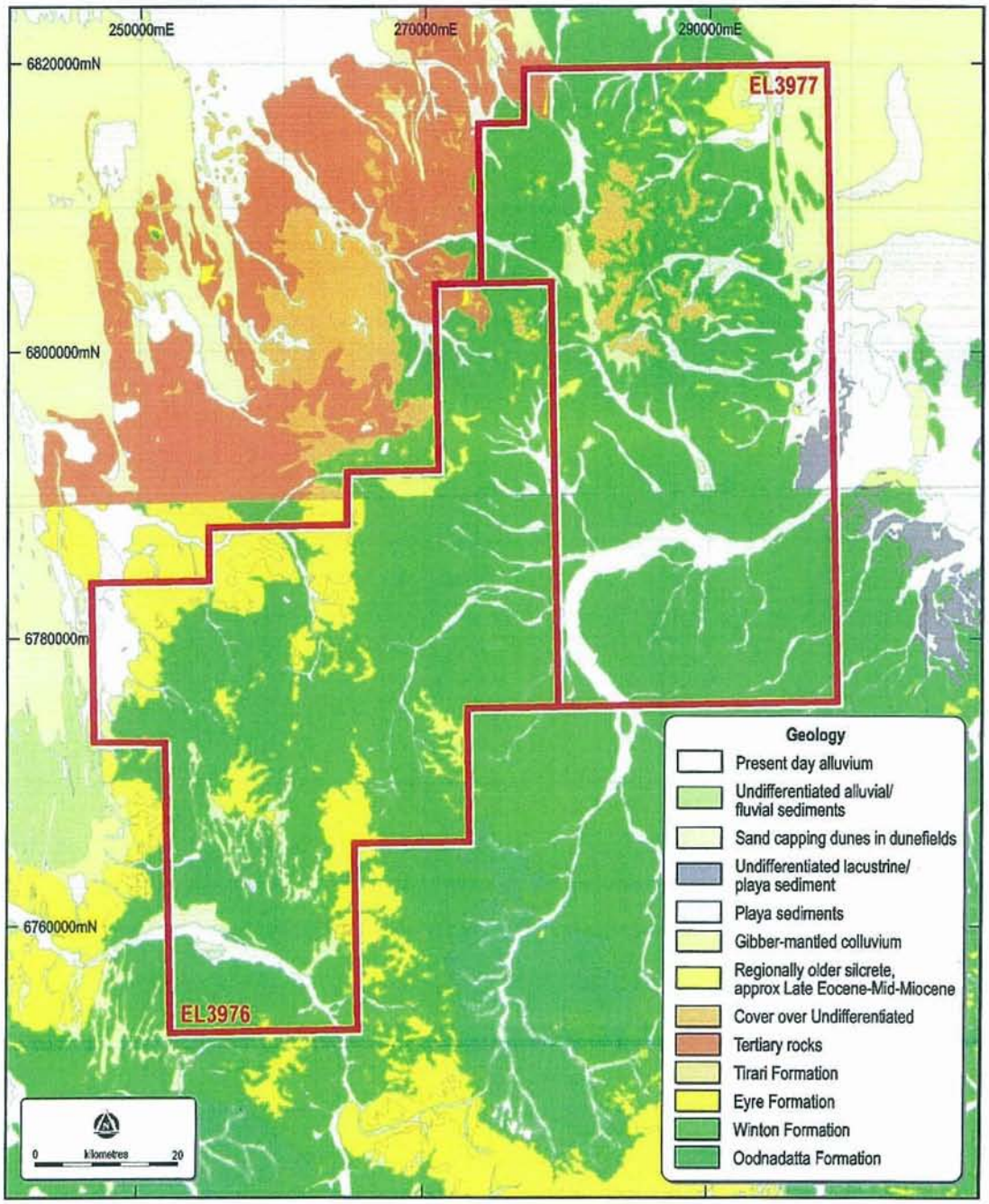
Outcrop is very limited with the area comprising gently rolling gibber plains with occasional breakaways and hills. An extensive dune field of the Strzelecki Desert is located to the east of Lake Gregory.

Snowden understands that the project area was selected because of its potential for sediment-hosted uranium mineralisation at regional redox boundaries, palaeochannels and within Cretaceous strata, primarily the Winton Formation. The tenement area also covers part of an extensive topographic depression spanning from Lake Frome in the southeast to Lake Eyre in the northwest. This depression is evident in remote sensing imagery and marked by a series of lakes, lacustrine, fluvial and evaporitic sediments.

Regalpoint has interpreted the Lake Gregory project area to include all mineral system components required for uranium deposit formation. These are:

i. the outcropping, uranium enriched, Mount Painter granites 100 km to the southeast of Lake Gregory providing a uranium source;
ii. Palaeochannels and permeable strata providing a pathway for uranium transport; and
iii. reduced Cretaceous sequences providing redox boundaries to facilitate uranium deposition. Furthermore, interpretation of ASTER data by Regalpoint has identified subtle topographic depressions and the palaeo-drainage system of Lake Gregory within the project area.

Figure 6.4 Geology of the Lake Gregory area



6.2.2 Previous exploration

Snowden understands that very little exploration has been carried out in the area prior to Regalpoint's involvement. The limited, previous work focussed on exploration for coal, oil shale and petroleum. Exploration drilling immediately to the south of Regalpoint's licence area indicated widespread uranium anomalism and confirmed the presence of a palaeo-drainage system.

In 2008, Regalpoint commissioned an airborne magnetic and radiometric geophysical survey over the area, which identified a number of areas of elevated response to uranium (Figure 6.5). Subsequently, in 2009, Regalpoint instigated an initial reconnaissance of the area focussing on access to various parts of the tenement, regolith sampling and ground truthing of the existing geological mapping. A total of 18 sites were visited based on the previous geophysical survey information. A ground contact spectrometric analysis using a handheld spectrometer was taken at each point along with 14 rock and composite grab samples which were submitted for chemical analysis. The spectrometer was

successful in locating areas with anomalous readings at up to 10 times background as well as samples containing minor disseminated patches of a yellow mineral likely to be carnotite (a uranium vanadate, Figure 6.6), within silcreted sandstones.

The 14 grab samples taken across the project area (Figure 6.7) were analysed for a suite of elements at an independent and accredited laboratory. Snowden notes that seven of these samples returned uranium assays over 100 ppm (Table 6.3). These results, whilst still at an early-stage of exploration, are considered highly encouraging, with six of the results associated with the yellow mineral (carnotite) located in outcrop.

Figure 6.5 Uranium channel image of the Lake Gregory area

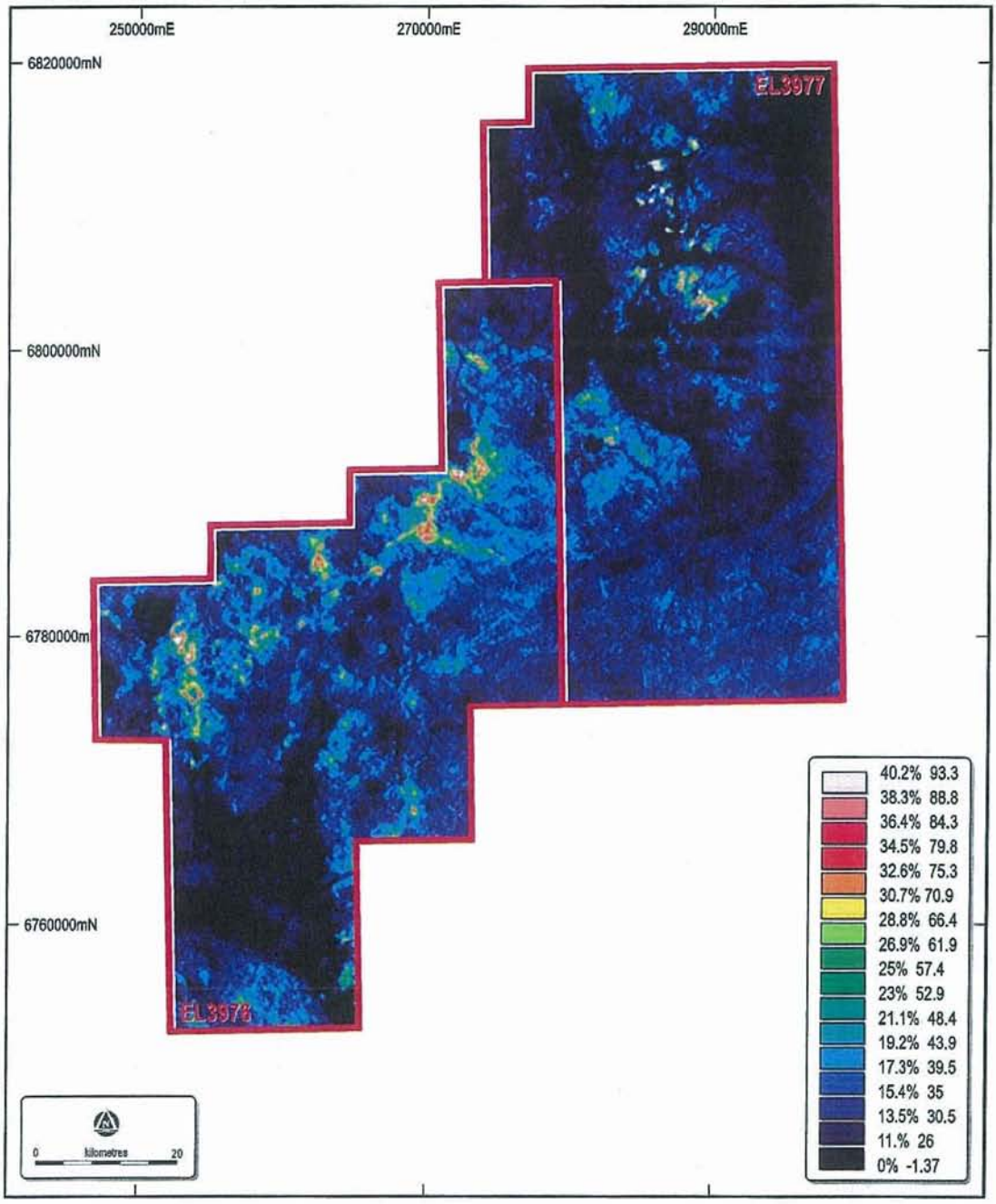
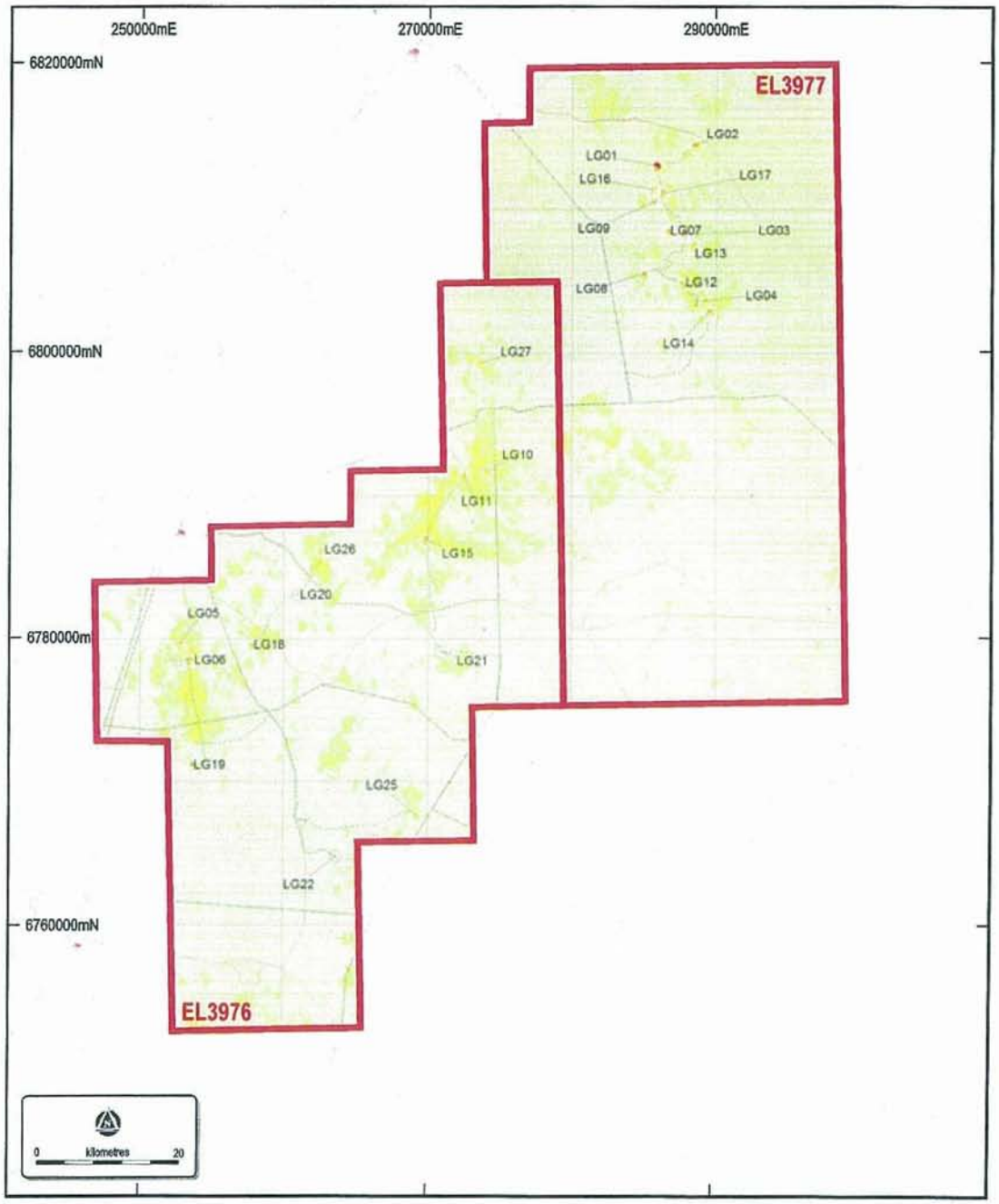


Figure 6.6 Carnotite in silcreted sandstone

Table 6.3 Assay results from grab samples

Sample No.	Site	Easting	Northing	Sample material	Uranium (ppm)	Vanadium (ppm)	Thorium (ppm)
67576	LG06	253,137	6,778,311	Float	35	339	5
67577	LG06	253,210	6,778,369	Float	41	271	11
67578	LG19	253,630	6,771,010	Float	91	24	<5
67579	LG22	263,545	6,764,616	Float	8	3056	58
67580	LG02	288,467	6,814,288	Outcrop	101	113	<5
67581	LG01	285,888	6,812,872	Subcrop	133	100	6
67582	LG01	286,008	6,813,051	Subcrop	96	45	8
67583	LG09	285,586	6,810,331	Float	215	50	<5
67584	LG03	287,578	6,808,152	Outcrop	135	178	<5
67585	LG08	284,920	6,805,365	Outcrop	126	46	<5
67586	LG04	289,227	6,803,641	Outcrop	109	75	<5
67587	LG14	289,426	6,802,652	Outcrop	52	269	12
67588	LG21	270,750	6,778,923	Float	8	515	21
67589	LG18	257,728	6,779,321	Float	124	304	6

Figure 6.7 Lake Gregory area, location of grab samples



6.2.3 Discovery potential

The Lake Gregory project is located in the Eromanga area and is considered prospective for sediment-hosted uranium mineralisation similar in style to the Beverley Mine. The Beverley Mine is hosted within Tertiary sediments whereas any mineralisation at Lake Gregory would likely be hosted within Cretaceous sediments. Reconnaissance surface sampling has identified probable carnotite in siliceous cap rocks which may indicate deeper zones of mineralisation.

Given the geological setting and mineral system components of the Lake Gregory area, Snowden considers the project to be prospective for sandstone-hosted uranium deposits and to be worthy of further exploration. Snowden is not aware of any previous exploration other than the remote sensing data and geological mapping and therefore considers the Lake Gregory project to represent an early-stage and conceptual exploration target.

6.2.4 Proposed exploration

Snowden understands that Regalpoint plans to initially carry out reconnaissance and geological mapping as well as additional geophysical interpretation to further define targets prior to commencing drilling. Following this, Regalpoint have allowed for a 5,000 m rotary air blast ("RAB") or aircore and a 4,000 m reverse circulation ("RC") drilling campaign to test the identified targets. A summary of the planned exploration expenditure is provided in Table 6.4. Snowden has reviewed the budgeted exploration expenditure and considers it to be appropriate for the project area.

Table 6.4 Proposed Lake Gregory exploration budget (A$)

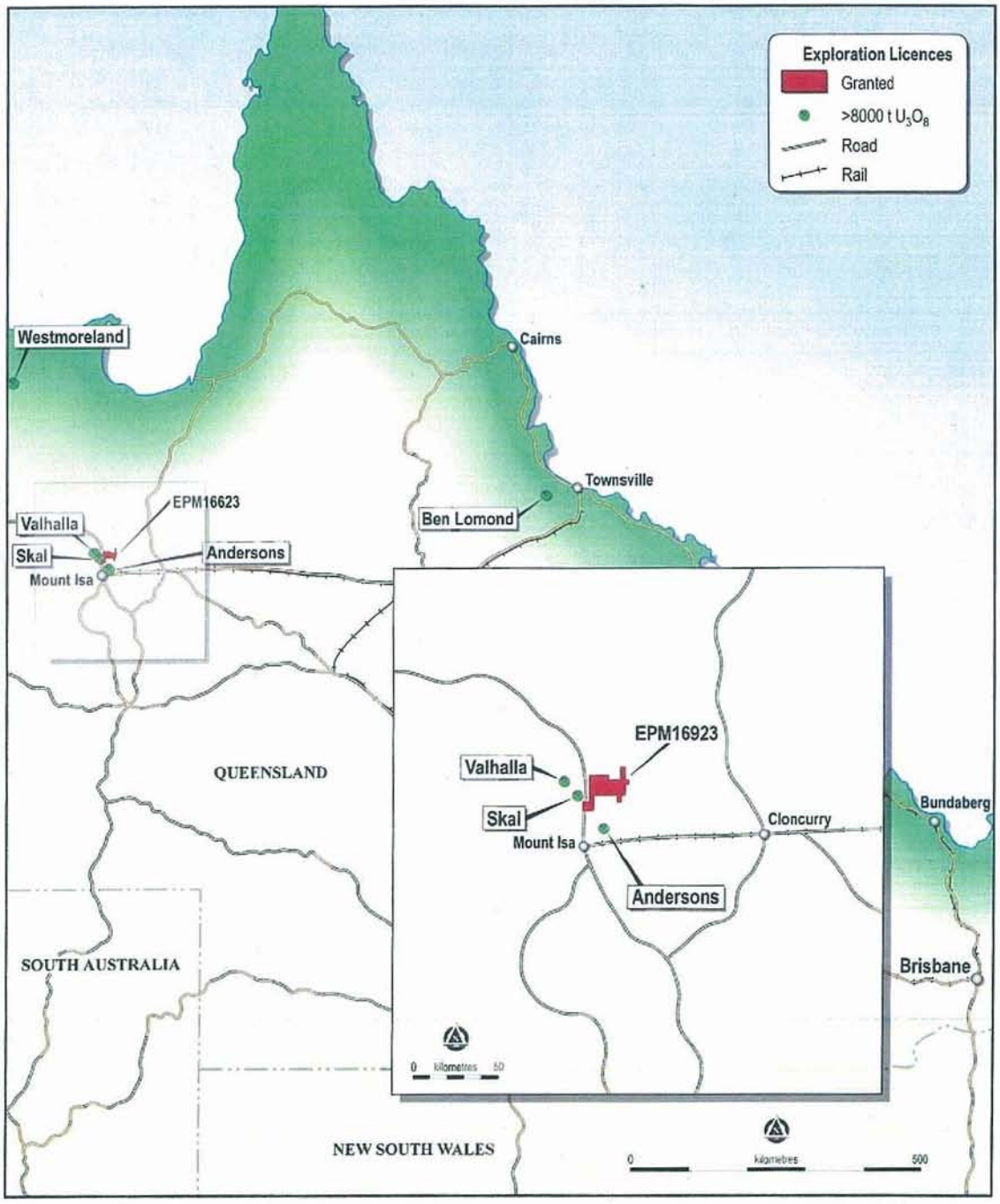
	$12M Capital Raising		
	Year 1	Year 2	TOTAL
Data review	17,000	17,000	34,000
Field Surveys	14,000	14,000	28,000
Geophysics	11,000	11,000	22,000
Drilling	360,000	555,000	915,000
TOTAL	**402,000**	**597,000**	**999,000**

6.3 PAROO RANGE

Regalpoint's 100% owned Paroo Range project is located in the Mount Isa region of northwestern Queensland, approximately 5 km east of the Skal uranium deposit, 15 km east of the Valhalla uranium deposit and 25 km north of Mount Isa (Figure 6.8). The project comprises a single granted exploration licence (EPM16923). Total area of the tenement is 157.8 km^2.

The project area may be accessed to the north from Mount Isa via the sealed Barkly Highway and then by secondary roads and station tracks. The area has a continental tropical climate with warm to hot temperatures throughout the year, however, very low minimum temperatures can occur during winter. The annual average rainfall is in the order of 400 mm. A distinct wet season usually occurs from December to March, with over 75% of the annual rainfall occurring during these months.

Figure 6.8 Location of the Paroo Range project



6.3.1 Geology and mineralisation

The Paroo Range project is located in the Mount Isa Inlier, a multiply deformed fold belt that has been subjected to an extended tectonic history. The geology of the area comprises three approximately north-south striking tectono-stratigraphic domains, the Western Succession, the Kalkadoon-Leichhardt Belt and the Eastern Succession.

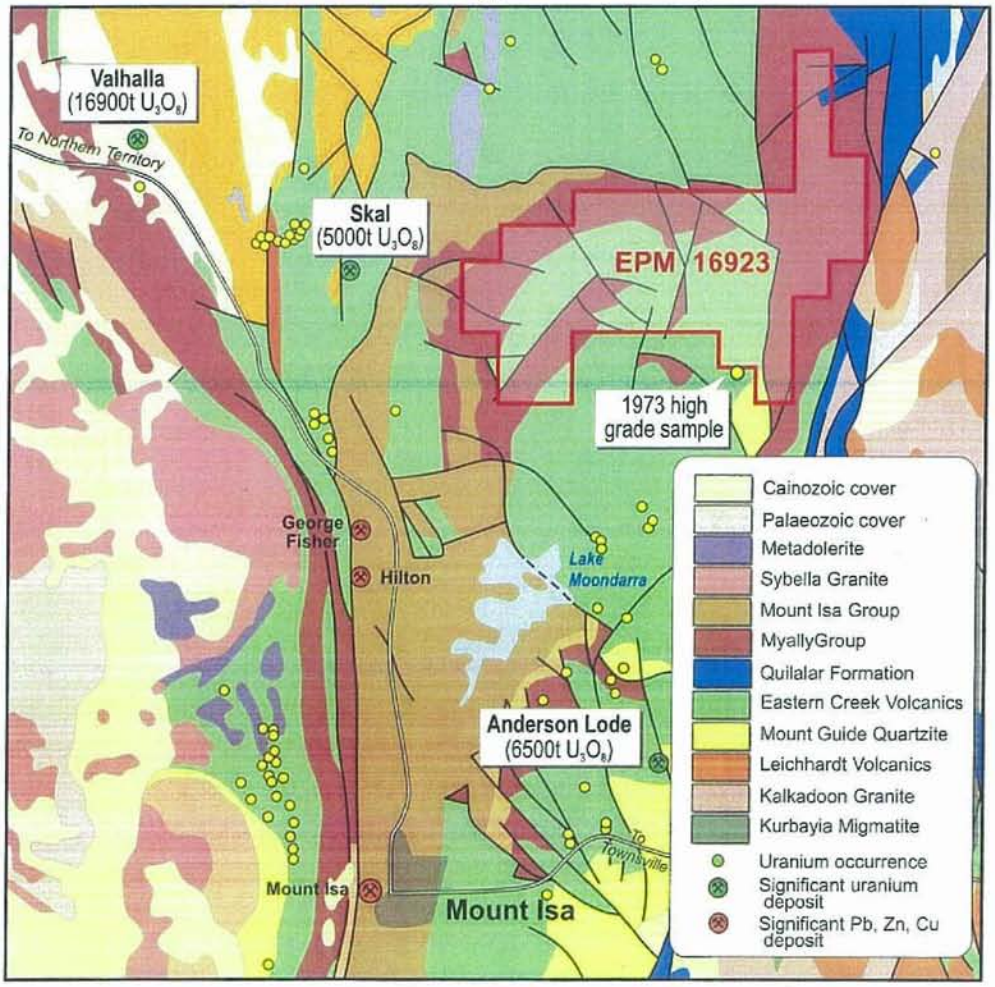
The project area lies within the Western Fold Belt which comprises low-grade metamorphic and volcanic rock units intruded by granite and occasional mafic bodies. The belt originated as supracrustal volcanic and sedimentary rocks and has been interpreted to have been:

1. deposited in a series of intracontinental extension-related basins between 1,785 Ma and 1,650 Ma
2. intruded in parts by the Sybella Batholith between 1,670 Ma to 1,650 Ma
3. deformed and regionally metamorphosed by at least four recognised events during the Isan Orogeny (1,590 Ma to 1,500 Ma)
4. uplifted and exposed from 750 Ma onwards.

Sediment hosted lead-zinc-silver mineralisation is the main known style of mineralisation with significant deposits at Mount Isa, Lady Loretta and Century. The region also hosts numerous other base metal and uranium deposits within metabasalts and volcaniclastic sedimentary rocks of the Eastern Creek Volcanics and less commonly within the underlying Mount Guide Quartzite and its lateral equivalents. Mineralisation tends to be strongly structurally controlled and generally located on second order structures positioned just off major north-south striking faults that extend through the Mount Isa area.

The principal rock types within the Paroo Range project area include the Haslingden Group and the Mount Isa Group (Figure 6.9). The Haslingden Group comprises meta-igneous rocks (metabasalt, amygdaloidal basalt, tuff as well quartzites and pelitic schist) of the Eastern Creek Volcanics and metasedimentary rocks (sandstone, siltstone and quartzite) of the Myally Subgroup. The Mount Isa Group comprises siltstone, shale, dolomite, minor sandstone and conglomerate. Minor unassigned Proterozoic dolerite dykes are also present. The rocks are faulted along a major, north-northeast striking dextral strike-slip fault that is linked to the nearby Mount Isa Fault.

Figure 6.9 Geology of the Paroo Range area



The project area is located between two approximately north-south striking, regional-scale faults. A further complex pattern of second order faults is present within the project area that are potential subsidiaries of the two regional scale faults. . The second order faults are noted to cut the Eastern Creek Volcanics. Regalpoint considers the project area displays geological similarities with other known areas within the Mount Isa region that host metamorphic and metasomatic uranium mineralisation.

Uranium mineralisation in the area is associated with extensive, mainly sodic alteration (albite often accompanied by 'red bed' alteration). The interpreted origin of the uranium mineralisation involved transport of uranium and phosphate by oxidised hydrothermal fluids depositing fluorapatite with brannerite by replacement of the reduced chlorite-dominated matrix of the sedimentary units of the Eastern Creek Volcanics. Chlorite is considered to have acted as a reductant for uranium precipitation in the oxidised fluids.

6.3.2 Previous exploration

Previous exploration has been recorded in the Paroo Range region in 1958 and 1970 including airborne magnetic and scintillometer surveying, geological mapping, geochemical sampling and some 47 drillholes of unknown type (1,469 m).

Further exploration in 1973 involved investigation of various radiometric anomalies, with four anomalies studied in detail. Detailed geological and topographical surveying was completed as well as some 44.15 km of radiometric gridding. Eight surface samples were assayed for U_3O_8 and ThO_2 with results of up to 5,000 ppm U_3O_8. The exact positions of the high grade samples are doubtful at present although they are likely to fall on the boundary or just outside of Regalpoint's tenement. Additional anomalous samples are also located within EPM16923. Regalpoint plans to carry out further work to locate the exact position of each of these samples.

6.3.3 Discovery potential

There are numerous known uranium occurrences hosted by the Eastern Creek Volcanics within a 50 km radius of the project area, including the Valhalla and Skal uranium deposits. The project area comprises the required structural and geological setting to host metasomatite style uranium mineralisation and is considered prospective for uranium mineralisation. Snowden considers the Paroo Range project to represent an early stage, conceptual exploration project.

6.3.4 Proposed exploration

To assess the potential of the project area and define exploration targets, Regalpoint plans to develop a detailed understanding of the geology, structure, redox conditions and geological evolution of the area. To achieve this Regalpoint will carry out a review of previous exploration, geochemical sampling, geological and structural mapping, detailed ground magnetic surveys over areas of interest and a geological and structural interpretation of the results of these surveys. Identified targets will be followed-up by RAB drilling and, if warranted, by further RC drilling. Regalpoint has allowed for a total of 2,000 m of RAB and 4,500 m of RC drilling which Snowden considers appropriate for this project area. A summary of the planned exploration expenditure is provided in Table 6.5.

Table 6.5 Proposed Paroo Range exploration budget (A$)

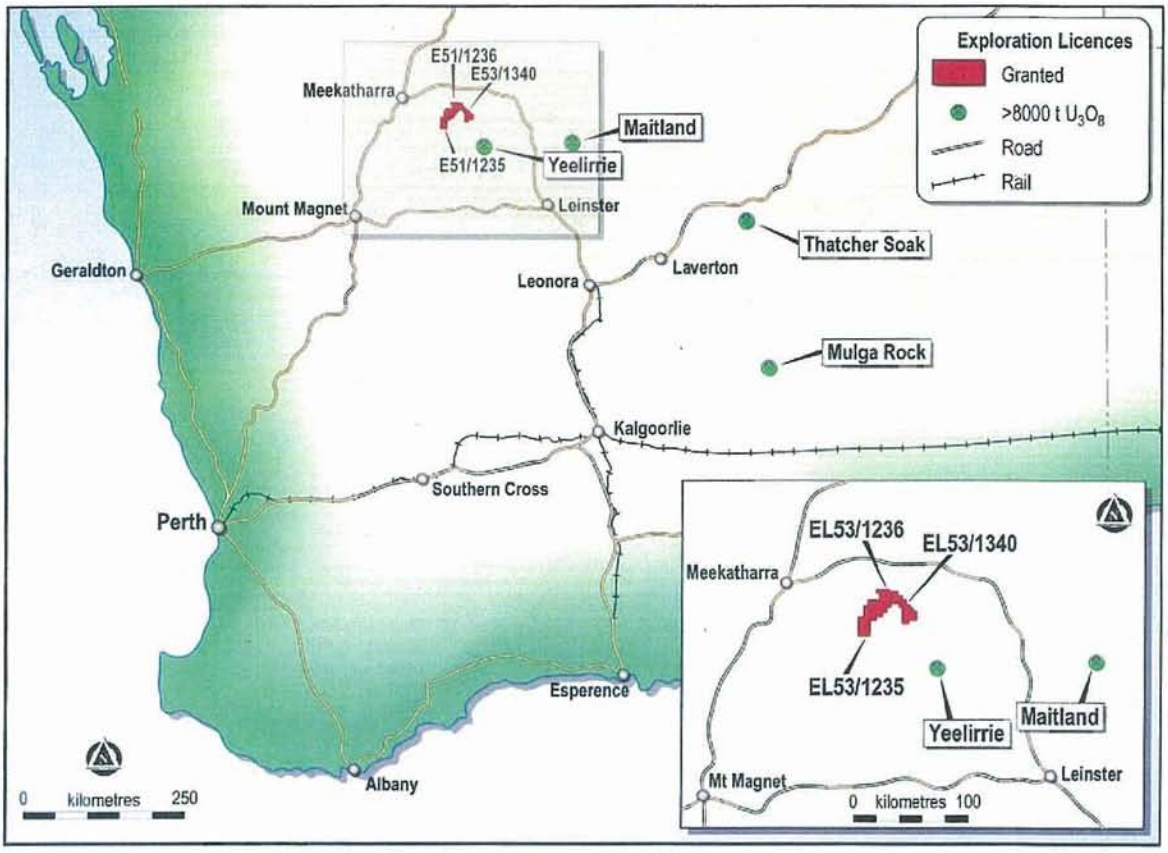
	$12M Capital Raising		
	Year 1	Year 2	TOTAL
Data review	17,000	17,000	34,000
Field Surveys	14,000	14,000	28,000
Geophysics	66,000	11,000	77,000
Drilling	287,000	575,000	862,000
TOTAL	**384,000**	**617,000**	**1,001,000**

6.4 GUM CREEK

Regalpoint's 100% owned Gum Creek project area is located in Western Australia, 650 km northeast of Perth, approximately 75 km east of Meekatharra and 50 km east of BHP Billiton Limited's Yeelirrie

uranium deposit (Figure 6.10). The project comprises three granted exploration licences (EL51/1235, EL51/1236 and EL53/1340) shown in Table 3.1 and covers some 659 km^2.

Figure 6.10 Location of the Gum Creek project



The project area is remotely located relative to power and water infrastructure. The project may be accessed east from Meekatharra via the sealed Goldfields Highway and then local pastoral station tracks. The area has a dry climate with hot summers and mild winters. The annual average rainfall is some 240 mm and while the average rainfall is fairly well distributed throughout the year, there is considerable annual variation.

6.4.1 Geology and mineralisation

The Gum Creek project is located within the Yilgarn palaeo-drainage system containing lacustrine and playa sediments, seasonal saline lakes (including Lake Miranda, Lake Darlot, Lake Carey and Lake Minigwal) and sporadically exposed calcrete deposits within the palaeo-drainage system.

The Gum Creek project area covers an approximately 55 km long section of palaeo-drainage which is covered by recent colluvium, sheetwash and aeolian sand. Bedrock exposure is limited within the project area and restricted to scattered outcrops of Archaean granite and gneiss (Figure 6.11). The interpreted palaeochannel meanders around the outcrops. Mafic and ultramafic rocks of Archaean age are also noted outside of the project area.

Regalpoint's initial interpretation of NOAA AVHRR (Advanced Very High Resolution Radiometer from the National Oceanic and Atmospheric Administration polar orbiting satellites) data indicated that the - channel hosting the Yeelirrie uranium deposit extended some 100 km further to the west than previously mapped and into the Gum Creek project area (Figure 6.12). However, a recent reinterpretation of geophysical data indicates a drainage divide exists between the Gum Creek and Yeelirrie palaeochannels and the Gum Creek palaeochannel flowed to the southwest. Both drainages are noted to pass through the same basement lithologies which formed the source of the uranium mineralisation at Yeelirrie. Given this, the Gum Creek project is considered to be highly prospective for surfical uranium mineralisation.

The project area has been interpreted by Regalpoint to cover three broad areas of topographic depressions. These depressions represent depositional rather than erosional environments and as such are considered to have the greatest potential for calcrete-hosted uranium mineralisation within the project area.

Figure 6.11 Geology and location of Gum Creek in relation to the Yeelirrie deposit

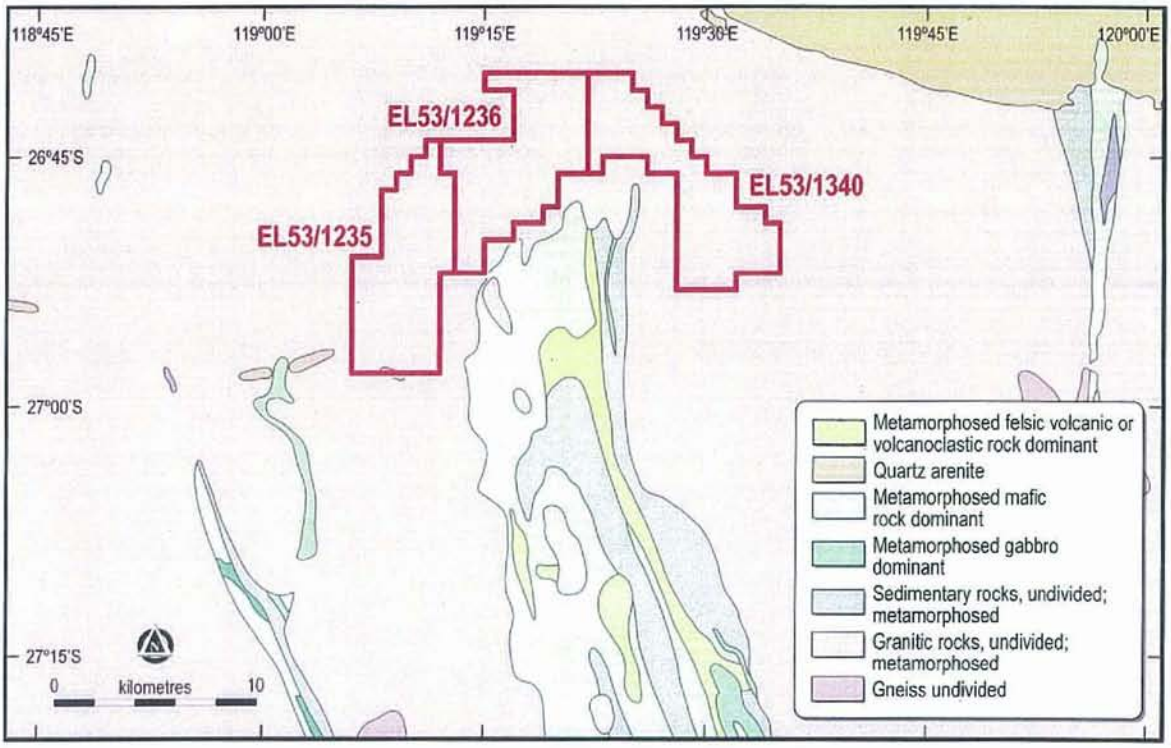
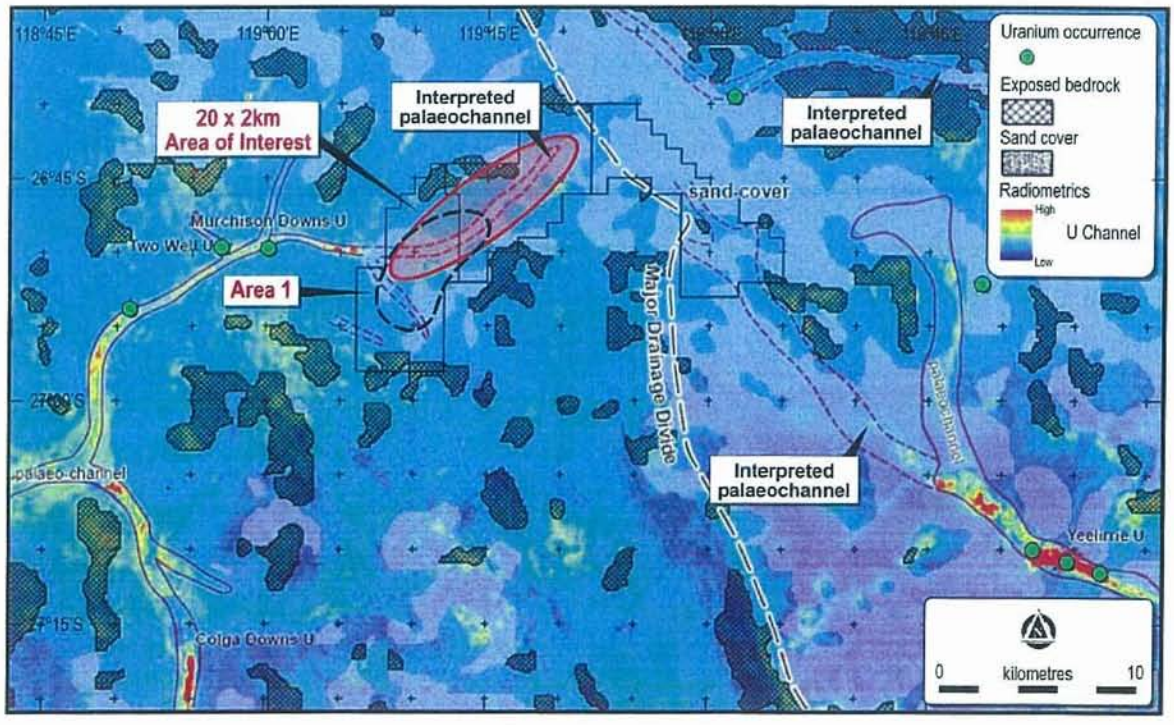


Figure 6.12 Interpretation of uranium prospective palaeochannels in the Gum Creek project



6.4.2 Previous exploration

There has been little previous exploration of note for uranium within the Gum Creek project area. From 1997 to 1998, exploration for calcrete-hosted uranium deposits was undertaken immediately west (and outside) of Regalpoint's Gum Creek tenements. This work focussed on the appraisal of the Hillview, Murchison Downs, Two Mile Well, Cogla Downs, Kelly Bore, Bruce Bore, Nowthanna and Nowthanna South prospects. The exploration included the interpretation of ASTER imagery (Advanced Very High Resolution Radiometer), airborne radiometric and magnetic geophysical surveying, RAB and aircore drilling, downhole radiometric logging, assaying, ore washing tests and culminated in the estimation of an Inferred Resource at Nowthanna.

Integration and interpretation of the ASTER, NOAA-AVHRR, public-domain geological and radiometric data by Regalpoint in 2008 resulted in a detailed picture of the geology, geomorphology and drainage systems of the project area (Figure 6.12). Subsequently, Regalpoint carried out initial reconnaissance exploration in December 2008. The main purpose of this was to assess the areas of topographic depressions and to investigate any uranium mineralising processes, palaeochannels and the extent of recent sediment cover. Regalpoint identified uranium-rich granites (19.5 ppm eU to 76.7 ppm eU using a handheld spectrometer) at the northern and southern fringes of Area 1, suggesting that local granites are sufficiently enriched in uranium to provide a viable source.

Furthermore, despite the extensive soil cover, the reconnaissance work located valley calcrete outcrop in a poorly defined and largely obscured drainage channel close to the western boundary of E51/1235. Analysis of this calcrete outcrop with a hand-held spectrometer yielded a uranium grade of 15.7 ppm eU, indicating minor uranium enrichment.

6.4.3 Discovery potential

The Gum Creek project area incorporates each of the uranium mineral system model components that are required for the generation of surficial carnotite uranium mineralisation. These components comprise a potential source of potassium and uranium (Archaean granites), sources of vanadium (Archaean mafic and ultramafic rocks) and a fluid pathway (interpreted palaeochannel). Favourable uranium host rocks (valley calcrete) are interpreted to be present within the 55 km long interpreted section of the palaeochannel.

Based on its review of the available data (remote sensing and geological mapping), Snowden considers the Gum Creek project to be an early-stage, conceptual exploration project. The geological setting is considered prospective for surficial calcrete-hosted carnotite uranium mineralisation as demonstrated by its geological comparability and common mineralisation source rocks to the Yeelirrie deposit. Snowden notes that the interpreted palaeochannel is under cover and that further on-ground exploration is required to confirm its prospectivity.

6.4.4 Proposed exploration

Area 1 is considered an attractive uranium exploration target. Snowden understands that Regalpoint plans further site reconnaissance at various locations to test the for uranium-enriched valley calcrete. Following this, Regalpoint has allowed for a 3,500 m aircore and 1,250 m RC drilling campaign to further test the palaeochannel for the presence of calcrete and uranium mineralisation. A summary of the planned exploration expenditure is provided in Table 6.6. Snowden has reviewed the budgeted exploration expenditure and considers it to be appropriate for the project area.

Table 6.6 Proposed Gum Creek exploration budget (A$)

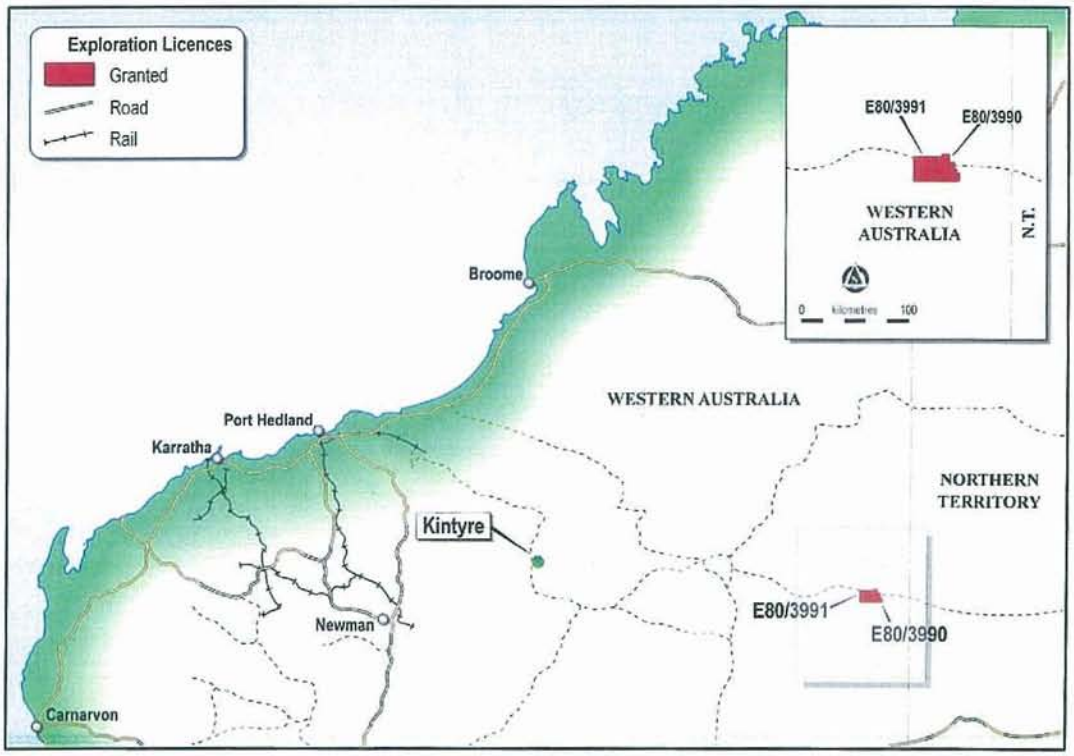
	$12M Capital Raising		
	Year 1	Year 2	TOTAL
Data review	17,000	17,000	34,000
Field Surveys	18,000	18,000	36,000
Geophysics	6,000	6,000	12,000
Drilling	168,000	391,000	559,000
TOTAL	**209,000**	**432,000**	**641,000**

6.5 POLLOCK HILLS

Regalpoint's 100% owned Pollock Hills project straddles the boundary between the Amadeus and Arunta Regions in Western Australia, approximately 650 km west of Alice Springs (Figure 6.13). The project comprises two granted exploration licences (E80/3990 and E80/3991) (Table 3.1) with a total area 737.1 km^2.

The project area is extremely remote relative to any infrastructure with no accommodation or facilities available. The area may be accessed to the north from Wiluna via the isolated Canning Stock Route, with the project area still some 200 km further to the east along the Gary Junction Road to Kiwirrkurra. Local tracks are limited and direct access to the project is difficult. The area has a dry climate with hot summers and mild winters. The annual average rainfall (at Giles Weather station, some 250 km to the south) is 280 mm with the average rainfall higher during the warmer months of the year. There is considerable rainfall variation from year to year.

Figure 6.13 Location of the Pollock Hills project



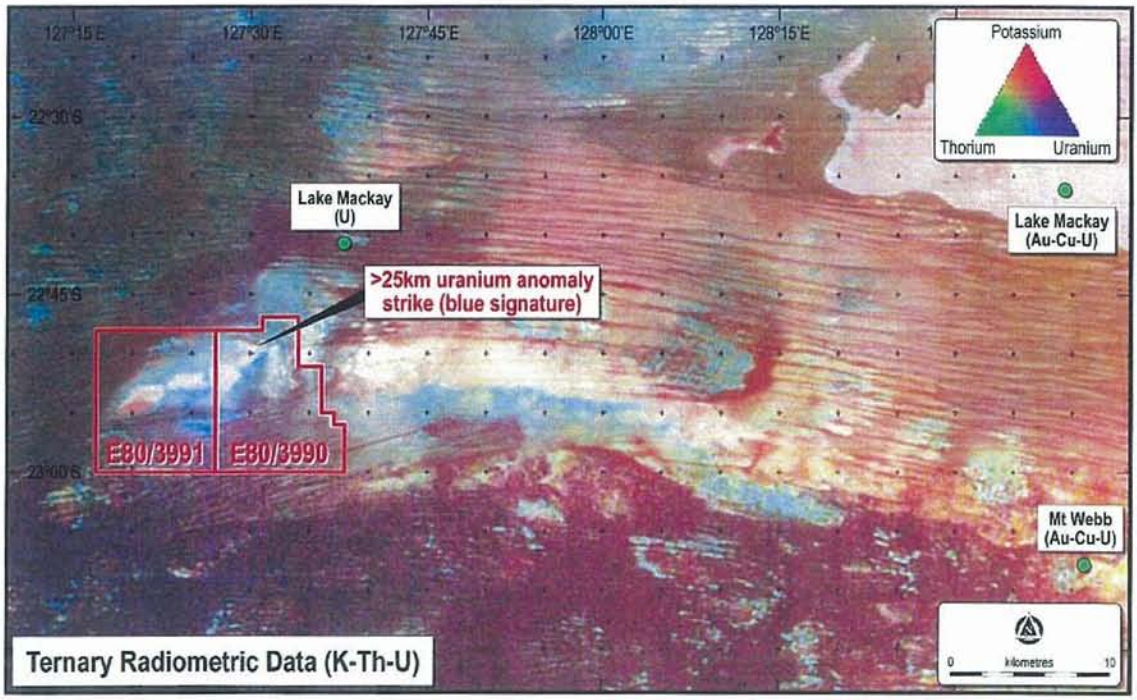
6.5.1 Geology and mineralisation

The project area comprises Paleoproterozoic felsic volcanic rocks of the Pollock Hill Formation, which are unconformably overlain by the Neoproterozoic Dean Quartzite and Bitter Springs Formation. Based on previous whole rock geochemistry data, the felsic volcanic rocks of the Pollock Hill Formation are enriched in uranium both within and adjacent to the project area. In addition, the project area is situated at the intersection between two major fault zones.

6.5.2 Previous exploration

The Pollock Hills project has only been subjected to limited previous exploration with airborne magnetic, radiometric and topographic geophysical surveys carried out in 1995 and a further gravity geophysical survey carried out in 2006. Regalpoint commissioned filtering and interpretation of these datasets in 2009 to identify and focus future exploration. Figure 6.14 shows the ternary ratio image relative to the proportion of potassium (red), thorium (green) and uranium (blue). The relative proportion is useful for mapping the variations in the mineralogy of the surface materials and shows a strong correlation to geology and soils. A strong red colour does not necessarily mean that the rock or soil is rich in potassium, but rather that the proportion of radioactive potassium is much higher than thorium or uranium.

Figure 6.14 Radiometric data of the Pollock Hills project



6.5.3 Discovery potential

The project area was identified by Regalpoint's area selection technology as being prospective for structurally-controlled sediment-hosted uranium deposits. The project area is considered to incorporate the elements for uranium mineralisation being: i) felsic volcanic rocks of the Pollock Hill Formation as a source of uranium; ii) unconformities, fault zones and fault intersections acting as permeable structural corridors for transportation of uranium-bearing fluids; and iii) potentially reduced rocks packages at, or below, the unconformities acting as traps for uranium metal.

The Pollock Hills project remains at a very early stage of assessment and is considered to be a conceptual exploration target.

6.5.4 Proposed exploration

Snowden understands that Regalpoint plans to initially carry out reconnaissance and geological mapping as well as additional geophysical interpretation to further define targets prior to commencing drilling. Following this, Regalpoint has allowed for a 2,500 m RAB or aircore and a 2,000 m RC drilling campaign to test the identified targets. A summary of the planned exploration expenditure is provided in Table 6.7. Snowden has reviewed the budgeted exploration expenditure and considers it to be appropriate for the project area.

Table 6.7 Proposed Pollock Hills exploration budget (A$)

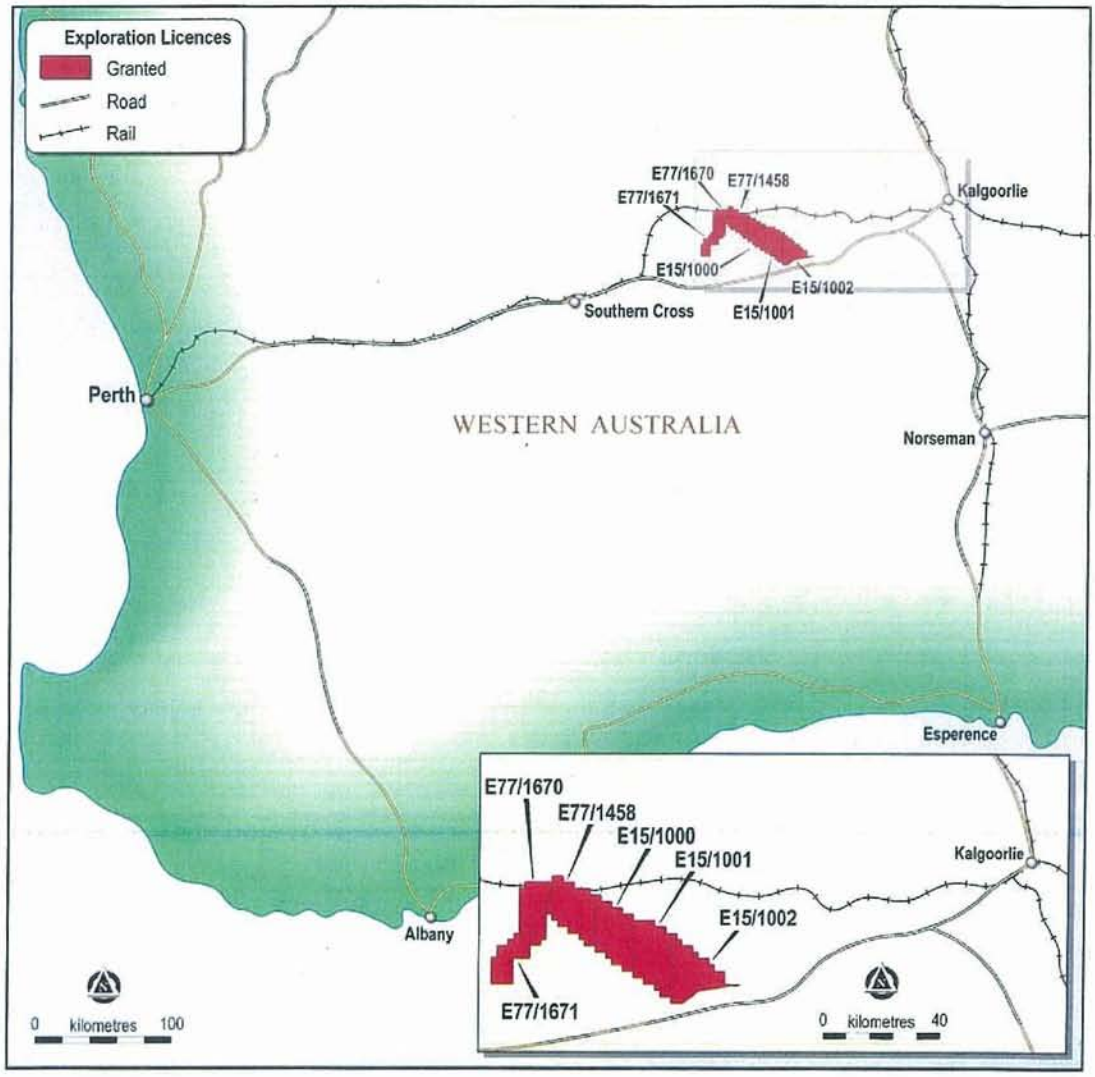
	$12M Capital Raising		
	Year 1	Year 2	TOTAL
Data review	17,000	17,000	34,000
Field Surveys	18,000	18,000	36,000
Geophysics	99,000	6,000	105,000
Drilling	137,000	367,000	504,000
TOTAL	**271,000**	**408,000**	**679,000**

6.6 MOUNT WALTER

Regalpoint's 100% owned Mount Walter project area is located in Western Australia, some 120 km west of Kalgoorlie and approximately 430 km east of Perth (Figure 6.15). The project comprises six granted exploration licences and covers some 1,025 km^2.

The project area may be easily accessed via the major Great Eastern Highway between Perth and Kalgoorlie and an extensive network of secondary roads into the project. The area comprises eucalypt and mulga scrub and a number of perennial salt lakes. The area has a relatively dry climate with warm to hot summers and cool winters. The annual average rainfall is some 290 mm and while the average rainfall is fairly well distributed throughout the year, there may be considerable annual variation.

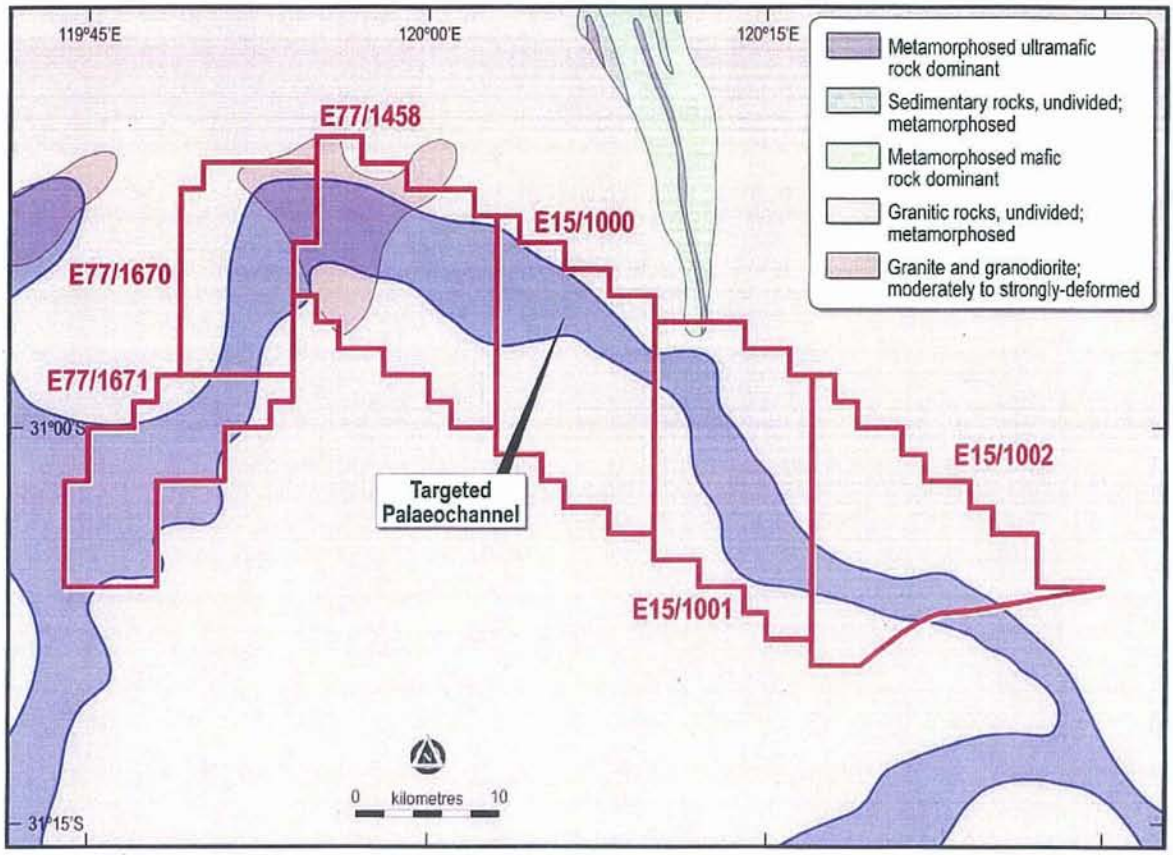
Figure 6.15 Location of the Mount Walter project



6.6.1 Geology and mineralisation

The Mount Walter project is located in the Southern Cross Domain of the Youanmi Terrane within the Archaean Yilgarn Craton. The project covers an approximately 60 km long section of a Cenozoic palaeo-drainage system that is marked by a series of salt lakes including Lake Walton, Lake Eva, Lake Seabrook, Lake Deborah and Lake Baladjie. The palaeo-drainage is noted to cut through and drain a basement of Archaean granite and gneiss that is enriched in uranium (up to 250 ppm eU). Much of the targeted palaeo-drainage is covered by recent colluvium and sheetwash, eolian sand or lacustrine deposits. Metamorphosed, Archaean mafic volcanic successions of the southern Marda-Diemals Greenstone Belt are noted to crop out immediately adjacent to the project area.

Figure 6.16 Geology of the Mount Walter area



6.6.2 Previous exploration

Snowden is not aware of any previous exploration for uranium in the project area and only limited exploration in general. In 1977, a programme of regional soil sampling and auger drilling was carried out with no results of interest reported. In 1998, geological interpretation was carried out based on aerial photography and Landsat and aeromagnetic data with the ground relinquished soon after.

From 2008, Regalpoint has carried out initial reconnaissance exploration to examine the local terrain and geology and locate evidence for uranium mineralising processes having operated within the project area. This work identified uranium enriched granite as well as indications of accumulation of uranium within the palaeo-drainage system.

6.6.3 Discovery potential

The project area is considered to host key components required for uranium deposition. The palaeo-drainage system represents an interface between oxidised and reduced sediments and hosts locations where water within the drainage can mix with fluids from different sources (e.g. along faults) or stagnate and evaporate (e.g. at channel constrictions) presenting favourable conditions for uranium precipitation. These environments represent priority exploration targets for Regalpoint. Snowden considers the Mount Walter project to be an early stage, conceptual exploration target.

6.6.4 Proposed exploration

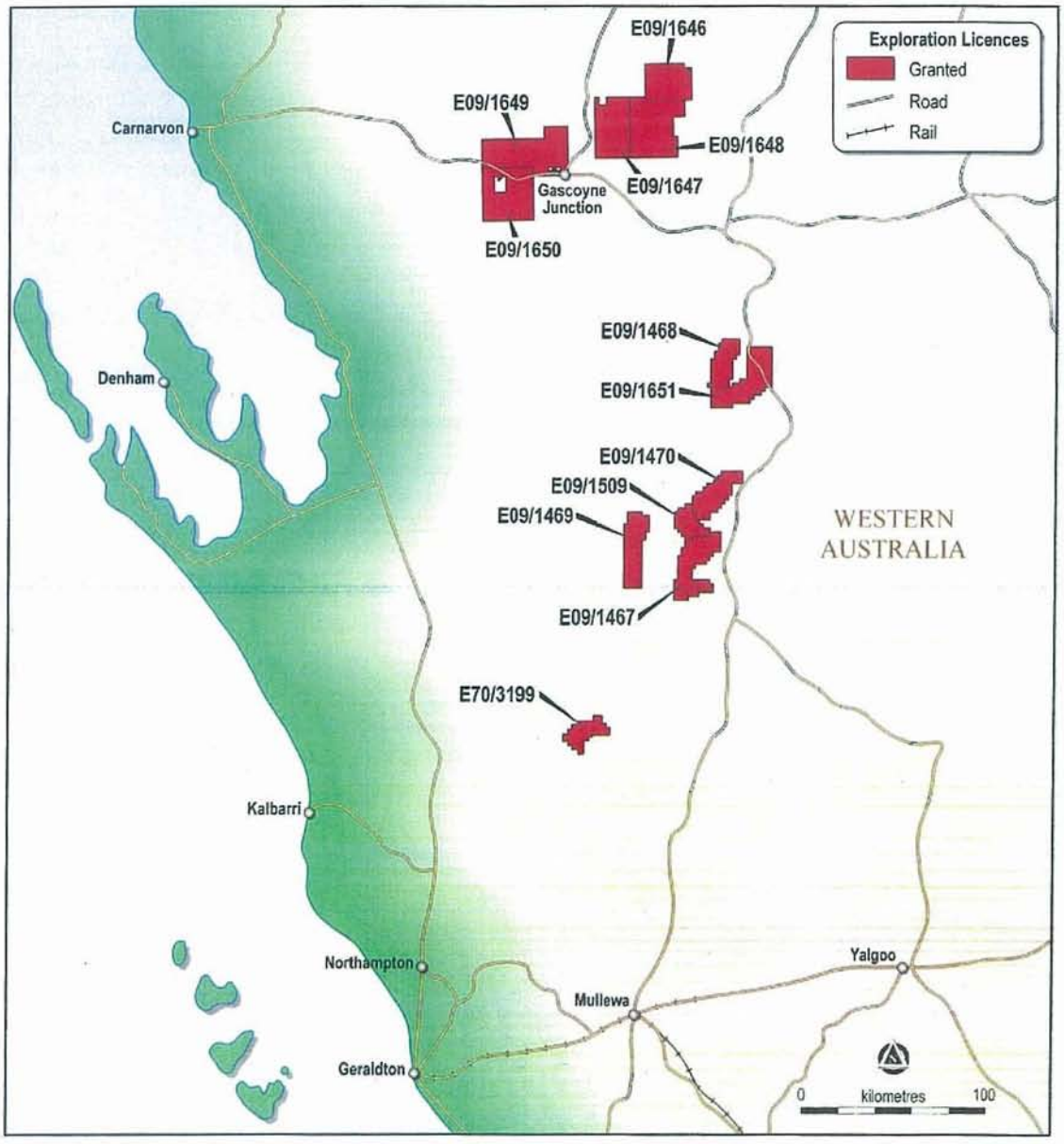
To assess the potential of the Mount Walter area and improve the definition of exploration targets, Regalpoint plans to carry out initial field mapping followed by RAB and RC drilling as appropriate. Regalpoint has allowed for a total of 6,000 m of aircore/RAB and 1,500 m of RC drilling which is appropriate for this project. A summary of the planned exploration expenditure is provided in Table 6.8.

Table 6.8	Proposed Mount Walter exploration budget (A$)		
	$12M Capital Raising		
	Year 1	Year 2	TOTAL
Data review	17,000	17,000	34,000
Field Surveys	8,000	8,000	16,000
Geophysics	2,000	2,000	4,000
Drilling	226,000	418,000	644,000
TOTAL	**253,000**	**445,000**	**698,000**

6.7 LYONS/CURBUR

Regalpoint's 100% owned Lyons/Curbur project area is located in the Murchison region of Western Australia, some 600 km north of Perth (Figure 6.17). The project comprises 12 granted exploration licences (Table 3.1) and covers some 4,316 km^2.

Figure 6.17 Location of the Lyons/Curbur project



The project area may be accessed via the major North West Coastal Highway between Perth and Carnarvon and then by secondary roads into the project or by the secondary Mullewa-Carnarvon road which runs adjacent to the project area. The area has a relatively dry climate with hot summers and mild winters. The annual average rainfall is some 250 mm and while the average rainfall is fairly well distributed throughout the year, there may be considerable annual variation.

6.7.1 Geology and mineralisation

The southern project area is located at the western extremity of the Tertiary, Yilgarn-Carnarvon palaeo-drainage system, which is marked by a series of water bodies, lacustrine sediments and deposits of valley calcrete that are exposed intermittently within the palaeo-drainage system. The targeted palaeochannel sections within the project area are generally covered by colluvium, sheetwash and eolian sand (Figure 6.18 and Figure 6.19). Examples of valley calcrete are exposed within the Curbur North and Wanman areas (E09/1468 and E09/1651) and Regalpoint considers it likely that further calcrete occurrences may be present within their tenement areas.

The palaeochannels are noted to have drained Archaean granites, amphibolites and ultramafic rocks of the Yilgarn Craton that are exposed to the east of the project area. The bedrock comprises metamorphosed siliciclastic and mafic volcanic rocks of the Mesoproterozoic Badgeradda Group and sedimentary rocks of the Mesoproterozoic Coomberarie Formation, Carboniferous Lyons Group and Carboniferous to Permian Nangetty Formation.

The northern Lyons River tenements (E09/1646 to E09/1650), located at and northeast of Gascoyne Junction, are targeting sandstone redox front and sediment hosted deposits in palaeochannels within the Carboniferous-Permian sediments of the Lyons River Group. These southern Carnarvon Basin sediments are considered prospective for uranium mineralisation, similar in style to the Manyingee (Paladin Energy), Bennet Well (Cauldron Energy) and Carley Bore (Energia Minerals) deposits further to the north, with the interpreted palaeochannels draining the uraniferous Gascoyne Complex to the east.

Figure 6.18 Geology of the Lyons/Curbur area

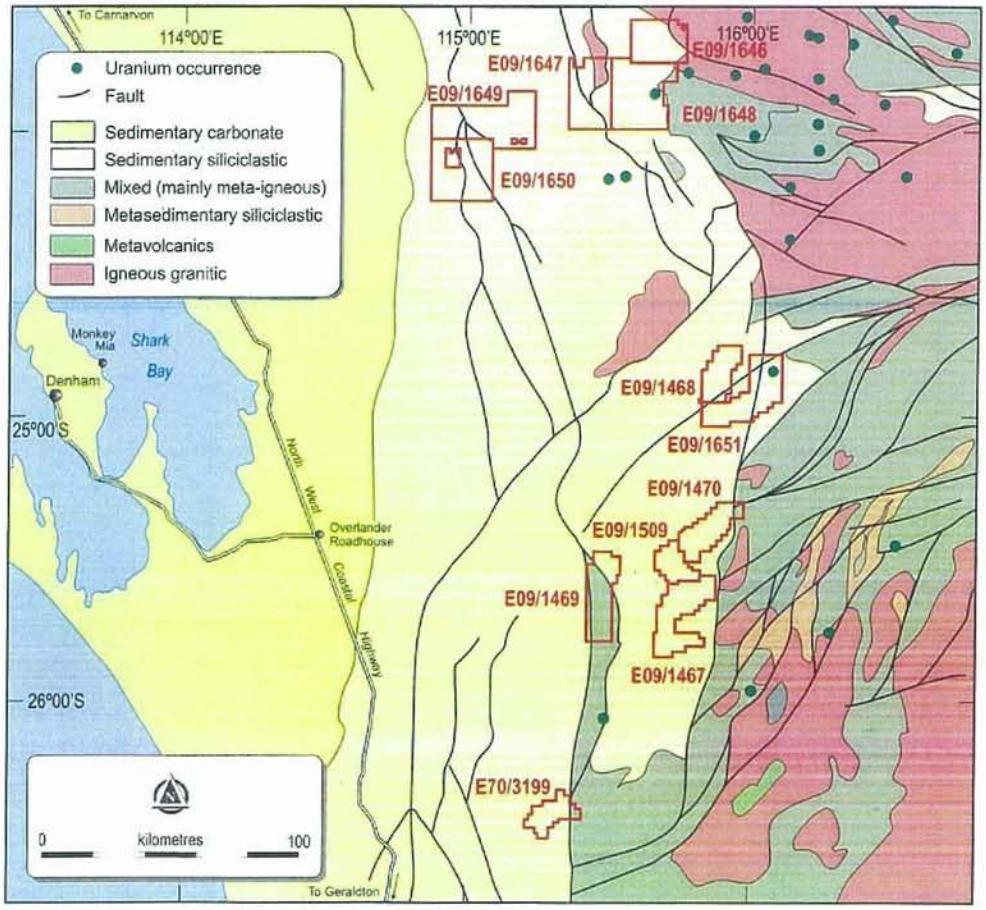
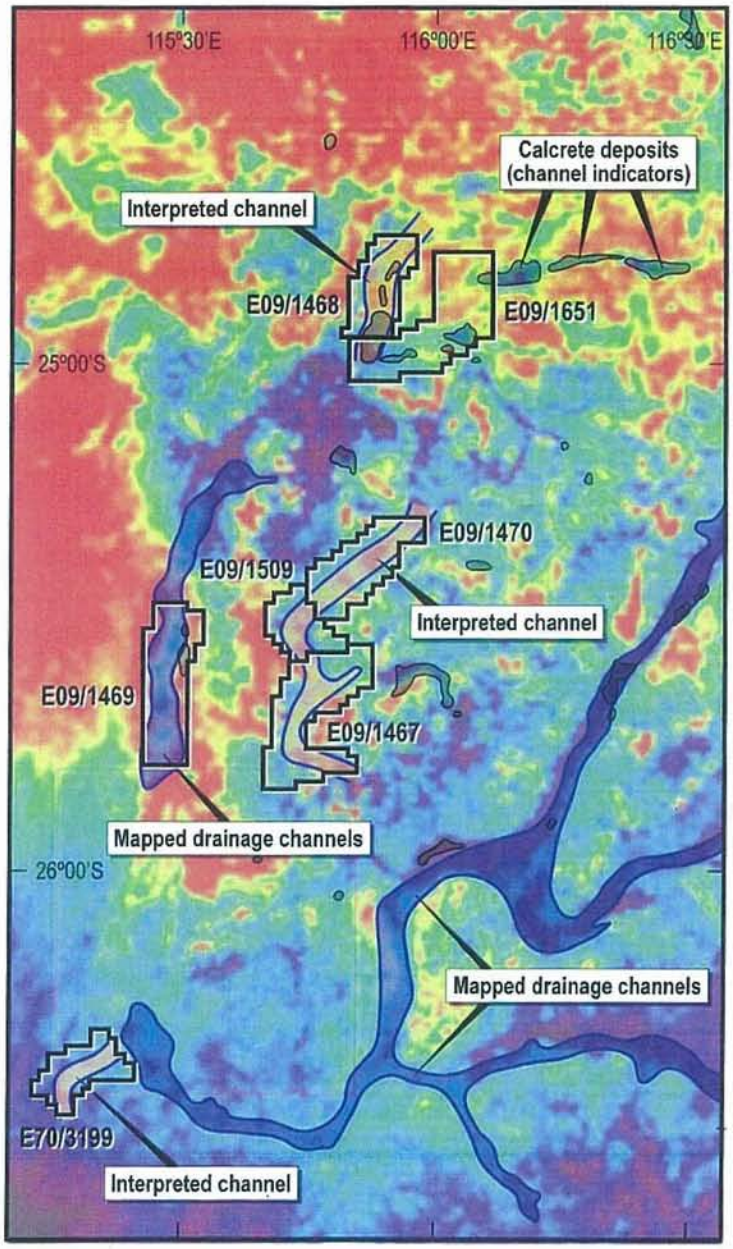


Figure 6.19 **NOAA-AVHRR image of the Curbur area and interpreted palaeochannels**



6.7.2 Previous exploration

Snowden is not aware of any previous exploration in the Curbur project area.

Historic exploration by Afmeco Australia Ltd (Afmeco) in the late 1970's at Pells Range, which is located 20 km to the south of the Lyons River sub-project area, identified a mineralised zone of at least twice background radiation along a strike length of in excess of 25 km seated in the Moogooloo Sandstone with imperial mile (approximately 1,600 m) spaced rotary mud percussion holes. Some infill drilling at 400 m spacing was carried out by Occidental Minerals (Occidental) in joint venture with Afmeco from 1980.

Occidental drilled an additional four diamond holes to twin previous rotary mud holes containing high grade intersections. They selectively assayed the anomalous zones, with XRF results including 2.5kg/t U (2.95kg/t U_3O_8) from carbonaceous material at 54 m depth in drillhole MOG 60 and 1.9kg/t U (2.24kg/t U_3O_8) from 47 m in a carbonaceous silty sandstone in drillhole MOG23 (from Newera Uranium Ltd website and GSWA Minedex database).

6.7.3 Discovery potential

The southern Curbur project areas cover sections of a palaeo-drainage system that drained felsic and mafic igneous rocks along the western margin of the Archaean Yilgarn Region which are a potential source of uranium and vanadium. Valley calcrete within the project area presents a favourable host rock for surficial calcrete-hosted uranium mineralisation and further calcrete bodies may be present under cover.

The northern Lyons River project area covers Carboniferous-Permian sediments of the southern Carnarvon Basin along the western margin of the Gascoyne Complex, a potential source rock for uranium. Historical exploration in the region and uranium resources in similar geological settings to the north suggest that sandstone and sediment hosted mineralisation may be present under cover.

Snowden considers the Lyons/Curbur project to be a conceptual, early stage exploration target that requires further investigation.

6.7.4 Proposed exploration

To assess the potential of the Lyons/Curbur area and improve the definition of exploration targets, Regalpoint plans to carry out initial field mapping followed by RAB and RC drilling as appropriate. Regalpoint has allowed for a total of 8,000 m of aircore/RAB and 2,000 m of RC drilling which is appropriate in Snowden's opinion, considering the size and exploration commitment for this project.

A summary of the planned exploration expenditure is provided in Table 6.9.

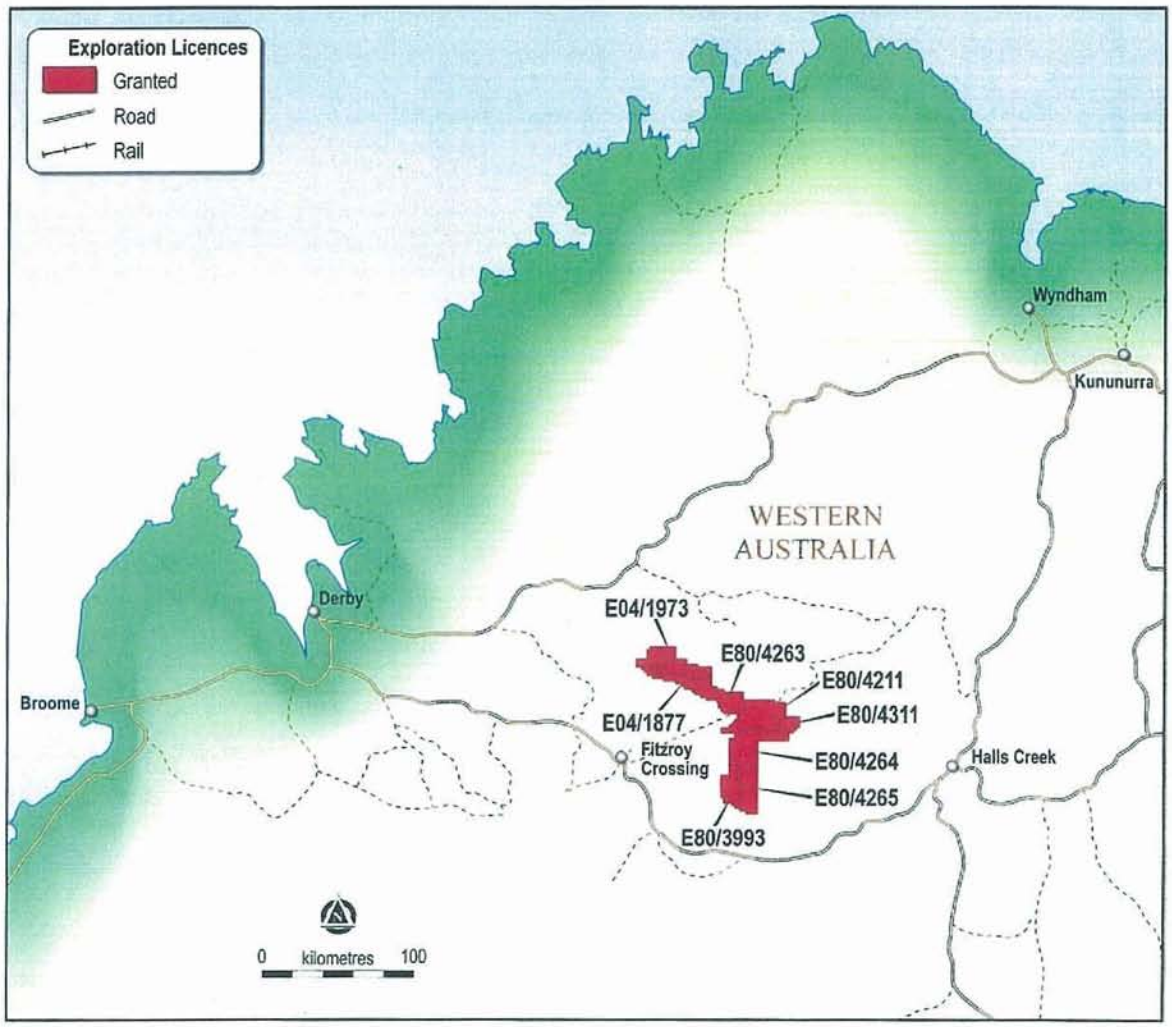
Table 6.9 Proposed Lyons/Curbur exploration budget (A$)

	$12M Capital Raising		
	Year 1	Year 2	TOTAL
Data review	17,000	17,000	34,000
Field Surveys	31,000	20,000	51,000
Geophysics	8,000	8,000	16,000
Drilling	378,000	488,000	866,000
TOTAL	**434,000**	**533,000**	**967,000**

6.8 KING LEOPOLD RANGE

The King Leopold project is located in the King Leopold Region, Western Australia, approximately 65 km northeast of Fitzroy Crossing and 120 km west-northwest of Halls Creek (Figure 6.20). The project comprises five granted exploration licences (E04/3993 E80/4211, E80/4311, E80/4311 and E04/1877) and three pending exploration licences (E04/1973, E80/4263 to E80/4265) and covers some 1,913 km^2.

Figure 6.20 Location of the King Leopold project



The project area may be accessed via the Great Northern highway between Broome and Kununurra, then secondary roads from Fitzroy Crossing. The area has a tropical climate with warm to hot temperatures throughout the year. The annual average rainfall is approximately 600 mm, principally between November and March with the highest rainfall occurring in February. The months of May to September are generally dry.

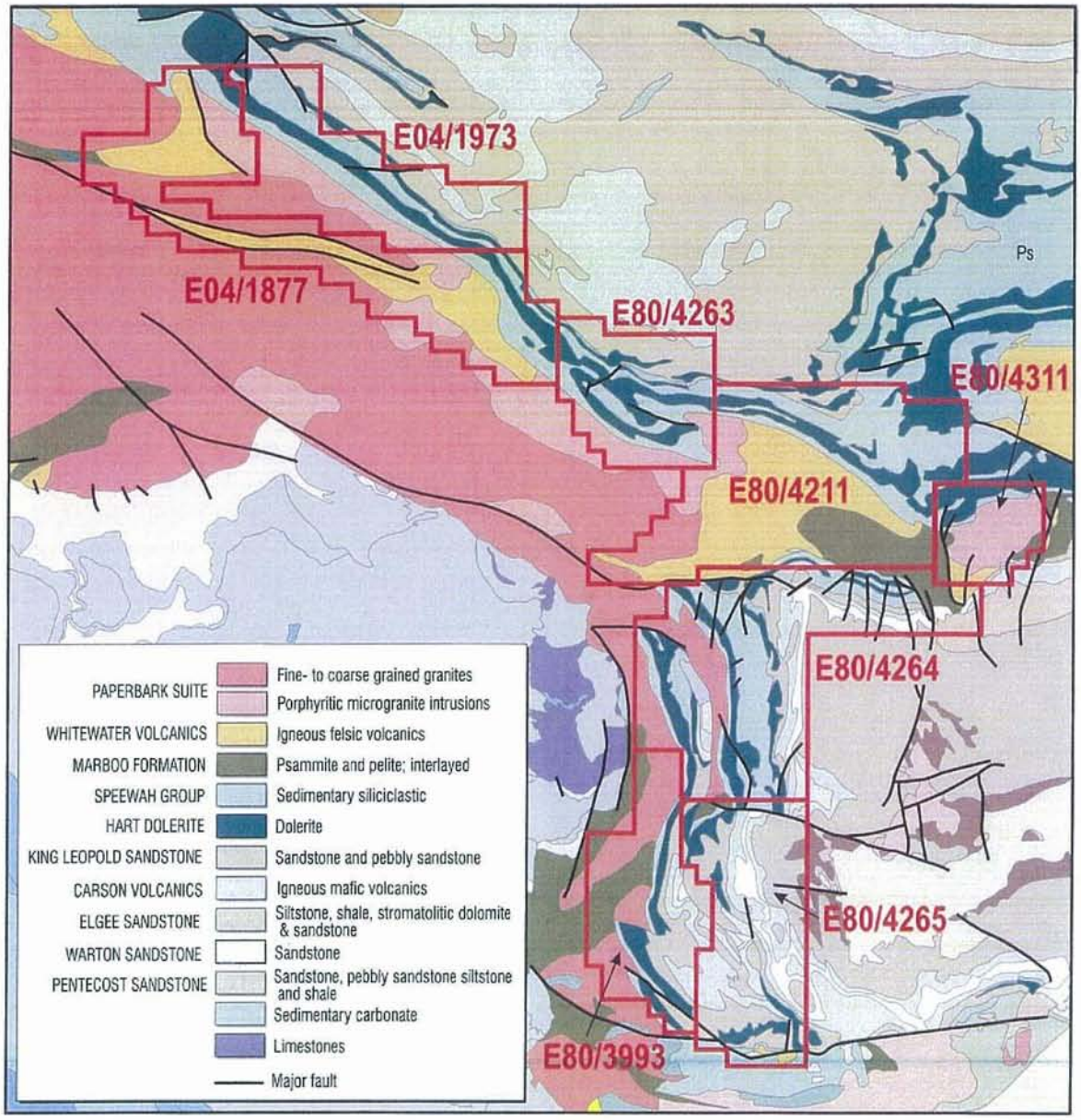
6.8.1 Geology and mineralisation

The project area includes the following Paleoproterozoic rocks ranging from 1790 Ma to 1865 Ma in age.

- Hart Dolerite, (dolerites and granophyres)
- Speewah Group (dolomites, sandstones, siltstones and mudstones,
- King Leopold Sandstone,
- Elgee Siltstone
- Whitewater Volcanics (rhyolites, dacites, ignimbrites, lapilli tuffs and volcanoclastic rocks)
- Paperbark Suite (felsic to intermediate granitic rocks).

The geology of the King Leopold project is shown in Figure 6.21.

Figure 6.21 Geology of the King Leopold area



6.8.2 Previous exploration

Whinnen Resources Ltd identified uranium mineralisation within the faulted basal sandstone unit of the Speewah Group that unconformably overlies the igneous rocks of the Paperbark Suite and Whitewater Volcanics. The prospective unconformity and faulted basal sandstone extend into Regalpoints King Leopold project area. Numerous volcanic-hosted uranium occurrences have been identified in the Whitewater Volcanics elsewhere in the King Leopold and adjacent Halls Creek Region.

Remote sensing has recently identified targets for follow up work. Airborne aeromagnetic and radiometric surveys were undertaken late in 2010, but not yet interpreted.

6.8.3 Discovery potential

The project area is prospective for volcanic-hosted uranium-bearing vein systems and unconformity-related uranium deposits as well as sandstone hosted mineralisation in the basal permeable sandstones of the Kimberley GroupSnowden considers the King Leopold project to be an early stage exploration target that requires further investigation.

6.8.4 Proposed exploration

Proposed exploration includes

- Reconnaissance geological mapping and sample collection if outcropping rocks can be located
- Alpha cup radon detection survey to define the highest anomalous (radioactive) areas
- RAB/aircore drilling on traverses to test the underlying rocks for rock type and mineralisation.

If this programme is successful then a programme of RC drilling will be proposed to test the anomalous areas in more detail.

A summary of the planned exploration expenditure at King Leopold is provided in Table 6.10.

Table 6.10 Proposed King Leopold exploration budget (A$)

	$12M Capital Raising		
	Year 1	Year 2	TOTAL
Data review	17,000	17,000	34,000
Field Surveys	9,000	12,000	21,000
Geophysics	242,000	6,000	248,000
Drilling	-	323,000	323,000
TOTAL	**268,000**	**358,000**	**626,000**

7. SNOWDEN'S OPINION

Based on its review of the available data, Snowden considers that Regalpoint's project areas are at an early stage of assessment and there remains good potential for the discovery of significant uranium mineralisation. The project areas were selected based on conceptual models, but in Snowden's opinion, these models are robust and well considered. Regalpoint's planned exploration expenditure (Table 7.1) on each of their project areas is considered appropriate and in accordance with standard industry practice. More than 57% of the capital raising is planned to be spent on field exploration.

Table 7.1 Summary of Regalpoint's exploration budget (A$)

	$12M Capital Raising		
	Year 1	Year 2	TOTAL
Rum Jungle	607,000	658,000	1,265,000
Lake Gregory	402,000	597,000	999,000
Paroo Range	384,000	617,000	1,001,000
Gum Creek	209,000	432,000	641,000
Pollock Hills	271,000	408,000	679,000
Mount Walter	253,000	445,000	698,000
Lyons/Curbur	434,000	533,000	967,000
King Leopold	268,000	358,000	626,000
TOTAL	**2,828,000**	**4,048,000**	**6,876,000**

Snowden notes that the discovery rates for mineral deposits in most metals have fallen significantly over the past 20 years despite increased exploration expenditure, new science and technology and unparalleled access to virtually all parts of the world. In order to continue to discover new mineral deposits, new technologies and methods are required. New, system-focussed, predictive exploration models will need to be used to further explore areas under cover or in mature geological settings. Current exploration models tend to be analogy-based whereas, in Snowden's opinion, future exploration will move towards inference-based exploration models using holistic approaches to various earth systems. Regalpoint's uranium targeting technology incorporates this move towards inference based exploration.

In Snowden's opinion, Regalpoint's exploration approach has identified new project areas with significant potential for uranium mineralisation. Importantly, Snowden considers that Regalpoint has the potential to add considerable value to its uranium portfolio using the knowledge gained during its collaborative research project and its ability to able to accurately target uranium mineralisation based on its geological knowledge and uranium models.

Furthermore, Snowden notes that the Area Selection Technology developed by Regalpoint has potential to be developed for other commodities and also for use in areas outside of Australia.

8. DECLARATION BY SNOWDEN MINING INDUSTRY CONSULTANTS PTY LTD

8.1 INDEPENDENCE

Snowden Mining Industry Consultants Pty Ltd is an independent firm of consultants providing a comprehensive range of specialist technical and financial services to the mining industry in Australia and overseas, through offices in Perth, Brisbane, Johannesburg, Cape Town, London, Vancouver and Belo Horizonte. Our corporate services include technical audits, project reviews, valuations, independent expert reports, project management plans and corporate advice.

This report has been prepared independently and in accordance with the VALMIN Code. The authors do not hold any interest in Regalpoint, their related parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Snowden's standard rates, whilst expenses are being reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report.

8.2 QUALIFICATIONS

This report was prepared by Mr Terry Parker (Principal Consultant – Corporate Services) and reviewed by Mr Trevor Bradley (Divisional Manager – Corporate Services) prior to distribution to ensure the report is in accordance with the 2005 Edition of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("the VALMIN Code") and the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").

Mr Terry Parker (BSc(Hons) Geology, FAusIMM, MBA, CPGeo) is a geologist with 40 years experience in the exploration and mining industry, including 25 years experience with Anglo American, Rio Tinto, Comalco, Barrack Mines and Simcoa involved in exploration, evaluation and mining. He has been consulting in the mining industry for 15 years including working for Snowden in Australia and South Africa, and independently. He has a Diploma in Surface Mining, a Western Australian Quarry Manager's Certificate of Competency, and has been a mine manager and exploration manager for Simcoa. Terry is currently a Principal Consultant for the Corporate Services Division in Perth and is involved in independent technical reviews, audits and valuations of exploration assets.

Mr Trevor Bradley (LLM, B(App)Sc(Hons), MAIG) is a geologist with more than 20 years of international mining experience in the area of mine development, geology, exploration, resource definition and operations. He holds a Masters Degree with Distinction in Natural Resource Law and Policy from the Centre for Energy, Petroleum, Mineral Law and Policy in the United Kingdom and has worked extensively throughout Western Australia, Indonesia and Mongolia for companies such as KCGM, Rio Tinto, Dominion, Aurora Gold and Centerra Gold. As a corporate consultant, he is involved in independent technical reviews, audits and valuations of mining and exploration assets.

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10. GLOSSARY

Term	Description
Abbreviations	g/t – grams per tonne, GWe – gigawatt electricity, kg – kilogram, km – kilometre, km^2 – square kilometres, m – metre, M – million, Ma – million years ago, ppm – parts per million, t – tonne
Aegerine	A brown or green mineral of the clinopyroxene group.
Aeromagnetics	A geophysical technique utilised from an airborne craft.
Albite	A white or colourless mineral of the feldspar group.
Albitite	An igneous rock consisting almost entirely of albite
Alteration	A change in mineralogical composition of a rock commonly brought about by reactions with hydrothermal solutions or by pressure changes.
Aircore drilling	An inexpensive drilling method whereby an annular bit is used to cut a thin core of relatively soft material (such as clay or saprolite) and is brought up to the surface up the centre of the drill rods via air pressure.

Term	Description
Amphibolite	A metamorphic rock composed predominantly of amphibole and plagioclase.
Andesite	A fine grained volcanic rock with phenocrysts of plagioclase and mafic minerals.
Anomalous	A departure from the expected norm. In mineral exploration this term is generally applied to either geochemical or geophysical values higher or lower than the norm.
Anticline	Applied to strata which dip in opposite directions from a common ridge or axis.
Archaean	The oldest rocks of the Earth's crust - older than 2 400 million years.
Arfvedsonite	A sodium rich mineral of the amphibole group.
Bedrock	Solid rock that underlies soil or other unconsolidated material.
ASTER	Advanced Spaceborne Thermal Emission and Reflection Radiometer, an imaging instrument flying on Terra, a satellite launched in December 1999 as part of NASA's Earth Observing System.
Breccia	Fragmented rock with angular components.
Carbonate	Common mineral type consisting of carbonates of calcium, iron, and/or magnesium.
Chert	A hard, extremely fine grained sedimentary rock consisting almost entirely of interlocking quartz crystals, of which flint is a dark variety.
Clastic	Term to describe sedimentary rocks that consist of fragments of rock or other material that have been transported from their place of origin.
Colluvium	Loose soil or rock fragments accumulated by slow down-slope creep or rain-wash, as found at the base of slopes or hillsides.
Diamond drilling	Method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.
Disseminated	Scattered particles (of gold, silver, copper etc) in the rock.
Dolerite	A medium grained basic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
Dyke	A tabular intrusion of igneous rock that cuts across the planar structure of the surrounding rock.
Fault	A fracture in rocks along which rocks on one side have been moved relative to the rocks on the other.
Felsic	Light coloured rock containing an abundance of any of the following: feldspars, felspathoids and silica.
Gabbro	A coarse grained intrusive rock, which is low in silica and has relatively high levels of magnesium minerals.
Geochemical exploration	Used in this report to describe a prospecting technique which measures the content of certain metals in soils and rocks and defines anomalies for further testing.
Geophysical exploration	The exploration of an area in which physical properties (e.g. resistivity, gravity, conductivity, magnetic properties) unique to the rocks in the area are quantitatively measured by one or more geophysical methods.
Gibber	Rock fragments formed in arid climates of central Australia.
Gossan	The oxidised, near surface part of underlying primary sulphide minerals.
Granite	A medium to coarse-grained felsic intrusive rock which contains 10-50% quartz.
Granodiorite	A coarse grained igneous rock containing quartz, plagioclase (sodium - calcium feldspar) and potassium feldspar, with biotite, hornblende or pyroxene.
Greenschist metamorphism	A low-grade, low temperature regional metamorphism that results in a mineral assemblage typically containing chlorite, epidote and/or actinolite.
Hydrothermal	A term applied to magmatic emanations rich in water and to the alteration products and mineral deposits produced by them.
Igneous	A rock that has solidified from molten material or magma.
Intrusion/Intrusive	A body of igneous rock that invades older rocks.
Ironstone	An iron rich sedimentary rock either deposited directly as ferruginous sediment or resulting from chemical replacement.
JORC	Joint Ore Reserves Committee (of the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia).
Limb	The side of a fold.

Term	Description
Lineament	A linear feature of regional extent, generally recognisable in the topography; commonly detected by satellite imagery.
Lithology	A term pertaining to the general characteristics of rocks. It generally relates to descriptions based on hand sized specimens and outcrops rather than microscopic or chemical features.
Mafic (composition)	Igneous rocks composed dominantly of iron and magnesium minerals.
Metamorphism (metamorphic rocks)	The process by which changes are brought about in earth's crust by the agencies of heat, pressure and chemically active fluids.
Metasediment	Metamorphosed sedimentary rock.
Myonite	A chert-like rock with a banded and granular texture formed during intense metamorphism.
NOAA AVHRR	The National Oceanic and Atmospheric Agency's (USA) Advanced Very High Resolution Radiometer aboard polar orbiting satellites that record the amount of visible and infrared radiation reflected and/or emitted from the Earth's surface.
Primary	Un-oxidised.
Proterozoic	The Precambrian era after Archaean.
Quartz	Mineral species composed of crystalline silica.
Radiometrics	Geophysical technique measuring emission from radioactive isotopes.
Redox	Shorthand for reduction-oxidation reactions where atoms have their oxidation state changed.
Regolith	The layer of unconsolidated rock material, of whatever origin, that underlies the surface and rests on bedrock.
Reverse Circulation (RC) drilling	A method of drilling whereby rockchips are recovered by air flow returning inside the drill rods rather than outside, thereby providing usually reliable samples.
Reverse fault	A fault on which the hanging wall appears to have moved upward in relation to the footwall.
Rockchip sample	A series of rockchips or fragments taken at regular intervals across a rock exposure.
Rotary Air Blast (RAB) drilling	Method of drilling in which the cuttings from the bit are carried to the surface by pressurised air returning outside the drill pipe. Most "RAB" drills are very mobile and designed for shallow, low-cost drilling of relatively soft rocks.
Saprolite	A weathered or decomposed, clay-rich rock.
Schist	Fine grained micaceous metamorphic rock with laminated fabric.
Sedimentary rock	Rocks formed by deposition of particles carried by air, water or ice.
Silurian	A geological time period of the Palaeozoic between approximately 440 Ma and 415 Ma.
Shale	Fine-grained sedimentary rock with well defined bedding planes.
Shear zone	A generally linear zone of stress along which deformation has occurred by translation of one part of a rock body relative to another part.
Silicified	Alteration of a rock by introduction of silica.
Stratigraphy	The study of formation, composition and correlation of sedimentary rocks.
Strike	The direction of bearing of a bed or layer of rock in the horizontal plane.
Ultramafic	An igneous rock comprised chiefly of mafic minerals.
Volcanics	Collective term for extrusive igneous rocks.
Volcaniclastic	Sediments comprising rock fragments derived by explosion or eruption from a volcanic vent.

Appendix A Overview of the Uranium Research Project

OVERVIEW OF THE URANIUM RESEARCH PROJECT

In early 2006, Regalpoint entered into a collaborative research project with the Centre for Exploration Targeting ("CET") at the University of Western Australia ("UWA"). Under this agreement, Regalpoint provided funding for a significant study into uranium prospectivity in Australia and the CET, in turn assembled a team of international uranium specialists to undertake this study.

The principle objectives of the collaborative research project were to:

- document and understand the processes that form the various uranium deposits on a global basis;
- determine how these deposits are expressed in the various geological, geochemical and geophysical datasets; and
- utilise the uranium deposit knowledge gained to identify the most prospective and available areas in Australia for future uranium exploration.

These objectives have been achieved through the development of a minerals system methodology which is largely based on similar systems used in the petroleum industry. Previous work in the petroleum industry has shown this approach to be rigorous, innovative and technically sound. The key steps in Regalpoint's approach include:

- review and modify (where required) previously documented uranium type deposit models and extract from the models the key physical and chemical processes required for the formation of each uranium deposit type;
- compile all available and relevant digital geoscience and exploration information into a standalone geographic information system ("GIS") database;
- identify and understand the processes that form uranium deposits and their expression in geological, geochemical and geophysical dataset;
- identify and utilise the physico-chemical processes required for uranium deposit formation in the GIS datasets to generate uranium predictor maps; and
- use the derivative predictor maps for conceptual (manual) and empirical (automated) prospectivity analysis.

Snowden understands that CET's research programme represented the largest systematic assessment (globally) of uranium potential undertaken on a continent-wide basis and also the largest prospectivity analysis that the CET has undertaken. The resultant commercial outcomes of this collaborative research project included:

- the acquisition of a significant tenement portfolio of uranium prospective ground as a the result of the scientific prospectivity analysis;
- positioning Regalpoint as the first commercial entity to identify opportunities in under-explored and newly discovered uranium prospective provinces;
- development of a unique GIS database that enables Regalpoint to rapidly evaluate new business opportunities and assess numerous areas in Australia in terms of their uranium potential;
- management of a GIS-integrated uranium occurrence database that contains information about the location, geological setting, style, age and size of Australia's known uranium occurrences and deposits; and
- generation of detailed uranium prospectivity maps.

Snowden notes that Regalpoint shares the intellectual property ("IP") ownership of the GIS database in joint venture with the CET. The 2-year confidentiality period on the methodology of the study expired in 2010.

URANIUM MINERAL SYSTEMS EXPLORATION MODELS

The following section outlines Regalpoint's minerals system approach and in particular the commercial adaption of this approach to target uranium prospective terranes.

OVERVIEW OF THE MINERAL SYSTEMS APPROACH

Introduction

As discussed previously, the mineral systems approach is based on similar technologies in the petroleum industry which have been successfully used by hydrocarbon exploration companies for many years.

Petroleum approach

The petroleum approach tries to identify and assess all key variables and processes (i.e. geology, temperature, faults, folds, etc) that are required to generate, transport and store hydrocarbons. The approach attempts to replicate and model the natural system considering the relationship between the petroleum source rocks, reservoir and seal and how these are linked to the generation, migration and accumulation of hydrocarbons.

The petroleum approach effectively reduces geological uncertainty and manages exploration risk by:

- determining the spatial and temporal relationship between the essential elements and processes;
- gaining an understanding of the petroleum source and path of migration;
- predicting the places where petroleum is most likely to be present; and
- estimating the quantity of the petroleum that was generated.

This methodology is a proven and widely applied tool in hydrocarbon exploration which incorporates risk and uncertainty into the targeting process by breaking down the petroleum system into its essential components.

Mineral approach

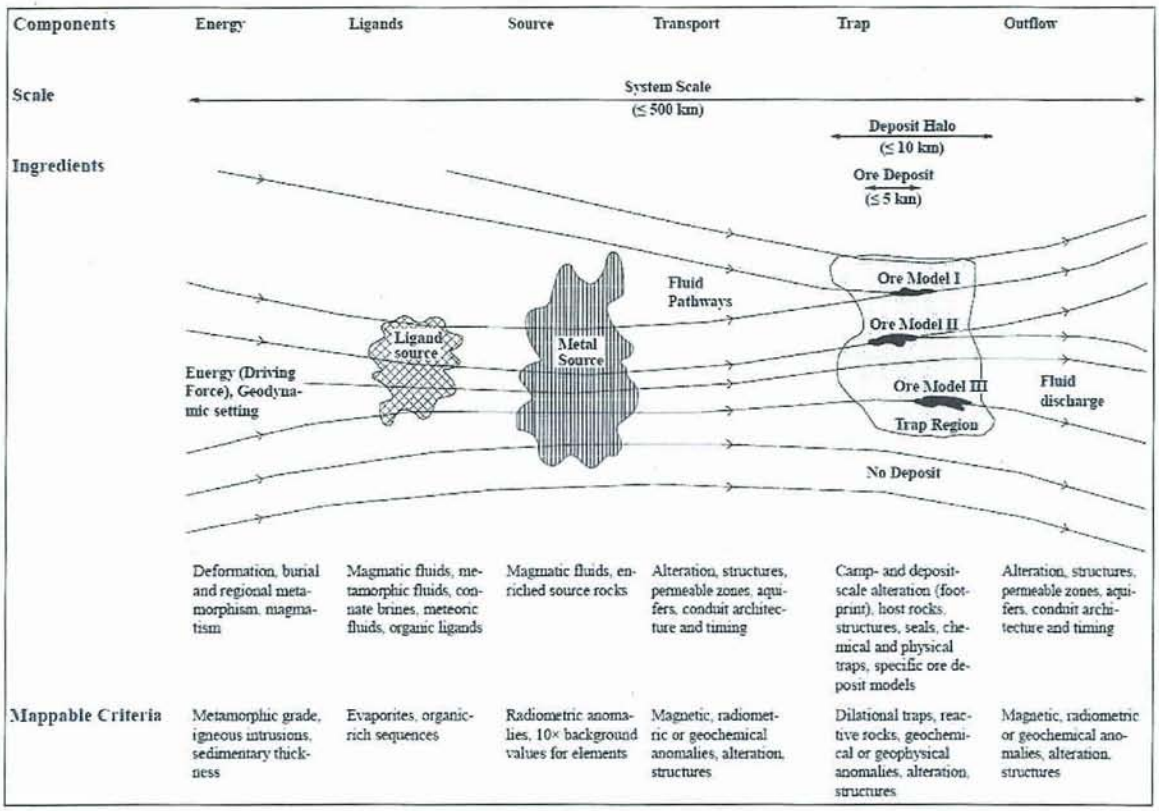
Regalpoint considers that the key advantage of the mineral systems approach is that it promotes a multi-scale and multidisciplinary approach to data collection and analysis. Regalpoint's mineral systems approach is an adaptation of the petroleum approach and is promoted by Geoscience Australia as a method to develop new exploration areas and reduce risk in the discovery of Australia's uranium resources. Regalpoint notes that the mineral systems approach has also been previously applied by innovative and successful exploration and mining companies in base metal and gold exploration.

Mineral systems are typically perceived as being more diverse and complex than petroleum systems, however the critical parameters of ore deposit formation can be reduced to a number of factors that control the generation and preservation of mineral deposits. This includes the processes involved in mobilising ore components from a source, transporting and accumulating these components in a more concentrated form as well as the process required to preserve these deposits throughout subsequent geological history.

Analogous to the petroleum approach, the essential geological components that define a mineral system (Figure 1) are:

- a source of energy that drives the system;
- sources of fluids, metals and ligands;
- pathways along which fluids can migrate to trap zones;
- trap zones (i.e. narrow, effective pathways) along which fluid flow becomes focused and fluid composition is modified; and
- outflow zones for discharge of residual fluids.

Figure 1 Schematic of uranium mineral systems approach (modified by Regalpoint after Wyborn et al, 1994)



In using the mineral systems approach, ore deposit formation is precluded where a particular mineral system lacks one or more of these essential components. The mineral systems approach is process-based and not restricted to one particular geological setting or a single ore deposit style. It attempts to incorporate i) the inherent natural complexity of ore deposits; and ii) that multiple deposit styles may form from a single mineral system. The mineral systems approach also acknowledges that ore deposits are focal points of much larger systems of energy and mass movement and that the parameters controlling the size and location of ore deposits are also part of larger systems.

When applied to mineral exploration, the mineral systems approach requires identification of the critical ore-forming processes and mappable ingredients that characterise a particular mineral system at all scales of the system from regional to local. These diagnostic features can then be used as guides in area selection and exploration targeting.

GIS TARGETING SYSTEM

SYSTEMS AND METHODOLOGY

After utilising the uranium mineral systems approach, Regalpoint focussed on two distinct streams of work to progress through to the identification of uranium prospective ground. These streams incorporated: (i) a manual approach which comprised the utilisation of conceptual prospectivity models and the ranking of prospective areas for further investigation; and (ii) an automated approach to determine key areas by the generation of data-driven prospectivity analysis.

As part of this process, Regalpoint compiled uranium occurrence and deposit data for the Northern Territory, Queensland, South Australia, Tasmania and Western Australia from the uranium database managed and maintained by Intierra Limited (Intierra Resource Intelligence, www.intierra.com), in addition to company reports, textbooks, academic publications, various internet sources and publications by Geoscience Australia and the various state and territory geological survey organisations. The resulting database contains information on over 850 Australian uranium deposits and occurrences, including information about location, grade, tonnage and owner or operator. Snowden notes that in contrast to the available generic datasets, Regalpoint's uranium occurrence database also includes information on the geological setting, age and genetic classification of each of these uranium deposits and occurrences. Snowden considers this data to be critical for successful target generation and fundamental for its automated GIS-based uranium prospectivity modelling approach.

In order to generate the GIS targeting system, Regalpoint identified and acquired all known and publicly available digital geoscience and exploration data. This data was then integrated into the GIS environment. The digital data was primarily sourced from Geoscience Australia, the geological survey organisations of the Northern Territory, Queensland, South Australia, Tasmania and Western Australia, and from FrOGTech Pty Limited. The scales of these datasets varied between 1:100,000 to 1:1,000,000 and is summarised in Table 1.

Table 1 Summary of digital data used in Regalpoint's GIS targeting system

Data	Data source
Geological	Uranium deposit database Geology Structure Regolith
Geochemical	OZCHEM Whole rock geochemistry
Geophysical	Radiometric Magnetic Gravity
Remote sensing	NOAA-AVHRR Landsat ETM+ DEM ASTER

A brief overview of the main data sources is presented below.

OZCHEM is Geoscience Australia's national whole-rock geochemical database. The current release of OZCHEM contains approximately 32,000 analyses of rocks from throughout Australia. Each analysis includes a geographic location and geological description, which outlines the host stratigraphic unit (where known) and the lithology. Most of the samples were collected by Geoscience Australia's field parties. OZCHEM is stored in an ORACLE relational database and is available in comma-delimited flat ASCII, Microsoft Access, Arcview and Mapinfo formats. The associated documentation includes summaries and highlights of all the regional datasets that comprise OZCHEM.

The National Oceanic and Atmospheric Administration ("NOAA") satellite network carry the Advanced Very High Resolution Radiometer ("AVHRR"). The AVHRR sensor provides imagery in the visible, near infrared and thermal infrared wave length bands.

The Landsat Programme is a series of Earth-observing satellites managed by NASA and the U.S. Geological Survey. Since 1972, Landsat has collected information about Earth from space. Landsat satellites have taken specialised digital photographs of Earth's continents and surrounding coastal regions enabling the study of many aspects of the planet and evaluation of the dynamic changes caused by both natural processes and human influences. Landsat provides repetitive coverage of the Earth's continents in the visible, near-infrared, short-wave and thermal infrared regions (including Enhanced Thematic Mapper Plus "ETM+") of the electromagnetic spectrum.

The DEM dataset is a Digital Elevation Model computed from topographic information including point elevation data, elevation contours, stream lines and cliff lines. The grid spacing is 9 seconds in longitude and latitude (approximately 250 metres). Regalpoint considers that the 9 Second DEM was particularly useful where accurate representations of surface shape and drainage structure acted as a guide to palaeo-drainage patterns.

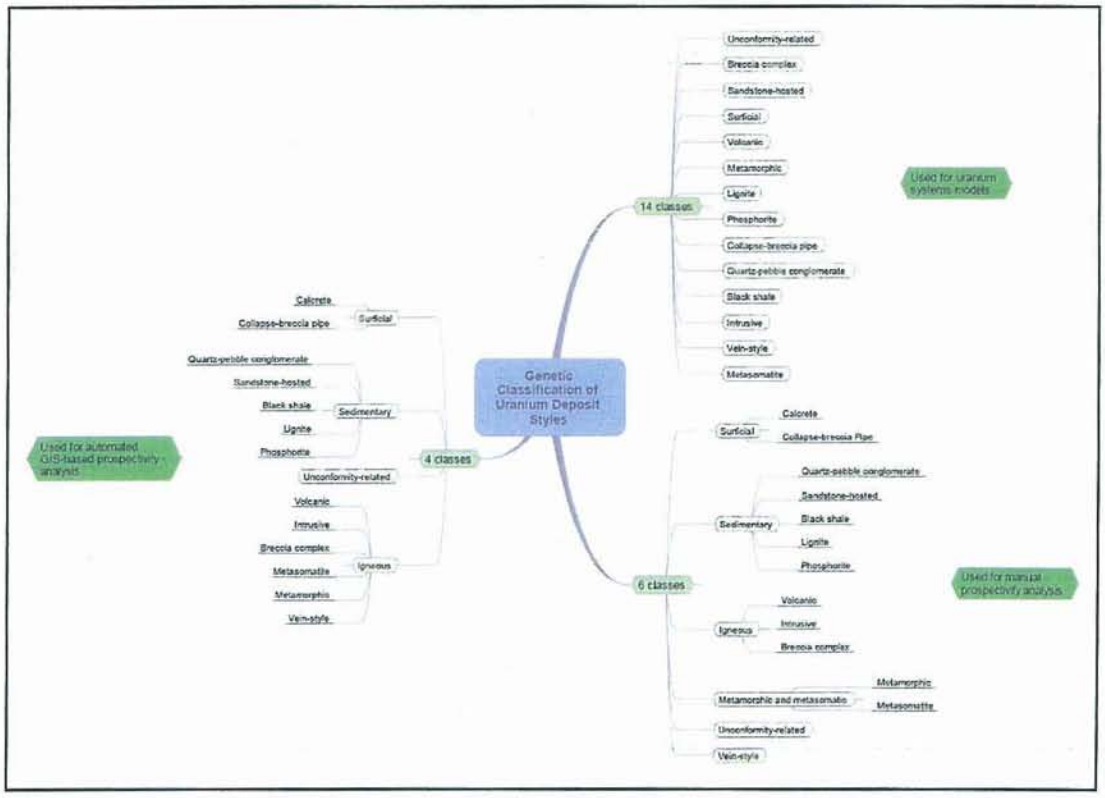
The Advanced Spaceborne Thermal Emission and Reflection Radiometer ("ASTER") is one of five remote sensory devices on board the Terra satellite launched into Earth orbit by NASA in 1999. ASTER provides high-resolution images of the Earth in 14 different bands of the electromagnetic spectrum, ranging from visible to thermal infrared light. The resolution of images ranges between 15 to 90 metres. ASTER data is used to create detailed maps of land surface temperature, reflectance and elevation.

MANUAL RANKING OF GEOLOGICAL REGIONS

The manual (GIS-assisted) prospectivity analysis was carried out by Regalpoint for 90 geological regions (ie the major geological provinces) within the Northern Territory, Queensland, South Australia, Tasmania and Western Australia. For the purpose of Regalpoint's manual prospectivity analysis, the 14 OECD/NEA uranium deposit model types were grouped together into 6 main classes (Figure 2); there were:

- Surficial uranium deposits (calcrete- and collapse breccia-hosted uranium);
- Sediment-hosted uranium deposits (i.e. quartz-pebble conglomerate-, sandstone-, black shale-, lignite- and phosphorite-hosted uranium);
- Igneous uranium deposits (i.e. volcanic-, intrusion- and breccia-complex-hosted uranium);
- Metamorphic and metasomatic uranium deposits;
- Unconformity-related uranium deposits; and
- Vein-related uranium deposits.

Figure 2 Uranium deposit classifications used by Regalpoint



During research, Regalpoint confirmed that both the source and transport criteria of the minerals system approach proved to be excellent guides to area selection at the continental scale. The advantage of this knowledge-driven approach is that the approach is rapid, structured and process-based. However, in contrast to the automated prospectivity analysis discussed in the following Section, the manual approach is limited by the available geological knowledge, biased by the experience and opinions of the contributing geoscientists and may therefore be of less benefit in previously unexplored regions of Australia.

Three ranking schemes were applied by Regalpoint to the manual ranking of the Australian geological regions (Figure 2). The assessment was based on the available digital data summarised in Table 1.

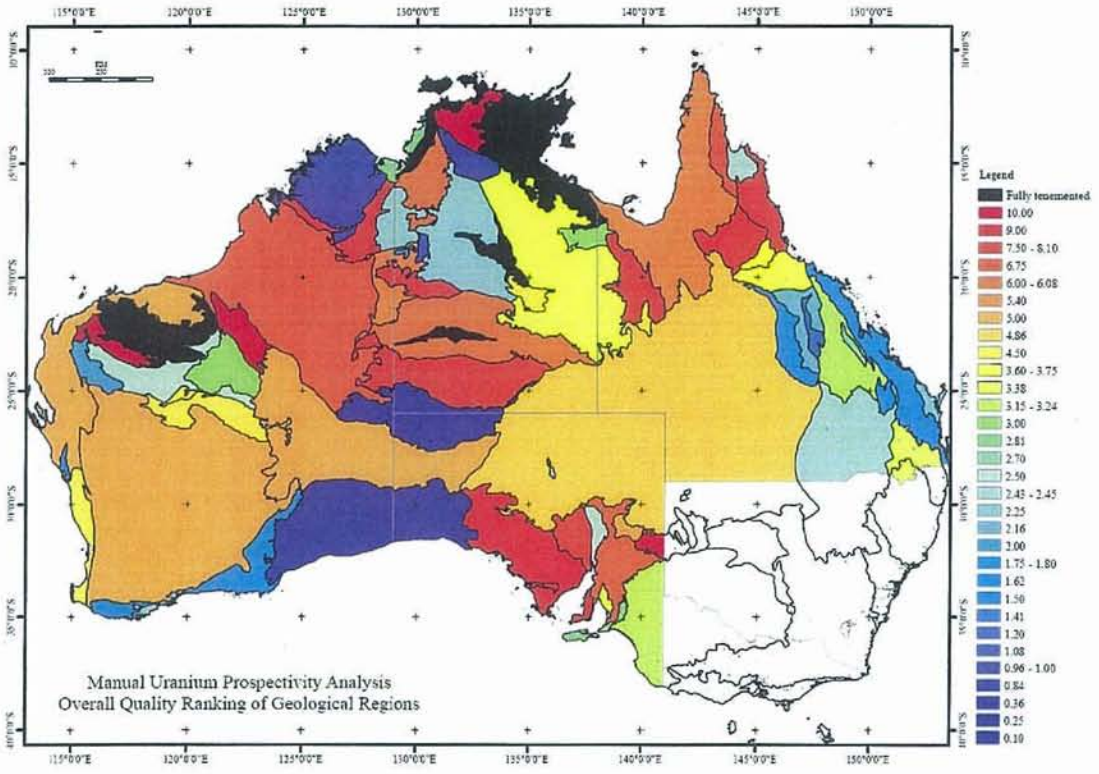
In Scheme I, each of the 90 geological regions was ranked in terms of its potential to host any of the six uranium deposit classes. This ranking was achieved by assigning pseudo-probabilistic factors to the likely uranium source area (P_1), the transport mechanism (P_2) and the depositional environment (P_3). The values of P_1, P_2 and P_3 were then multiplied to obtain an overall pseudo-probability of success, P_{total}. Given the differences in quality (grade and tonnage, mineability) between the various uranium deposit classes, a quality factor, Q, was introduced for each uranium deposit class that was multiplied with the P_{total} of each geological region. Scheme I delivered six technical prospectivity maps, one for each of the six uranium deposit classes.

In Scheme II, each of the 90 geological regions was ranked in terms of its overall quality (i.e. expected grade and tonnage, mineability). This was achieved by consideration of only one value per geological region regardless of uranium deposit class, i.e. the highest value of Scheme I (Figure 3). This approach delivered a single prospectivity map that illustrates where in Australia the best quality deposits may be found.

In Scheme III, each geological region was ranked in terms of opportunity (i.e. land availability).

Regalpoint's manual prospectivity analysis initially identified 59 areas of interest ranging in size from several tens to thousands of square kilometres. Regalpoint manually rated these areas on a scale ranging from "peg immediately" to "low priority." Subsequent follow-up studies of the prospective areas resulted in the bulk of Regalpoint's current exploration licences and licence applications.

Figure 3 Example of manual prospectivity of Australian geological regions coloured by relative prospectivity (blue – low prospectivity through to red – high prospectivity, black is fully tenemented)



AUTOMATED GIS-BASED PROSPECTIVITY ANALYSIS

The automated mapping of uranium mineral prospectivity is based on mathematical modelling of spatial associations of known mineral deposits and the geological features within each of the exploration datasets. The known mineralising inputs (as defined in the mineral systems approach), as well as the knowledge gained and captured in the mind maps were also incorporated.

The generation of prospectivity maps identified which areas are most likely to contain economic concentrations of uranium. The maps produced from the modelling software are commonly called "favourability maps" or "posterior probability maps" as they are based on the (pseudo-)statistical probability of the uranium (or other metal of interest) occurring in the area of interest. The posterior probabilities are generally interpreted as a relative measure of favourability for ranking various land packages in the area of interest as they are not based upon true statistical measures. It is also possible to quantify the uncertainty in the estimated favourability values. Regalpoint considers that prospectivity modelling therefore provides sound statistical and scientific basis for ground acquisition and financial and tenement management decision-making.

Regalpoint considered three approaches as part of its automated prospectivity analysis:

- a knowledge-driven approach that incorporate fuzzy-set theory models (ie reasoning that is approximate rather than precise) based on expert knowledge only;
- a data-driven approach such as Bayesian probabilistic models, artificial neural networks and logistic regression models that use spatial exploration datasets only; and
- hybrid methods such as the neurofuzzy approach that use both expert knowledge and exploration data.

In each of these approaches, the GIS (ie ArcGIS) is programmed through the use of expert knowledge or available exploration datasets, such that it can identify and quantify the integrated spatial association between geoscientific datasets in order to predict specific mineral deposit types. Based on the recognition and integration of spatial associations, the programme can predict the prospectivity of each unit cell (typically 4 km^2) for any given area.

Given the large amount of compiled geological, geophysical, geochemical and uranium deposit data, the research team also opted for a purely data-driven approach to accompany the prospectivity modelling. Given that data formats, quality and density varied from one state or territory to another, Regalpoint undertook the modelling on a state-by-state-basis. Automated GIS-based prospectivity analyses have been carried out for Queensland, the Northern Territory, South Australia, Tasmania and Western Australia. The objectives of these analyses were:

- evaluation and quality control of the outcomes of the previous manual prospectivity analysis;
- identification of the most prospective ground available for acquisition that had not been identified in the previous manual prospectivity analysis; and
- identification of the most prospective ground held by non-uranium companies that may enter into joint venture or other agreements with Regalpoint.

For the purpose of the automated prospectivity analysis and based on the previously developed uranium systems models, the 14 major uranium deposits classes were grouped into four categories):

- Surficial uranium deposits (calcrete and collapse breccia-hosted uranium); and
- Sediment-hosted uranium deposits (i.e. quartz-pebble conglomerate, sandstone, black shale, lignite and phosphorite-hosted uranium);
- Unconformity-related uranium deposits;
- Igneous, metamorphic and metasomatic uranium deposits (i.e. volcanic, intrusion, breccia complex, metasomatic, metamorphic and vein-related uranium).

Mappable deposit recognition criteria were identified for each uranium deposit class and, after rigorous processing and statistical analysis, represented as input predictor maps for each of the four classifications used in the automated analysis. The predictor maps and the locations of the known uranium deposit were digitally superposed to generate a unique condition grid that was used for programming the computer. This process employs Bayesian probabilistic, logistic regression and artificial neural network algorithms. The programmed computer system used all available geoscientific and exploration data to estimate and map the prospectivity of each state and for each class of uranium deposit.

In terms of the overall prospectivity of the geological regions, the automated prospectivity maps are broadly similar to the maps generated via the manual prospectivity analysis, however, the automated prospectivity maps show far greater detail (i.e. intra-regional prospectivity) and therefore are viewed as being more effective in the identification of prospective areas for follow-up analysis and acquisition.

The automated prospectivity analysis also revealed new knowledge relevant to uranium mineralising systems, including the importance of unconformities in controlling the location of sediment-hosted and igneous-related uranium deposits; and the strong spatial association between surficial uranium deposits and playa sediments.

The prospectivity maps indicate the posterior probability of a uranium deposit occurring in each unit area of 4 km^2. The research team noted that the Bayesian probabilistic model that formed the mathematical foundation of the automated uranium prospectivity analysis is based on the assumption of conditional independence of the input predictor maps. However, this assumption of conditional independence is considered by Regalpoint to be unrealistic given that:

- one essential component may affect two or more exploration datasets,
- a particular critical process may influence two or more essential components,
- two or more critical processes may be genetically related, or
- the response of an essential component in one exploration dataset may be conditioned by the response of another essential component in a different exploration dataset.

Snowden notes that the output of the Bayesian probabilistic model may potentially be biased by dependencies amongst predictor maps and therefore the posterior probabilities displayed on the prospectivity maps should be interpreted as measures of relative favourability only. The determination of posterior probabilities is common practice as the calculation of an absolute probability of mineralisation is not possible given the inherent geoscientific data limitations. Regalpoint are fully cognisant of these limitations and have taken this into account when identifying ground for acquisition.

Following the generation of the automated prospectivity maps, Regalpoint carried out thorough analyses to ensure there were no computational discrepancies or errors. All prospective areas generated by the automated prospectivity analysis were then subject to further scrutiny and reviewed manually in terms of their potential to host uranium mineralisation. This follow up ensured that only areas of genuine prospectivity were recommended for acquisition.

Snowden notes that temporal relationships were not taken into account during the automated prospectivity analysis (i.e. source rocks younger than transport mechanisms or similar) due to computational complexity. However, Snowden considers temporal relationships to be of minimal impact and will only affect isolated deposit types (ie sandstone-hosted). Furthermore, the manual review process put in place by Regalpoint was designed to identify and mitigate any false prospectivity.

DATA SOURCES

Snowden was provided with a detailed inventory of all data sources used on a national and state-by-state basis. A detailed description of the processing techniques employed and the manipulation carried out was also provided. Snowden has reviewed the inventory and descriptions provided and considers that a consistent and logical approach has been followed throughout and that the data has been managed in an appropriate way.

All modifications to, and extraction from, the various datasets appear to have been conducted in such a way as to provide the most useful and meaningful derivative products for the analysis carried out for Regalpoint's requirements. This processing is considered to be appropriate and a logical methodology has been applied throughout.

The data have been sourced from a number of different suppliers as detailed previously in the report, and Regalpoint invested significant time and effort collating and converting the differing data sources into appropriate and usable formats. The inventory provided to Snowden detailed all of the changes and the conversions are considered to conform to best practice processing techniques and appropriate software has been used where required.

All data is stored in two coordinate systems, namely Geographic with GDA 94 Datum and Lambert Azimuthal Equal Area with GDA 94 Datum. The Geographic system is generally well understood and portable, while the Lambert system was chosen specifically because it represents area consistently. Snowden considers this to be an appropriate choice as the spatial processing techniques used rely on area for their calculations. The conversions have been done using ArcGIS software which is widely regarded as the best tool for this purpose.

QAQC

Snowden has not carried out quality assurance or quality control on the raw data used to generate both the manual and automated prospectivity maps. This data has been sourced from third parties including government geological survey organisations and specialist agencies and is regarded as reliable.

Snowden notes that all data sources utilised by Regalpoint have not been interpreted and have been used in their 'raw' state. That is, geological data has not been extrapolated under areas of cover or between known data points. This may have a limiting effect on areas of prospectivity but has ensured the integrity of data.

Furthermore, Snowden notes that Regalpoint has recently tested the accuracy and reliability of their prospectivity maps based on the public release of third party high resolution radiometric data and geochemical exploration results in separate areas of Western Australia. This testing of the prospectivity maps using independent data has corroborated Regalpoint's identified areas of prospectivity and is considered highly encouraging.

REVIEW OF GIS TARGETING SYSTEM

Snowden has limited its review to the uranium systems models and methodologies. Snowden has not reviewed the spatial mathematics underlying the GIS area selection technology as this is an area of specialisation and beyond the expertise of Snowden. Instead, Snowden has relied upon the peer review of the methodology by renowned international experts. Snowden notes that the mathematical approach utilised by the research team was developed by Dr Alok Porwal (Research Fellow – CET) during his PhD research. The research was published in his thesis as well as numerous related technical papers published in international scientific journals (listed in the bibliography at the end of this report). This information has previously been reviewed by leading GIS experts including Drs G.F. Bonham-Carter, D. Singer, R.B. McCammon and G Raines. Accordingly, Snowden considers the mineral potential mapping approach utilised by Regalpoint to be robust and technically sound.

In Snowden's opinion, the uranium mineral systems model developed by Regalpoint is of a high standard and based on current and progressive industry and academic knowledge of uranium mineralisation. Snowden considers the uranium targeting technology is capable of identifying previously untested areas prospective for uranium mineralisation.

Snowden has highlighted issues of data security, data storage and the company's reliance on individual experts within Regalpoint. Snowden considers these issues to be of low importance and low impact as the data processing and generation of prospectivity maps has now been completed by Regalpoint. Regalpoint have independently demonstrated measures mitigating these issues including physical security, data backup and the documentation of work procedures.

POTENTIAL OF THE URANIUM TARGETING TECHNOLOGY

Snowden notes that the discovery rates for mineral deposits in most metals have fallen significantly over the past 20 years despite increased exploration expenditure, new science and technology and unparalleled access to virtually all parts of the world. In order to continue mineral discoveries, new technologies and methods are required. New system focussed predictive exploration models will need to be used to further explore areas under cover or mature geological settings. Current exploration models tend to be analogy-based whereas, in Snowden's opinion, future exploration will move towards inference based exploration models utilising holistic approaches to various earth systems. Regalpoint's uranium targetting technology incorporates this move toward inference based exploration.

In Snowden's opinion, Regalpoint's exploration approach has identified new project areas with significant potential for uranium mineralisation. Importantly, Snowden considers that Regalpoint has the potential to add considerable value to its uranium portfolio using the knowledge gained during its collaborative research project and it ability to able to accurately target uranium mineralisation based on its geological knowledge and uranium models.

Furthermore, Snowden notes that the Area Selection Technology developed by Regalpoint has potential to be developed for other commodities and also for use in areas outside of Australia.

Section 5. Independent Geologist's Report on Highlander Gold Prospect

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Date: 8 February 2011
Report No: R109.2011

Independent Geologist's Report

REGALPOINT RESOURCES LTD

Highlander Gold Project

EL 26094

Rum Jungle Region, Northern Territory

By
Mark Teakle
BSc (Hons) MAusIMM, MAIG

For:

Regalpoint Resources Ltd
Level 14, 191 St. Georges Terrace
Perth
WA 6000

Approved:

Daniel Wholley
Director

The Directors,
Regalpoint Resources Ltd
Level 14, 191 St Georges Terrace
Perth WA 6000

Dear Directors,

CSA Global Pty Ltd ("CSA") has been commissioned by Regalpoint Resources Ltd ("Regalpoint") to provide an Independent Geologist's Report ("IGR") on a mineral exploration property located in the Rum Jungle area of the Pine Creek Inlier in the Northern Territory, in which Regalpoint has a 100% interest.

This IGR will be included in a prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on, or about 10th February 2011 for an initial public offering ("IPO") of 60 million shares at an issue price of $0.20 per share to raise a total of $12,000,000 and (subject to ASX approval) to make an offer of one Loyalty Option for every Share held. The Loyalty Options will be issued at a price of one cent each with an exercise price of 20 cents and expiring 31 March 2014. The Loyalty Options will be offered to Shareholders registered as such on a date no later than three months after the listing of the Company on the ASX. The funds raised will be used for exploration and evaluation of this and other mineral properties.

The Independent Geologist's Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The VALMIN Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), and the rules and guidelines issued by such bodies as ASIC and Australian Securities Exchange ("ASX"), which pertain to Independent Expert's Reports.

CSA has not been requested to provide an Independent Valuation, nor have we been asked to comment on the fairness or reasonableness of any vendor or promoter considerations, and we have therefore not offered any opinion on these matters.

CSA has based its review of Regalpoint's Highlander Gold Project on information in annual technical reports completed by previous tenement holders, and other relevant published and unpublished data. CSA has endeavoured to provide an adequate summary of past exploration history, where possible this has been sourced from previous tenement holders reports. A final draft of the report was provided to Regalpoint along with a written request to identify any material errors or omissions prior to lodgement. Where appropriate, and in accordance with ASIC Regulatory Guide 55, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals on the properties concerned.

The Highlander Gold Project owned by Regalpoint is considered to be an identified prospect at a relatively immature stage of exploration that is therefore inherently speculative in nature regarding economic potential. However, in CSA's opinion the project has been acquired based on the basis of sound technical merit. The property is also considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programmes.

Exploration and evaluation programmes proposed by Regalpoint for the Highlander Gold Project and included in the report amount to a total expenditure of approximately $940,000. This includes an approximately $455,000 combined total in the first year of assessment.

Regalpoint intends to raise $12 million, with total available cash after listing costs to be $11 million, and at least half the liquid assets held, or funds proposed to be raised by Regalpoint, are understood to be committed to the exploration at the Highlander project and numerous others, as described elsewhere in this prospectus, development and administration of the mineral properties; satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). CSA also understands that Regalpoint has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

Regalpoint has prepared staged exploration and evaluation programmes, specific to the potential of the projects, which are consistent with the budget allocations. CSA considers that the relevant areas have sufficient technical merit to justify the proposed programmes and associated expenditure satisfying the requirements of ASX Listing Rule 1.3.3(a). The proposed exploration budget also exceeds the anticipated minimum annual statutory expenditure commitment on the various project tenements.

The Independent Geologist's Report has been prepared on information available up to and including 10th February 2011. CSA has provided consent for the inclusion of the Independent Geologist's Report in the prospectus, and to the inclusion of statements made by CSA in the prospectus, in the form and context in which the report and those statements appear, and has not withdrawn that consent before lodgement of the Prospectus with the ASIC.

CSA is an exploration, resource and mining consulting firm, which has been providing services and advice to the international mineral industry and financial institutions since 1987. This report has been compiled by Mr Mark Teakle BSc (Hons), who is a professional geologist with 30 years experience respectively in the exploration and evaluation of mineral properties within Australia. Mr Teakle is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and a Member of the Australian Institute of Geoscientists ("MAIG") has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

Neither CSA, nor the author of this report, have or have previously had, any material interest in Regalpoint or in the mineral property in which Regalpoint has an interest. Our relationship with Regalpoint is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Yours faithfully

Daniel Wholley
CSA Global Pty Ltd

Executive Summary

Regalpoint Resources Ltd ("Regalpoint") holds Exploration Licence EL 26094, which covers the Highlander Gold Project, in the Rum Jungle mineral field within the Pine Creek Inlier in the Northern Territory. Regalpoint Exploration are planning to apply for an initial public offering ("IPO") of 60 million shares at an issue price of $0.20 per share to raise $12,000,000 in February 2011 to provide funds to explore this mineral property, and others as described elsewhere in the prospectus.

EL 26094 covers Lower Proterozoic sediments flanking the Archaean age Rum Jungle Complex, and lies in an area that has produced significant quantities of uranium, gold and base metals from deposits such as the Woodcutter's uranium and lead zinc deposits and the Giant's Reef gold deposit.

Within EL 26094 previous exploration by Mines Administration Pty Ltd in 1979, and Normandy Woodcutters Ltd from 1989 to 1998 has outlined an anomalous gold-in-soil zone exceeding 1.3km in length and open to the north at the Highlander Prospect. Extensions of the gold anomalous soils extend a further 2700m to the southwest to the Flaming Fury Prospect on adjoining exploration title. Exploration of this anomalous zone within EL 26094 was initially confined to four costeans, three of which recorded gold mineralisation over substantial widths:

- Costean B: 30m at 0.5 g/t Au, including 4m at 1.4 g/t Au;
- Costean 6500: 50m at 0.3 g/t Au; and,
- Costean 6600: 9m at 1.0 g/t Au.

Follow-up of these anomalous results comprised drilling 24 shallow RC percussion holes. Only collar locations and summarised assay results have been recorded for these drill holes, with complete results unable to be located thus far. The summary results are listed below:

- HLRC001: 3m @ 4.92 g/t Au, including 1m @ 14.5 g/t Au
- HLRC004: 1m @ 1.22 g/t Au
- HLRC007: 9m @1.88 g/t Au
- HLRC008: 9m @ 1.85 g/t Au
- HLRC010: 3m @ 1.41 g/t Au
- HLRC011: 4m @ 1.44 g/t Au
- HLRC012: 8m @ 1.13 g/t Au
- HLRC013: 6m @ 1.31 g/t Au
- HLRC016: 4m @ 1.76 g/t Au and 5m@ 1.69 g/t Au
- HLRC017: 2m @ 1.63 g/t Au
- HLRC020: 3m @ 1.39 g/t Au and 5m @ 0.96 g/t Au
- HLRC021: 3m @ 1.37 g/t Au and 6m @ 0.63 g/t Au
- HLRC022: 2m @ 1.08 g/t Au and 3m @ 2.90 g/t Au
- HLRC023: 4m @ 0.44 g/t Au

No further work is reported from the prospect apart from rehabilitation of costeans and drill-sites.

The Highlander Gold Project, as defined by Mines Administration and Normandy Woodcutters Ltd, represents an excellent target for follow-up exploration. CSA considers that the project is under explored for gold.

The historic data assembled by Regalpoint for the project area support the need for continued gold exploration to both better define the surface geochemical anomalism and to better understand the controls on the gold mineralisation encountered in past drilling.

The presence of potentially ore-grade material demonstrates that a mineralising system has been active in the area. The multiple intersections in three distinct locations or groups suggest that mineralisation is potentially continuous for over 1km of strike and open at depth and to the north along strike.

The Highlander Prospect is considered to be worthy of immediate follow-up exploration comprising extending and confirmatory geochemical sampling and follow-up RC drilling.

Regalpoint Exploration has prepared a staged exploration budget of $940,000 based on a full IPO subscription, allowing Regalpoint to conduct an exploration program over an initial two-year timeframe to fully evaluate the Highlander Prospect and its extensions.

The proposed budget allocations are considered consistent with the exploration potential of both the Highlander Gold Project and are considered adequate to cover the costs of the proposed programmes. The budgeted expenditures are also considered sufficient to meet the minimum statutory expenditure on the tenements.

The Independent Geologist's Report has been prepared on information available up to and including 10th February 2011 and CSA is not aware of any material change to data from this point.

Yours faithfully

Mark Teakle
Consulting Geologist
CSA Global Pty Ltd

Contents

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1 Introduction

1.1 Scope and Terms of Reference

CSA Global Pty Ltd ("CSA") has been commissioned by Regalpoint Resources Ltd ("Regalpoint") to complete an Independent Geologist's Report on the mineral exploration property covered by Exploration Licence EL 26094 – the Highlander Gold Project.

This report comprises an assessment of the property based on a review of historical exploration work available as Open File reports together with opinions based on the knowledge of CSA staff familiar with the project area.

This Independent Geologist's Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The VALMIN Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM"), the Australian Institute of Geoscientists ("AIG"), and the rules and guidelines issued by such bodies as the ASIC and Australian Stock Exchange ("ASX"), which pertain to Independent Expert Reports.

CSA is an exploration, resource and mining consulting firm, which has been providing services and advice to the international mineral industry and financial institutions since 1987. This report has been compiled by Mr Mark Teakle BSc (Hons), a professional geologist with 30 years experience in the exploration and evaluation of mineral properties within Australia. Mr Teakle is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), and a Member of the Australian Institute of Geoscientists (AIG).

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No member or employee of CSA is, or is intended to be, a director, officer or other direct employee of Regalpoint. No member or employee of CSA has, or has had, any share holding in Regalpoint.

CSA has previously provided various consulting services to Regalpoint reviewing projects. CSA may provide further consulting or exploration management services for Regalpoint in the future, but such work is neither dependent upon the outcome of this report nor the success or failure of the Regalpoint IPO.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 10th February 2011 and could alter over time depending on exploration results.

1.2 Location and Access

The Highlander Gold Project is adjacent to the Stuart Highway approximately 80km south of Darwin in the Northern Territory. There are several tracks within the licence including the sealed road to the

Lake Bennett Resort. Away from the tracks, access in the area is difficult with several steeply sided, rocky ridges and deeply incised creeks. The north eastern corner of the licence impinges on the Adelaide River floodplain which is flat and boggy. (Figure 1).

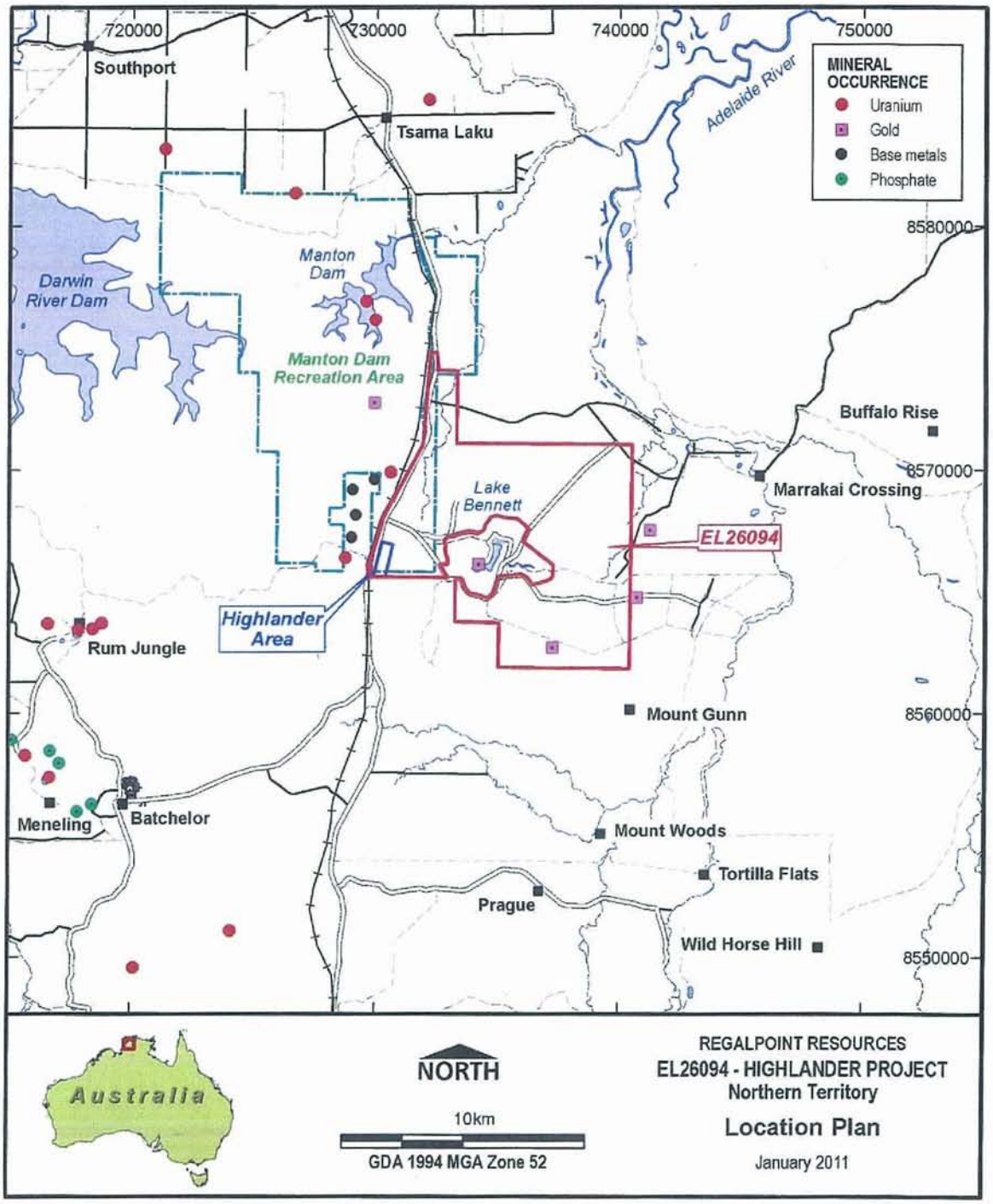

Figure 1. Tenement Location – Regalpoint Resources Ltd EL 26094.

1.3 Sources of Information

This review is based on information provided in Open File historical exploration reports and a review of the project area by CSA Associate Geologist Karl Lindsay-Park (Lindsay-Park 2010) as well as other published geological reports relevant to the area, including public domain data.

1.4 Tenure

Exploration licence 26094 (Highlander) was applied for by Regal Point Exploration Ltd on the 30th April 2007. The licence comprising 27 graticule blocks was granted for a period of six years on the 6th, May 2008. A deferral of the compulsory reduction was granted on the 8th March 2010.

The legal status associated with the tenure of the Regalpoint tenement has not been independently verified by CSA. The present status of tenements listed in this report is based on information provided by Regalpoint, and the report has been prepared on the assumption that the tenements are, or will prove to be, lawfully accessible for evaluation. A Solicitor's Tenure Report is being prepared for inclusion in the prospectus and discusses these matters at length.

2 Geological Setting and Metallogeny

2.1 Regional Setting

Exploration licence 26094 lies in the northern portion of the Pine Creek Orogen adjacent to the Rum Jungle Complex. (Figure 2) The late Achaean- aged Rum Jungle Complex consists of coarse, medium and porphyritic adamellite, biotite- muscovite granite, migmatite, gneiss, gneiss, pegmatite, metadiorite and banded iron formation, exposed as small domes (Needham and De Ross 1990).

The Rum Jungle Complex is unconformably overlain by an extensive, but generally poorly exposed, Palaeoproterozoic sedimentary succession of low to medium metamorphic grade comprising the Manton, Mount Partridge, South Alligator and Finniss River Groups. Dolerite and gabbro sills and plugs of the Zamu Dolerite intrude these sediments.

Within EL 26094 the Pine Creek Orogen is represented by the Palaeoproterozoic Mount Partridge Group. The Wildman Siltstone and the Acacia Gap Quartzite belonging to the Mount Partridge Group have been mapped in the licence. The Wildman Siltstone (laminated shale, siltstone, sandy siltstone and dolomite) is considered to be the lateral equivalent of the Whites Formation (Calcareous and carbonaceous pyritic argillite, dololutite, dolarenite) which hosts the Woodcutters and Browns base metal deposits.

Unconformably overlying the Mount Partridge Group is the Palaeoproterozoic South Alligator Group. The South Alligator Group is comprised of the Koolpin Formation, Gerowie Tuff and the Mount Bonnie Formation. Collectively the Group consists of shale, greywacke, tuff, dolomite and BIF.

The areas surrounding the Rum Jungle Complex are structurally complex. The most recent (1990's) reinterpretation of the Woodcutters mine area has demonstrated that listric faulting and bedding plain slippage have played a significant role in the development and positioning of economic mineralisation. The structural modelling suggests that many of the interpreted faulted anticline hinges are in fact drag folds associated with listric faults.

Structures have also played a significant role in the development of gold deposits in the Pine Creek region. Re-examination of several gold deposits in the Pine Creek Region has emphasised the importance of structures and indicated that gold mineralisation develops into economic deposits as a result of the mechanical property differences between greywacke and siltstones in the South Alligator Group.

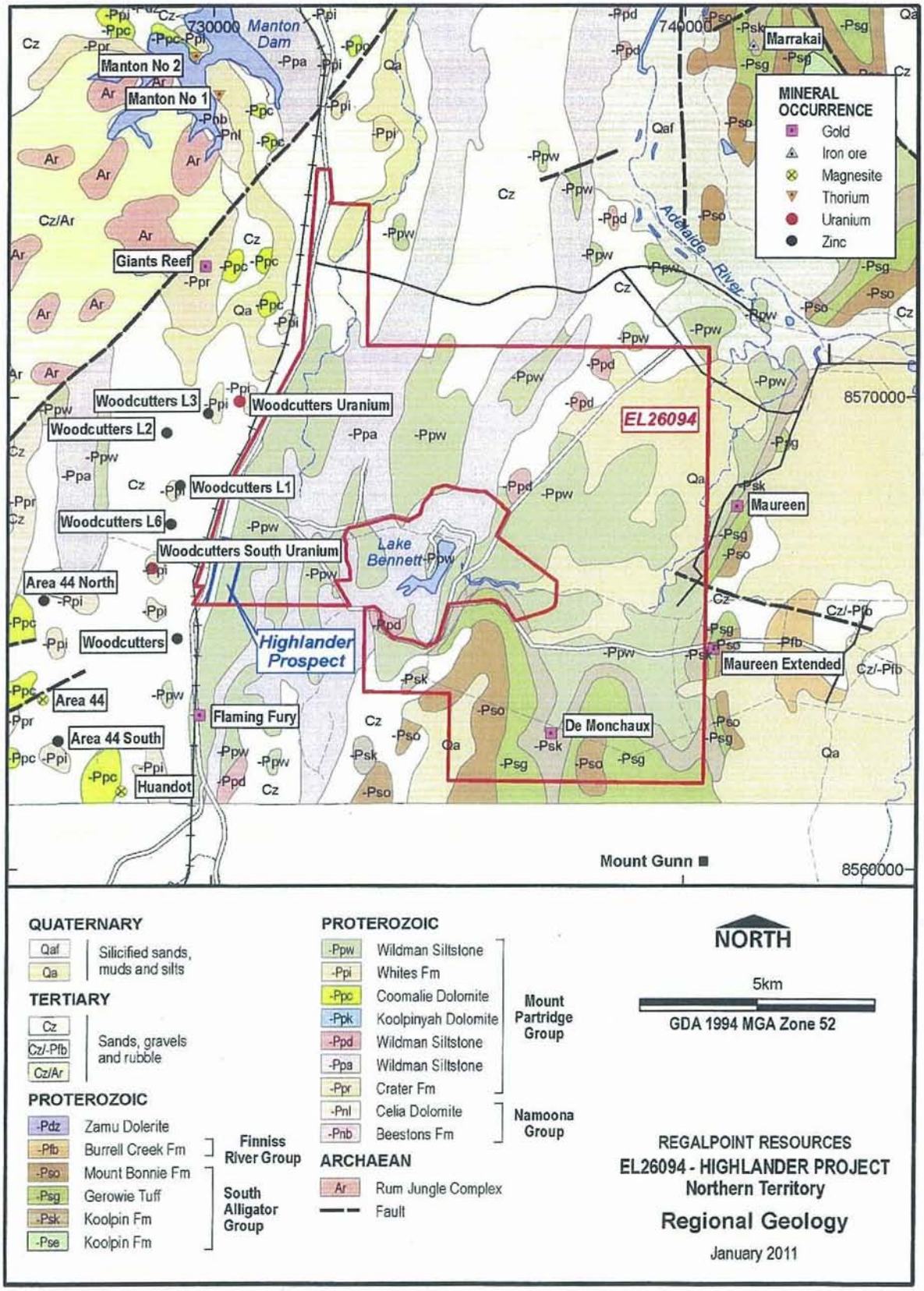

Figure 2. Regional Geology

2.2 Metallogeny

The Pine Creek Inlier is the major mineral province of the Northern Territory, and is notable as one of the world's largest and richest uranium provinces, containing the Alligator Rivers, Rum Jungle, and South Alligator Valley uranium fields. The Pine Creek region also contains significant past production of gold from deposits in the Alligator Rivers, South Alligator Valley and Cullen mineral fields, and base metals and silver from the Rum Jungle, Cullen and Daly River fields.

Uranium in the Pine Creek Inlier is usually found as stratabound zones in carbonaceous sediments of the lower Palaeoproterozoic succession, or in crystalline basement rocks near to the Archaean-Palaeoproterozoic boundary as disseminated to stratified uraninite deposits; these deposits are known as 'unconformity-related deposits' and are typically medium to high grade (0.3–1.0% U_3O_8). Most of the deposits in the Alligator Rivers region, Rum Jungle and South Alligator fields are also related to fault and shear structures and breccia zones, offering multiple target types (McKay and Miezitis, 2001).

Some deposits (e.g. Jabiluka, Koongarra and Ranger 1) contain gold mineralisation. Some deposits are polymetallic, such as the Rum Jungle deposits which also contain copper, lead, cobalt and nickel.

Polymetallic stratabound deposits of lead-zinc-silver and uranium ± copper ± cobalt of the Rum Jungle area are associated with the contact between the Coomalie Dolomite–White's Formation as conformable lenses in sheared carbonaceous pelites at Brown's deposit, and as transgressive silica-dolomite lodes cutting dolomite and dolomitic shale at the Woodcutters deposit. The Woodcutters deposit is thought to have resulted from low temperature hydrothermal re-mobilisation of metals from syngenetic stratiform pre-concentrations (Needham and De Ross, 1990).

The Wildman Siltstone (laminated shale, siltstone, sandy siltstone and dolomite) is considered to be the lateral equivalent of the Whites Formation (Calcareous and carbonaceous pyritic argillite, dololutite, dolarenite) which hosts the Woodcutters and Browns base metal deposits.

Gold mineralisation in the Pine Creek Inlier occurs in a number of different styles. Needham and De Ross (1990) provide a good overview upon which the following comments are based.

1. Gold associated with Alligator Rivers style uranium mineralisation.
2. Stratiform gold mineralisation.
3. Granophyre-associated gold mineralisation.
4. Quartz Vein and Stockwork gold mineralisation.

Of these styles, the economically most important type has been the quartz associated mineralisation, typified by deposits such as Tom's Gully, Union Reefs and Mount Todd.

There are significant gold occurrences in the Alligator Rivers, South Alligator Valley and Cullen mineral fields in the Highlander Gold project region. In the South Alligator Valley and Alligator Rivers fields, gold was discovered in association with uranium mineralisation.

Visible gold veins cutting uraninite were found in several of the South Alligator uranium deposits, but were volumetrically insignificant. Later exploration located 'invisible' disseminated gold near some of the old uranium mines, and the area has high potential for further gold deposits.

Traces of gold are common in the uranium deposits of the Alligator Rivers area, but only Jabiluka and Koongarra contain economic grades. The relation between the two metals is enigmatic, but provides a potential exploration tool for gold search using radiometrics.

At Coronation Hill, gold is mainly hosted in felsic volcanics and related clastic sediments close to the unconformity with the underlying Koolpin Formation.

In the Cullen mineral field numerous vein type and alluvial gold deposits have been mined, with a focus on bulk mining of low-grade ore at mines such as Cosmo Howley. Most of the gold mines in this field are developed on quartz reefs or stockworks in the Early Proterozoic metasediments in a variety of structural settings, The reefs are up to 2m wide and 100m tong and fill near vertical N–NW-trending shear zones conformable with the regional axial plane cleavage. Irregular tension veins are commonly associated. Other, less common, forms are saddle reefs and en echelon veins in shear zones.

3 Previous Exploration and Prospectivity

The area surrounding the Rum Jungle Complex has been explored by several companies and government agencies since the 1950's. Most of the work has focused on uranium exploration. The Rum Jungle uranium field was the first to be discovered in the Pine Creek Inlier. The initial discovery was made by Mr. J.M. White in 1949 who reported that some minerals in outcrops north-east of Rum Jungle railway siding resembled uranium minerals illustrated in the booklet, *Radioactive Mineral Deposits* (BMR, 1948). The presence of secondary uranium minerals was confirmed by BMR staff and BMR then began a systematic uranium exploration program to assess the prospect and the surrounding area. By the end of 1951, White's discovery was proved to be a significant uranium deposit and BMR had also located a uranium deposit at Dyson's (McKay and Miezitis, 2001).

In the Highlander Prospect area, Magnum Exploration was granted EL 739 In 1974. Their primary target was base metal mineralisation of a style similar to that at Woodcutters. Their exploration comprised a review of the existing BMR soil geochemistry. In 1976 Magnum signed a JV with Amax Exploration Australia Inc who completed an exploration program comprising geological mapping, reconnaissance geochemistry and a combined airborne radiometric and magnetic survey. Amax identified several radiometric anomalies in the area and completed rock chip and soil sampling over the anomalies. The results, apparently were insufficient to maintain interest in the project and the licence was relinquished.

In 1979, Mines Administration Pty Ltd (later CSR Ltd) explored the Wildman Siltstone as a possible host for uranium and base metal mineralisation under EL 1983. Mines Administration completed geological mapping, rock chip sampling and a SIROTEM survey. Their initial work discovered a zone of quartz veins striking approximately north-south, 100m wide and persisting for over 4 km. The southern end of the zone was named the Flaming Fury and the northern end (within the current EL 26094), Highlander.

To test the zone Mines Administration excavated several trenches and drilled 280, 10m deep RAB holes, along two 400m long lines spaced 200m apart at the Flaming Fury prospect. The holes were radiometrically logged and an end of hole sample was collected. Low order radiometric anomalies were recorded in siltstones but none were considered significant.

Mines Administration's target commodity was uranium and despite two adjacent holes returning assays of 1.4g/t Au they terminated the project.

3.1 Highlander Area

Exploration licence 5678 originally comprised two blocks and was granted to Nicron Resources (later Normandy Wooodcutters Ltd) for a period of six years on 3rd September 1998. The licence was renewed for two year periods in 1995 and 1997. The licence area was centred on the Highlander-Flaming Fury trend.

Initial work by Nicron consisted of some gridding and geological mapping stream sediment sampling and anomalous areas were followed up by minus 40 mesh soil sampling. A seismic survey was conducted along one traverse aimed at obtaining structural data around the Woodcutters base metal

deposit. An airborne magnetic/radiometric survey covered the southwestern (Woodcutters) area of the licence.

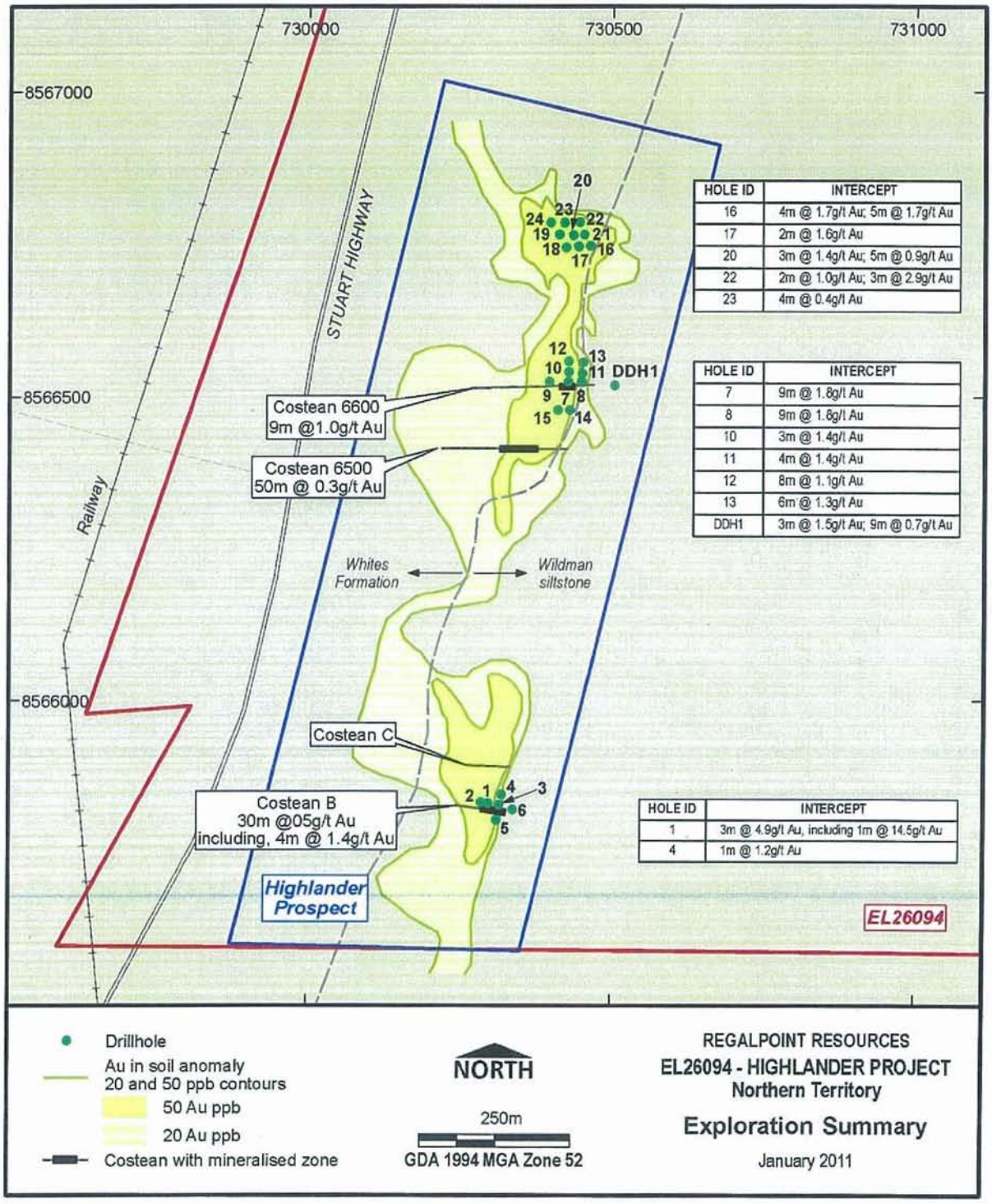

Figure 3. Highlander Prospect Exploration Summary

The soil sampling outlined a gold-anomalous area from Flaming Fury to Highlander, over a distance of approximately 4km, associated with the interpreted boundary between White's Formation and Wildman Siltstone (Figure 3).

The anomalous soil response was followed up by excavating several costeans, four of which occur within the current EL 26094. Results of channel sampling the costeans returned substantial widths of anomalous gold mineralisation:

- Costean B: 30m at 0.5 g/t Au, including 4m at 1.4 g/t Au
- Costean 6500: 50m at 0.3 g/t Au
- Costean 6600: 9m at 1.0 g/t Au

The mineralisation was described as a zone of quartz veining and limonite after sulphides in siltstones. The costean results were followed up by a program of RC percussion drilling. Although logs and hole depths are not reported, expenditure reports suggest these holes were shallow tests.

The shallow drilling into the Highlander Prospect was completed in three groups (Figure 3) with holes 1 to 6 in the south, 7 to 15 in the centre and 16 to 24 in the north. In addition a diamond hole is recorded as having been collared in the vicinity of the centre of the Highlander anomaly. Each of the groups has intersected significant and potentially ore-grade gold mineralisation. The intersections are listed below:

South Group

- HLRC001 3m @ 4.92 g/t Au including 1 m @ 14.5 g/t Au
- HLRC004 1m @ 1.22 g/t Au

Middle Group

- HLRC007 9m @1.88 g/t Au
- HLRC008 9m @ 1.85 g/t Au
- HLRC010 3m @ 1.41 g/t Au
- HLRC011 4m @ 1.44 g/t Au
- HLRC012 8m @ 1.13 g/t Au
- HLRC013 6m @ 1.31 g/t Au

A diamond hole recorded 3 m @ 1.5 g/t Au, and 9 m @ 0.7 g/t Au. It is reported that this diamond hole was collared to intersect deep targets in the adjacent (westerly) Woodcutters mineralised system.

Northern Group

- HLRC016 4m @ 1.76 g/t Au 5m@ 1.69 g/t Au
- HLRC017 2m @ 1.63 g/t Au
- HLRC020 3m @ 1.39 g/t Au 5m @ .96 g/t Au
- HLRC021 3m @ 1.37 g/t Au 6m @ .63 g/t Au
- HLRC022 2m @ 1.08 g/t Au 3m @ 2.9 g/t Au
- HLRC023 4m @ 0.44 g/t Au.

Due to the lack of location data supplied in the reports little can be said about the continuity of mineralisation. It is however, likely that most of the holes that failed to intersect mineralisation were collared to the west of the target zone. That all three groups of holes intersected significant gold mineralisation suggests there is a semi-continuous zone for over 1000m, which is open at depth and open to the north within the Highlander tenement.

The position of the Highlander Gold Project tenement with respect to the regional total magnetic intensity is shown in Figure 4. The yellow rectangle bounds the Highlander prospect in the south west corner of EL 26094. The magnetic data indicates the Highlander mineralisation lies in a distinct magnetic low associated with the contact (faulted?) between the Whites Formation to the west and the Wildman Siltstone to the east. From Highlander the magnetic trend runs to the south to Flaming Fury and to the north where there is no information. Within EL 26094 the extension to the magnetic linear extends for another 3.5km.

Given the well mineralised drilling intersections attained by Normandy Woodcutters and the extent of the associated magnetic zone the future exploration program should include:

1. Collection of surface geochemical samples (soils and rocks) plus geological mapping to define the anomalous zone(s) in the field; with greater sample density around areas of quartz veining.

2. Costeaning across the geochemically anomalous areas is recommended to provide detailed information on the orientation of the quartz veins and structural controls on mineralisation.

3. Drill testing of the historical mineralisation (if the data can be confidently located in the field) and of geochemical targets.

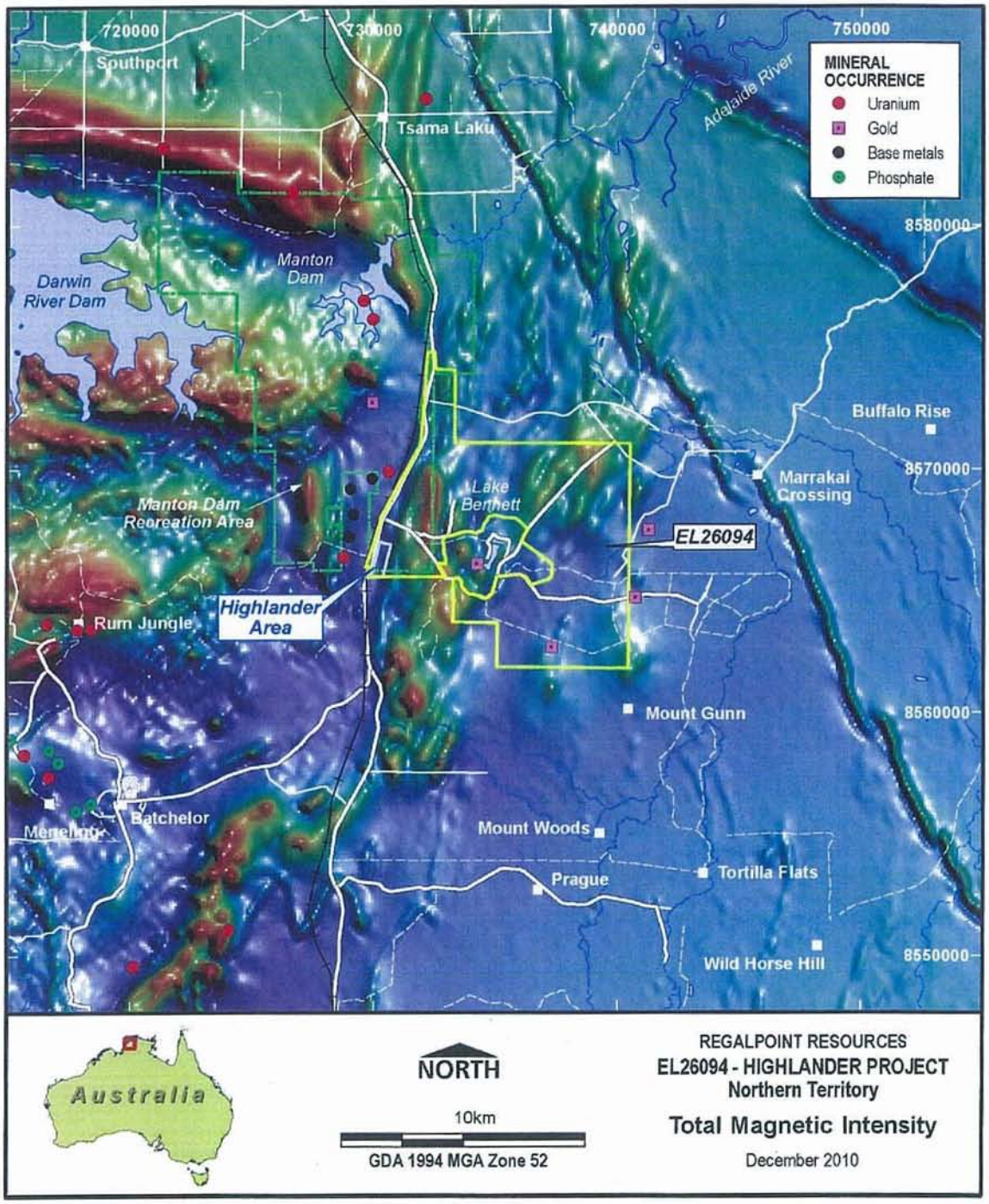

Figure 4. Highlander tenement position with respect to the regional total magnetic intensity

3.2 Magnetic Anomaly

The total magnetic intensity image (Figure 4), shows a discrete magnetic anomaly, striking north-south in the central eastern part of EL 26094. The geology mapped in the area is the Wildman Siltstone and Acacia Gap Quartzite; neither Formation is known for its magnetic anomalism. As such, the area needs investigating. Potential targets are iron associated copper-uranium, iron ore (which has been previously mined in the Rum Jungle Region) and base metal mineralisation. Investigation of the area

will require the collection of soil and rock samples, geological mapping, spectrometer survey and possibly electrical geophysical techniques. Given sufficient merit, drilling would be required.

3.3 The Northeast Corner

In the northeast corner of EL 26094 there is a radiometric anomaly highlighted the U^2/Th (uranium squared and divided by thorium image) shown in Figure 5. The U^2/Th ratio is commonly used to define uranium-rich radiometric anomalies. As seen in Figure 5 there are numerous locations which correspond with the positions of the known mineral occurrences in the region. A strong correlation between the U^2/Th anomalies and the mineral occurrences is obvious. The few occurrences not associated with radiometric signatures are related to carbonate rock and are mostly, limestone, magnesite and phosphate (apatite).

The DeMonchaux (Cu, Au) and the Maureen and Maureen Extended (Au) prospects are plotted on Figure 5 and lie in the south and just outside to the east of EL 26094. The U^2/Th anomaly in the eastern part of the licence is worthy of first-pass investigation. Stream sediment sampling, ground prospecting and soil and rock chip sampling will be needed to define areas warranting further work.

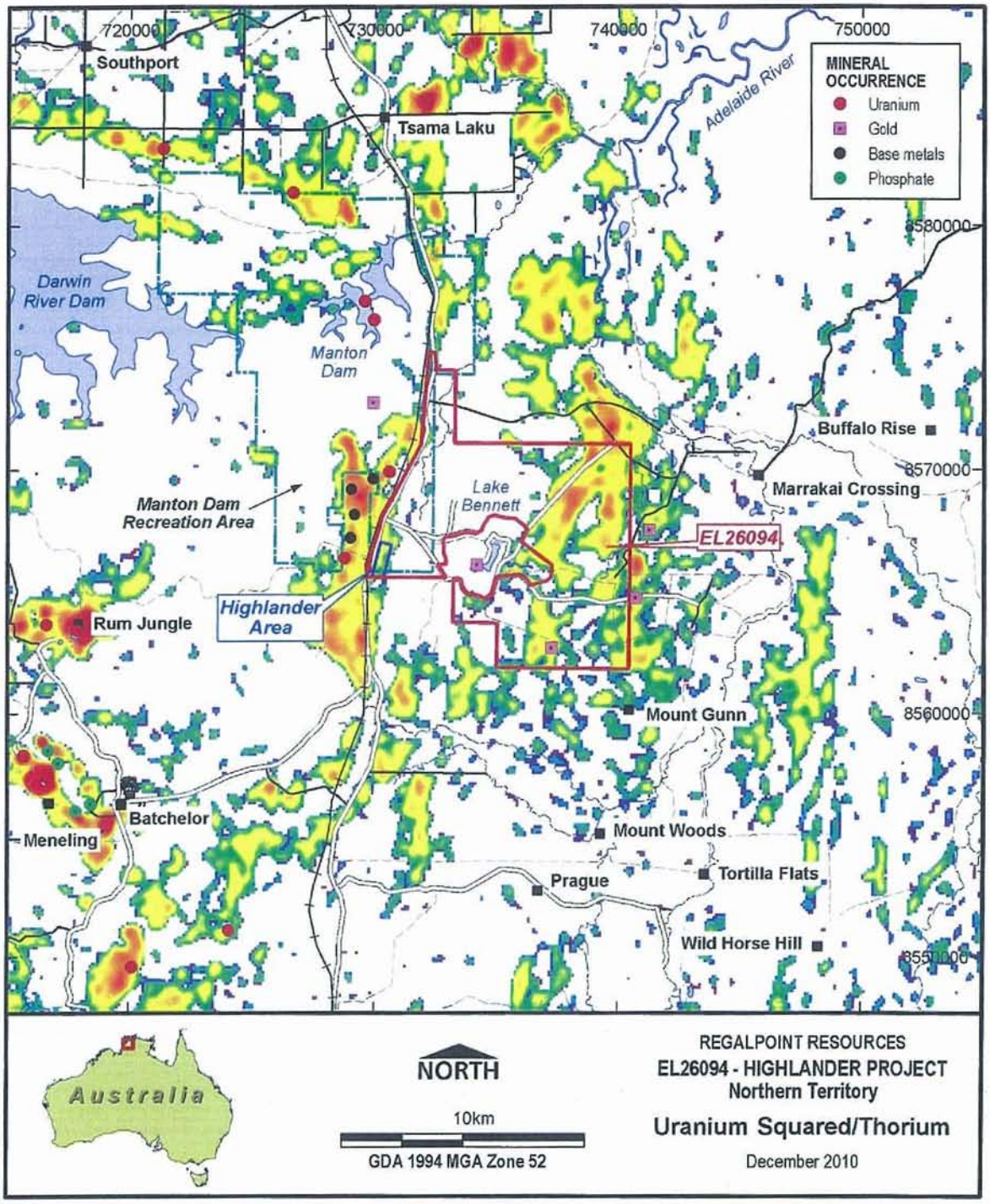

Figure 5: EL 26094 and the regional U^2/Th radiometric image

4 Conclusions

The Highlander Gold Project, as defined by Mines Administration and Normandy Woodcutters Ltd, represents an excellent target for follow-up exploration. CSA considers that the project is under explored for gold and that much of the uncertainty associated with greenfields exploration has been reduced by past work.

The historic data assembled by Regalpoint for the project area support the need for continued gold exploration to both better define the surface geochemical anomalism and to better understand the controls on the gold mineralisation encountered in past drilling.

However, due to the poor reporting standards and lack of location data most of the previously collected information can be used as guide only. In the reports held by the Department of Resources there is no mention of the sample types, sample intervals, recovery rates, sample depths or hole collar information. As such it will be necessary repeat certain phases of the past work to confirm the locations of anomalies and mineralisation.

The presence of significant gold mineralisation demonstrates that a mineralising system has been active in the area. The multiple gold intersections in three distinct locations or groups suggest that mineralisation is potentially continuous for over 1km of strike and open at depth and to the north along strike.

Recommended work should include ground reconnaissance, geological mapping and extending soil coverage further north of the existing (Normandy) soil sampling grid, extending north of the Highlander Prospect. Mapping and integration of structural data should also be undertaken to better understand potential controls on mineralisation. Drill testing of the ranked geochemical targets and following-up past intersections should be undertaken.

Other aspects of the tenement area such as unexplained magnetic anomalies and radiometric features also warrant further investigation.

5 Exploration Strategy and Budget

As explained elsewhere in the Prospectus, Regalpoint propose to raise $12 million in an IPO. The overall allocation of the funding is summarised in 1 and discussed in detail elsewhere in the prospectus.

Table 1: Allocation of Raised Capital

USE OF FUNDS	AMOUNT
Exploration programmes	$ 7,000,000
Working capital	$ 3,800,000
Administration	$ 600,000
Expenses of the Offer	$ 700,000
TOTAL	$ 12,100,000

In summary, the work programme planned by Regalpoint to explore the Highlander Gold Project is outlined below:

Year 1

- Field reconnaissance, geological mapping and trenching of appropriate targets
- Initial drill testing to validate and confirm historical results– 1250m
- Soil geochemical sampling to the north
- Second phase RC percussion drilling of generated targets – 1250m

Year 2

- Follow-up RC drill testing - 3000m
- New target generation and field surveys

Estimated costs for these phases of work are summarised in Table 2.

Table 2: Highlander Gold Project - Proposed Exploration Budget

HIGHLANDER EXPLORATION BUDGET - SUMMARY			
Expense	**Yr 1**	**Yr2**	**TOTAL**
Data review	$ 8,500	$ 8,500	$ 17,000
Field Surveys	$ 25,000	$ 11,000	$ 36,000
Geophysics	$ -	$ -	$ -
Drilling	$ 422,000	$ 464,000	$ 886,000
Scoping Studies	$ -	$ -	$ -
TOTAL	$ 455,500	$ 483,500	$ 939,000

Notes:

- A substantial portion of the funds are allocated to drilling. Should additional preliminary work, such as additional soil sampling or other work (for example land access requirements) arise then some re-allocation of funds from the drilling budgets will be made.
- Supervision, site access, analysis and similar types of costs are included within the drilling and field work budgets.

Upon listing and after payment of fees and all costs Regalpoint is expected to have $9.4 million cash available to meet exploration and corporate costs and maintain a working capital reserve. This will meet the funding obligations for both the statutory tenement expenditures and the farm-in agreement over the first two years although it is anticipated that additional funds will be raised subject to exploration results and if warranted by mining and development studies.

The proposed budget allocations are considered consistent with the exploration potential of the tenement and are considered adequate to cover the costs of the proposed programmes. The budgeted expenditures are also considered sufficient to meet the minimum statutory expenditure on the tenements.

6 References

BMR 1948. Radioactive Mineral Deposits. Bureau of Mineral Resources Australia; Pamphlet 3.

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Needham, R.S. and De Ross, G.J. 1990 Pine Creek Inlier- regional geology and mineralization, in Geology of the Mineral Deposits of Australia and Papua New Guinea (Ed, F. E. Hughes) pp 727-737 (The Australasian Institute of Mining and Metallurgy; Melbourne)

Nicron Resources 1993 Annual Report for Year 4 EL 5678 Woodcutters Area, NT. Unpublished Open File Report CR 1993-553.

Nicron Resources 1994 Annual Report for Year 5 EL 5678 Including MCN's 4496, 4497, 3935, 3936, 3945-48 Woodcutters Area, NT. Unpublished Open File Report CR 1994-754.

Nicron Resources 1996 Annual Report for Year 7 EL 5678 Acacia Area, NT. Unpublished Open File Report CR 1996-746.

Normandy Woodcutters Ltd. 1997 Annual Report for Year 8 EL 5678 Acacia Area, NT. Unpublished Open File Report CR 1997-608.

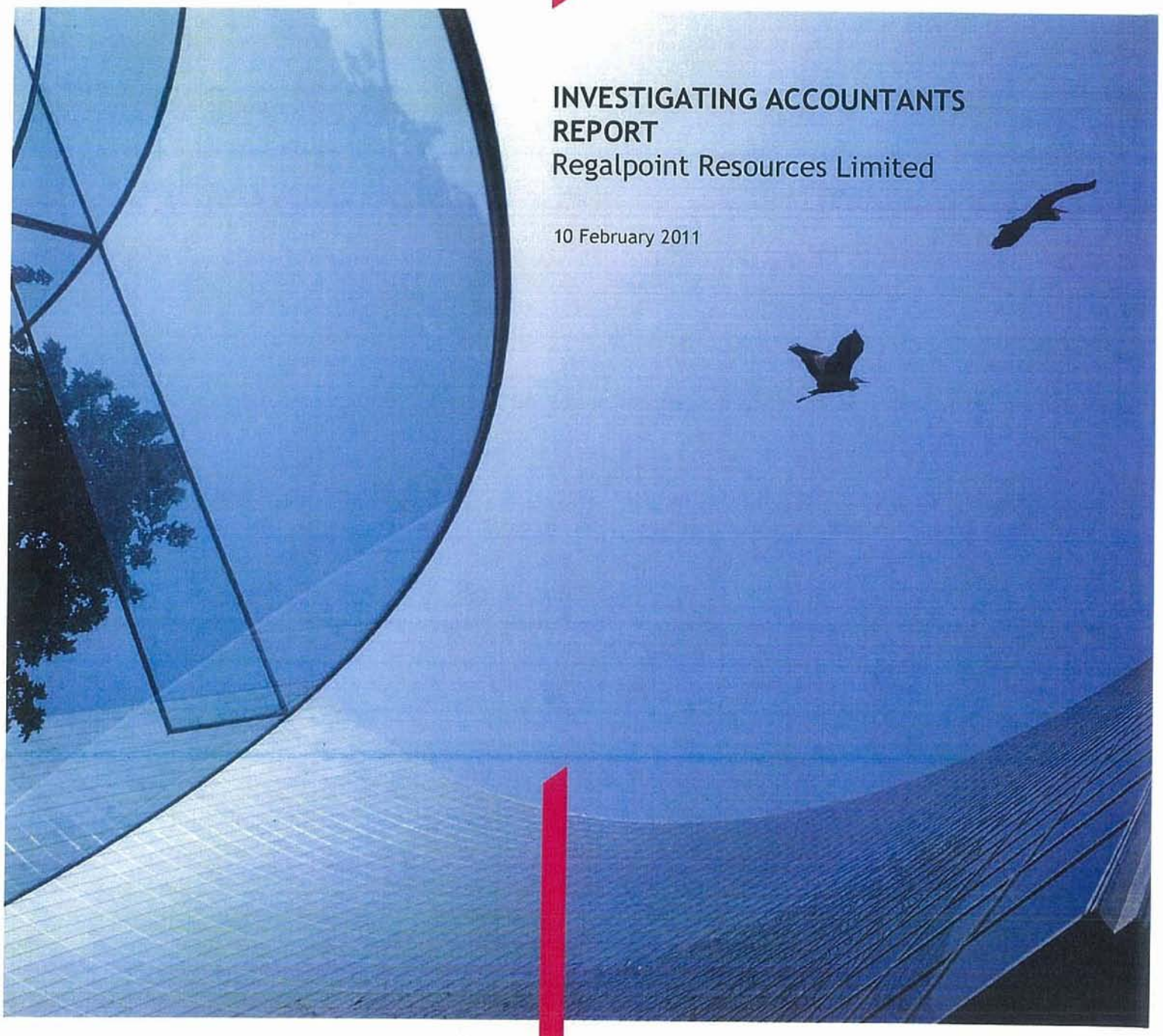
Normandy Woodcutters Ltd. 1998 Annual Report for Year 9 EL 5678 Acacia Area, NT. Unpublished Open File Report CR 1998-633.

Normandy Woodcutters Ltd. 1999 Final Report for Year 9 EL 5678 Woodcutters Area, NT. Unpublished Open File Report CR 1999-324.

Glossary of Terms

"Adamellite" means a granitic rock in which quartz comprises 10-50% of the felsic constituents, and in which the alkali feldspar/total feldspar ratio is between 35% and 65%.
"Archaean" means of geological ages older than 2,500 million years.
"Argillite" means a compact rock, derived from solidified mud.
"BIF" means a Banded Iron Formation- iron formation that shows marked banding.
"Biotite" a common rock forming mineral of the mica group.
"Breccia" means a rock composed of angular, broken, rock fragments held together by a mineral cement or in a fine-grained matrix.
"Carbonaceous" means a rock sediment that is rich in carbon; coaly.
"Costean" means a shallow trench designed to expose bedrock.
"Diamond drilling" means a drilling method for obtaining a cylindrical core of rock with a diamond impregnated bit.
"Dolarenite" means dolomite rock consisting of sand-sized grains
"Dolerite" means an intrusive rock whose main constituents are feldspar and pyroxene and characterized by ophitic texture.
"Dololutite" means a dolomite rock consisting of silt-sized grains
"Dolomite" means a common rock-forming mineral comprised of calcium magnesium carbonate.
"Gabbro" means a dark-coloured basic intrusive rock the approximate intrusive equivalent of basalt.
"Gneiss" means a foliated metamorphic rock in which bands of granular minerals alternate with bands of flaky or elongate minerals.
"Granite" means an intrusive rock in which quartz constitutes 10 to 50 percent of the felsic components and in which the alkali feldspar/total feldspar ratio is generally restricted to the range of 65 to 90%.
"Greywacke" means a dark grey sandstone rock composed of poorly sorted angular grains of quartz and feldspar.
"Hydrothermal" means a deposit formed by hot aqueous solution.
"Inlier" means an area or group of rocks surrounded by rocks of younger age.
"Magnetic survey" means the measurement of variations in the Earth's magnetic field, usually using an instrument transported by an aircraft.
"Metadiorite" means a metamorphosed diorite which is an intrusive rock intermediate in composition between acid and basic rocks, the approximate plutonic equivalent of andesite.
"Migmatite" means a rock found in high grade metamorphic areas composed of igneous and metamorphic materials and characterized by pervasive in homogeneity.
"Muscovite" means a light coloured mineral of the mica group.
"Orogen" means a linear or arcuate region that has been subject to folding or other deformation
"Palaeoproterozoic" means the first of the three sub-divisions (eras) of the Proterozoic occurring between 1600 to 2500 million years ago.
"Pegmatite" means an exceptionally coarse-grained igneous rock usually found as irregular dykes at the margins of granite batholiths.
"Porphyritic" means a texture of conspicuous crystals or phenocrysts in a finer-grained groundmass.
"Proterozoic" means the more recent of two great divisions of the Precambrian (before life).
"Pyritic" means bearing the mineral pyrite, an iron sulphide.
"RAB drilling" means a form of drilling whereby the drill cuttings are lifted by compressed air.
"Radiometric survey" means a survey which measures natural radiation from rocks, usually from an aircraft.
" RC Drilling" means a drilling method, abbreviated for Reverse Circulation percussion drilling, whereby a rotating hammer bit pulverizes the rock, releasing chips of rock that are brought to the surface inside of drill rods by compressed air.
"Shale" means a fine-grained laminated detrital sedimentary rock composed of compacted clay, silt or mud.
"Sheared" means a zone of ductile deformation between two (relatively) undeformed blocks that have suffered relative shear displacement; the ductile analogue of a fault.
"Sill" means a tabular body of intrusive igneous rock, parallel to the layering of the rocks into which it intrudes.
"Siltstone" means a fine grained sedimentary rock composed of silt-sized particles.
"Stratabound" means a deposit confined to a single geological unit.
"Syngenetic" means a mineral deposit formed at the same time as its enclosing rocks, not the result of a later mineralizing event.
"Tuff" means a volcanic rock formed from pyroclastic action- formed by volcanic explosion or aerial expulsion.
" Uraninite" means a metallic oxide, the chief ore of uranium.

Section 6. Investigating Accountant's Report



INVESTIGATING ACCOUNTANTS REPORT

Regalpoint Resources Limited

10 February 2011

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38 Station Street
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Australia

10 February 2011

The Directors

Regalpoint Resources Limited

Level 14, 191 St Georges Terrace

PERTH WA 6000

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have prepared this Investigating Accountant's Report ("**Report**") on historical financial information of Regalpoint Resources Limited ("**Regalpoint**" or "**the Company**") for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 60 million shares at an issue price of $0.20 each ("**the Offer**") and to make an offer of one Loyalty Option for every share held.

The Loyalty Options will be issued at a price of $0.01 each with an exercise price of $0.20 and expiring 31 March 2014. The Loyalty Options will be offered to shareholders registered as such on a date to be specified which will be no later than three months after the listing of the Company on the ASX.

Under the proposed issue $12 million will be raised before costs. The minimum subscription is for the issue of 60 million ordinary shares to raise $12 million before costs.

Expressions defined in the prospectus have the same meaning in this Report.

2. Basis of Preparation

This Report has been prepared to provide investors with information on the Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Financial Position and the pro-forma Statement of Financial Position as noted in Appendices 1, 2 and 3.

This Report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, nor the risks associated with the investment, and has been prepared based on the complete Offer being achieved. Neither BDO Corporate Finance (WA) Pty Ltd nor its related entities ("**BDO**") has not been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, and does not purport to do so. BDO accordingly takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this Report. Risk factors are set out in the Prospectus.

3. Background

Regalpoint is an Australian uranium exploration and mining company operating since 2006 which was formed to pursue exploration opportunities within proven and emerging mineral provinces in Australia and elsewhere. It currently holds the rights to a number of exploration licences at various stages of development. The licences are spread over Western Australia, South Australia, Queensland and the Northern Territory. The company has eight priority projects.

4. Scope

You have requested BDO to prepare an Investigating Accountant's Report covering the following financial information:

- Regalpoint's actual reviewed Statement of Financial Position as at 31 December 2010;
- the proforma Statement of Financial Position as at 31 December 2010 reflecting the actual position as at that date, major transactions between that date and the date of our report and the proposed capital raising under the Prospectus;
- Proforma income statement for the six month period ended 31 December 2010;
- the accounting policies applied by Regalpoint in preparing its financial statements.

The historical financial information set out in the appendices to this Report has been extracted from the financial statements of the Company for the period 1 July 2010 to 31 December 2010.

The Directors are responsible for the preparation of the historical financial information including determination of the adjustments.

We have conducted our review of the historical financial information in accordance with the Australian Auditing and Assurance Standard ASRE 2405 "Review of Historical Financial Information Other than a Financial Report". We made such inquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents pertaining to balances in existence at 31 December 2010;
- a review of the assumptions used to compile the pro-forma Statement of Financial Position;
- a review of the adjustments made to the pro-forma historical financial information;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in the appendices to this Report; and
- enquiry of Directors and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our review was limited primarily to an examination of the historical financial information, the pro-forma financial information, analytical review procedures and discussions with both management and directors. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or pro-forma financial information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:-

- support by another person, corporation or an unrelated entity has not been assumed;
- the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- the going concern basis of accounting has been adopted.

5. Conclusion

Statement on Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly the financial performance for the six month period ended 31 December 2010 or the financial position as at 31 December 2010 in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Statement of Pro-forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the pro-forma financial information does not present fairly the financial position of the Company as at 31 December 2010, in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions had occurred on that date.

6. Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

The Pro-forma Statement of Financial Position reflects the following event that has occurred subsequent to the period ended 31 December 2010:

- Additional funds totalling $239,180 obtained through a cash call in January 2011 made to Shareholders.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro-forma Statement of Financial Position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 31 December 2010 and the transactions and events relating to the issue of shares under this Prospectus:

- The issue of 60 million shares at an issue price of $0.20 cents per share to raise $12 million;
- Capital raising costs totalling approximately $850,500 to be offset against contributed equity;
- The conversion of shareholder loans as at the date of this Report of $3,433,120 to equity at $0.12 cents per share;

- The repayment of the remaining balance of shareholder loans of $27,039; and
- We have excluded the Loyalty Options in the pro-forma Statement of Financial Position but note that they will be offered to Shareholders registered as such on a date which is no later than three months after the Company lists on the ASX.

8. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Sherif Andrawes

Director

APPENDIX 1

REGALPOINT RESOURCES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	Reviewed for the period 1-Jul-10 to 31-Dec-10 $
Revenue from continuing operations	1,132
Other income	-
Employee expenses	(55,090)
Accounting expenses	(22,002)
Legal expenses	(231)
Depreciation and amortisation expenses	(3,374)
Administration fee	(30,000)
Consulting fee	(1,307)
Impairment of prepaid expenses	-
Impairment Exploration expenses	-
Tenements administration expenses	(22,080)
Other expenses	(19,046)
Loss before income tax expense	**(151,998)**
Income tax benefit/(expense)	
Net loss for the period	**(151,998)**
Other comprehensive income (net of tax)	-
Total comprehensive income for the period	**(151,998)**

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 2

REGALPOINT RESOURCES LIMITED

STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed as at 31-Dec-10 $	Subsequent Events $	Pro-forma Adjustments $	Pro-forma After issue $
CURRENT ASSETS					
Cash and cash equivalents	2	41,560	239,180	11,122,461	11,403,201
Trade and other receivables		24,662	-	-	24,662
TOTAL CURRENT ASSETS		66,222	239,180	11,122,461	11,427,863
NON CURRENT ASSETS					
Property, plant and equipment		9,448	-	-	9,448
Exploration and evaluation expenditure		2,271,449	-	-	2,271,449
Prepayment of exploration expenditure		179,358	-	-	179,358
TOTAL NON CURRENT ASSETS		2,460,255	-	-	2,460,255
TOTAL ASSETS		2,526,476	239,180	11,122,461	13,888,117
CURRENT LIABILITIES					
Trade and other payables		44,831	-	-	44,831
Loans and borrowings	3	3,220,979	239,180	(3,460,159)	-
TOTAL CURRENT LIABILITES		3,265,810	239,180	(3,460,159)	44,831
TOTAL LIABILITIES		3,265,810	239,180	(3,460,159)	44,831
NET ASSETS/(LIABILITES)		**(739,334)**	**-**	**14,582,620**	**13,843,286**
EQUITY					
Contributed Equity	4	856,599	-	14,582,620	15,439,219
Accumulated Losses		(1,595,933)	-	-	(1,595,933)
TOTAL EQUITY		**(739,334)**	**-**	**14,582,620**	**13,843,286**

The pro-forma Statement of Financial Position after Issue is as per the Statement of Financial Position before Issue adjusted for the transactions relating to the issue of shares pursuant to this Prospectus. The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 3

REGALPOINT RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

	Notes	Reviewed for the period ended 31-Dec-10 $	Pro-forma Adjustments $	Pro-forma After issue $
Balance as at 1 July 2010		(1,443,935)		(1,443,935)
Comprehensive income for the period				
Profit/(Loss) for the period		(151,998)	-	(151,998)
Total comprehensive income for the period		(151,998)	-	(151,998)
Transactions with equity holders in their capacity as equity holders				
Contributed equity, net of transaction costs	4	856,599	14,582,620	15,439,219
Total transactions with equity holders		856,599	14,582,620	15,439,219
Balance		**(739,334)**	**14,582,620**	**13,843,286**

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 4

REGALPOINT RESOURCES LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

(a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial report has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal groups held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

(b) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(c) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or liability is settled. Deferred tax is credited in the income statement except

where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Cash and Cash Equivalents

"Cash and cash equivalents" includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(e) Trade and other receivables

Trade debtors are recognised as the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

(f) Revenue Recognition

Revenues are recognized at fair value of the consideration received net of the amount of GST.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(g) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(h) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the consolidated entity. Trade accounts payable are normally settled within 60 days.

(i) Loans and Borrowings

Loans are recognised at their principal amount, subject to set-off arrangements. Borrowing costs are recognised as an expense when incurred.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation expenditure incurred by the company is accumulated for each area of interest and recorded as an asset if:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

For each area of interest, expenditure incurred on the exploration of tenements throughout Australia is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. A provision for unsuccessful exploration and evaluation is created against each area of interest by means of a charge to the statement of comprehensive income. The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged against profit. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(l) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(m) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant & Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	11 - 33%
Motor vehicles	20%

(n) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(o) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(p) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 2. CASH AND CASH EQUIVALENTS	Reviewed 31-Dec-10 $	Pro-forma After issue $
Cash	41,560	11,403,201
Adjustments arising from the pro-forma cash balance are summarised as follows:		
Reviewed balance of Regalpoint at 31 December 2010		41,560
Subsequent events:		
Cash call in January 2011		239,180
Pro-forma adjustments:		
Proceeds from shares issued under this Prospectus		12,000,000
Capital raising costs		(850,500)
Repayment of shareholder loans		(27,039)
		11,122,461
Pro-forma Balance		11,403,201

NOTE 3. LOANS & BORROWINGS	Reviewed 31-Dec-10 $	Pro-forma After issue $
Loans & Borrowings	3,220,979	-
Adjustments arising from the pro-forma loans & borrowings balance are summarised as follows:		
Reviewed balance of Regalpoint at 31 December 2010		3,220,979
Subsequent events:		
Cash call in January 2011		239,180
Pro-forma adjustments:		
Conversion of shareholder loans to equity		(3,433,120)
Repayment of shareholder loans		(27,039)
		(3,460,159)
Pro-forma Balance		-

NOTE 4. CONTRIBUTED EQUITY	Reviewed 31-Dec-10 $	Pro-forma After issue $
Contributed equity	856,599	15,439,219
	Number of shares	
Adjustments arising from the pro-forma contributed equity balance are summarised as follows:		
Fully paid ordinary share capital at 31 December 2010	18,000,000	856,599
Conversion of shareholder loans to equity at $0.12	28,609,333	3,433,120
	46,609,333	4,289,719
Pro-forma adjustments:		
Proceeds from shares issued under this Prospectus	60,000,000	12,000,000
Capital raising costs	-	(850,500)
	60,000,000	11,149,500
Pro-forma Balance	106,609,333	15,439,219

NOTE 5: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the prospectus.

NOTE 6: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the prospectus.

Section 7. Solicitor's Report on Mining Interests

BLAKISTON & CRABB

LAWYERS

Your Ref:
Our Ref: NMH.CML.RPE/16472
Email: office@blakcrab.com.au

11 February 2011

The Directors
Regalpoint Resources Limited
Ground Floor (West)
225 St George's Terrace
PERTH WA 6000

Dear Sirs

SOLICITORS' REPORT ON MINING TENEMENTS

This report is prepared for inclusion in a prospectus to be dated on or about 14 February 2011 to be issued by Regalpoint Resources Limited (**Company**) for the issue of 60 million shares at 20 cents each to raise up to $12 million.

This report relates to the mining tenements in Western Australia, Queensland, the Northern Territory and South Australia as listed in the Tenement Schedule (**Schedule**), being the mining tenements in which the Company holds or proposes to acquire an interest (**Tenements**). To the extent that this report relates to the Queensland mining tenements, we have relied on the advice of our agent in Queensland, HopgoodGanim Lawyers, to the extent it relates to the Northern Territory mining tenements we have relied on the advice of our agent in the Northern Territory, Peter Walker, Project Lawyer, and to the extent it relates to the South Australian mining tenements we have relied on the advice of our agent in South Australia, Kelly & Co. Lawyers.

1. Searches

We have arranged for the following searches to be conducted for the purpose of this report:

(a) searches of the Northern Territory tenements (**NT Tenements**) in the register maintained by the Department of Resources (**NT Department**) pursuant to the *Mining Act 1980* of the Northern Territory (**NT Mining Act**) on 31 January 2011;

(b) searches of the South Australian Tenements (**SA Tenements**) in the Register maintained by the Department of Primary Industries and Resources South

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Australia (**PIRSA**) pursuant to the *Mining Act 1971* (SA) (**SA Mining Act**)[1] on 28 January 2011;

(c) searches of the WA Tenements in the register maintained by the Department of Mines and Petroleum (**WA Department**) pursuant to the *Mining Act 1978* of Western Australia (**WA Mining Act**) on 27 January 2011;

(d) quick appraisal searches of the WA Tenements obtained on-line from the WA Department dated 27 January 2011;

(e) searches of the Queensland mining tenements (**Qld Tenements**) in the registers maintained by the Department of Employment, Economic Development and Innovation (**DEEDI**) and the Department of Environment and Resource Management (**DERM**) (together the **Qld Departments**) pursuant to the *Mineral Resources Act 1989* of Queensland (**Qld Mining Act**) dated 27 January 2011; and

(f) searches of the native title application summaries maintained by the National Native Title Tribunal (**NNTT**) on 3 February 2011 in relation to those registered native title claims which affect the WA Tenements, NT Tenements and SA Tenements, and on 9 February 2011 in relation to those registered native title claims which affect the Qld Tenements.

On the basis of the searches we consider that this report provides an accurate statement as to the status of the Tenements as at 31 January 2011.

Subsequent to the date of the searches of the WA Tenements with the WA Department, the Company advised us that forfeiture applications and fines over a number of WA Tenements have now been finalised. This was confirmed with searches of the applicable WA Tenements on 8 February 2011 and the forfeiture applications and fines have been removed from those applicable WA Tenements in the Tenement Report. The Company has advised us, and we have independently verified, that in respect of a number of WA Tenements currently subject to applications for forfeiture, that it is likely that a fine will be imposed in respect of those applications for forfeiture.

2. Mining Tenements Generally

Northern Territory

The NT Tenements comprise three granted exploration licences and one pending exploration licence application.

[1] The *Mining (Miscellaneous) Amendment Bill 2010* (SA) (**SAMA Amendment Bill**) passed through both houses of the South Australian Parliament on 9 November 2010, and is currently awaiting assent by the Governor. It is expected that the SAMA Amendment Bill will come into force once the new regulations have been finalised. PIRSA has released the draft Mining Regulations 2011 for consultation with stakeholders. The SAMA Amendment Bill proposes a number of amendments to the SA Mining Act which are mentioned where relevant in this report.

Under the NT Mining Act, an exploration licence is granted for a term not exceeding 6 years. It may be extended by Ministerial discretion for a further period of two years on application but only two such extensions are permitted.

The size of an exploration licence must be reduced at 24 months from its grant and each 12 months after that date so that the number of blocks to be retained in the licensed area for the ensuing 12 months is not more than half the number of blocks contained in the area at the commencement of the initial 24 month period or subsequent 12 month period. The Minister on application can waive this reduction.

The area comprising one graticular block is approximately 3.2 sq. km., dependent upon the distance from the equator.

The NT Tenements are granted subject to various conditions including payment of rent, royalties and expenditure and reporting requirements as prescribed by the NT Mining Act and the *Mining Management Act 2001.*

Note that a dual royalty regime applies in the NT because s 69(4) of the *Northern Territory (Self Government) Act 1978* (Cth) transferred all interests in minerals to the NT other than prescribed substances as defined in the *Atomic Energy Act 1953* (Cth). Prescribed substances include uranium, thorium and other elements having an atomic number greater than 92.

Accordingly, the *Mineral Royalty Act 2009* (Ch) levies a royalty at a rate of 18 per cent of the "net value" of prescribed substances sold or removed from a mine, regardless of whether the mine is situated on Crown, freehold, leasehold or Aboriginal land.

The *Mineral Royalty Act* (NT) covers all other minerals other than prescribed substances and levies a royalty at a rate of 20 per cent of the "net value" of mineral commodities sold or removed from a mine, regardless of the type of mineral commodity or whether the mine is situated on Crown, freehold, leasehold or Aboriginal land.

South Australia

The SA Tenements comprise two SA Exploration Licences granted under the SA Mining Act.

Under the SA Mining Act an exploration licence is granted for a term not exceeding 5 years. It may be renewed at the discretion of the Minister but not so that the aggregate term of the licence exceeds 5 years. If the licence is renewed, the terms and conditions may be varied, revoked or added to and the licence area may be reduced. The area of an exploration licence must not exceed 1,000 square km unless the Minister believes there are justifiable reasons to allow a larger area.

An exploration licence may be granted subject to such conditions as the Minister determines, as well as standard conditions which relate to:

- reporting the discovery of minerals potentially capable of economic production to PIRSA;

- preventing the pollution of surface and underground waters;
- minimising damage to the surface of the land;
- ensuring that drilling and other underground investigations do not cause interconnection between ground water aquifers;
- obtaining approval before constructing major campsites or constructing or upgrading tracks;
- keeping the use of vehicles other than on existing tracks to a minimum;
- providing written particulars of any proposed airborne survey or ground water investigation survey to the Director and allowing an inspector to enter, survey or examine the land.

An exploration licence or an interest in an exploration licence must not be assigned, sub-let or be subject to any other dealing, either directly or indirectly, without the written consent of the Minister.

In South Australia, the *Environment Protection Act 1993*, the *Native Vegetation Act 1991* and the SA Mining Act itself regulate exploration and mining operations to the extent that those operations impact on threatened species and ecological communities.

The Commonwealth *Environmental Protection and Biodiversity Conservation Act 1999* similarly regulates certain exploration and mining operations to the extent that they relate to matters of national environmental significance (as defined in that Act).

The SAMA Amendment Bill introduces a new power allowing the Minister to declare that any land is exempt from mining. However, any such declaration would not affect existing exploration licences or subsequent exploration licences derived from existing exploration licences. Accordingly, the Company will only be affected in relation to future South Australian exploration licences the Company may acquire.

Additionally, the SAMA Amendment Bill introduces the requirement for the Company to carry out exploration operations only in accordance with an approved plan for environment protection and rehabilitation. Accordingly, there is a risk that if the Company was not able to obtain approval for an environment protection and rehabilitation plan, it may affect the Company's ability to conduct exploratory operations on the SA Tenements.

Western Australia

The WA Tenements comprise 37 granted exploration licences and 6 exploration licence applications applied for under the WA Mining Act.

An exploration licence which was granted or applied for before 10 February 2006 remains in force for a period of 5 years and may, in prescribed circumstances, at the discretion of the Minister, be extended over the whole or part of the exploration licence by a further period or periods of one or two years. An exploration licence applied for on or after 10 February 2006 will, once granted, remain in force for a

period of 5 years and may, in prescribed circumstances, at the discretion of the Minister, be extended over whole or part of the exploration licence for a further period of 5 years, followed by 2 year periods. In either case, the prescribed circumstances include where the Minister is satisfied that planned exploration could not be carried out due to delay in obtaining necessary approvals or due to the land being unworkable for at least a significant part of one year of the term, or where the Minister is satisfied that work carried out justifies further exploration.

At the end of the third and fourth years of the term of an exploration licence which was granted or applied for before 10 February 2006 the holder must relinquish an area which constitutes not less than half of the area of the licence as at each relinquishment date. A holder may apply for an exemption from the requirement to relinquish an area of the exploration licence.

In respect of an exploration licence applied for on or after 10 February 2006 the holder must relinquish an area which constitutes not less than 40% of the area of the licence at the end of 5 years, and the earlier relinquishments are not required. A holder may apply to the Minister for a deferral of the requirement to relinquish an area of the exploration licence for a period of 12 months.

No legal or equitable interest in or affecting an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. No fee is payable for the obtaining of such consent. In determining a request for consent the Minister will consider whether the exploration programme planned for the first 12 months following grant and lodged by the tenement holder at the time of applying for the tenement has been complied with.

Exploration licences are described by graticular blocks, which range in area from approximately 2.8 km^2 to 3.3 km^2 depending on where the block is located in the State.

The WA Mining Act confers on the holder of an exploration licence which is in force, the right to apply for and, subject to the WA Mining Act, have granted one or more mining leases over any part of the land the subject of that licence. The exploration licence will continue in force beyond its term if the holder has made an application for a mining lease over the area of the licence.

Tenement Conditions and Forfeiture

Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the WA Mining Act including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on mining or access to certain reserves).

If a tenement holder fails to comply with the terms and conditions of a tenement the Warden or the Minister, as applicable, may impose a fine or order that the tenement be forfeited. In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. In certain cases, a third party can institute administrative proceedings under the WA Mining Act before the Warden seeking forfeiture of the tenement.

In the case of failure to comply with the annual minimum expenditure requirement the tenement holder can apply to the Department for an exemption from that expenditure requirement. In addition, a third party can object to an application for exemption for expenditure. If an exemption application is refused then it is open to the Warden or Minister (as applicable) to impose a fine or make an order for forfeiture.

A number of the WA Tenements are currently the subject of forfeiture notices, as noted in the Schedule.

Mining tenements in Western Australia are also subject to statutory requirements of certain other Acts including the *Aboriginal Heritage Act 1972*, *Environmental Protection Act 1986*, *Rights in Water and Irrigation Act 1914* and *Conservation and Land Management Act 1984*, the full details of which are beyond the scope of this report.

Queensland

The Qld Tenements comprise six granted exploration permits for minerals (**EPMs**) and six applications for exploration permits for minerals (**EPM/As**)) applied for under the Qld Mining Act. A review of the Qld Tenements is found in the Schedule. No enquiries have been made to ascertain whether the Company has any interest, either legal or beneficial, in the underlying real property tenure over which each of the Qld Tenements have been granted or applied for (as applicable).

The details shown in the Schedule are those recorded in the DEEDI register and as further disclosed by DEEDI and DERM. Files maintained by DEEDI sometimes contain copies of agreements that relate to mining tenements. Such agreements may place contractual obligations on the tenement holders in relation to the mining tenure, for example, a farm-in agreement. We have not been granted access to any of these files.

An EPM may be granted by the Minister in accordance with s137 of the Qld Mining Act for up to 5 years (unless determined otherwise by the Minister). Under s129 of the Qld Mining Act, an EPM entitles the holder to carry out an authorised exploration activity with or by such vehicles, vessels, machinery and equipment as may be necessary or expedient for the purpose of exploring for any mineral to which the EPM applies. An explorer must have a granted EPM prior to commencing exploration for minerals.

Section 140A of the Qld Mining Act states that the holder of an EPM must consult or use reasonable endeavours to consult with each owner or occupier of private land on which authorised activities for the EPM are proposed to be carried out, or are being carried out. This consultation must be about access, carrying out the authorised activities (to the extent that they relate to owners and occupiers) and compensation (s140A(2) Qld Mining Act). Section 163 Qld Mining Act states that the land access and compensation provisions as set out in schedule 1 of the Qld Mining Act also apply. For more information see section 4 of this report entitled '*Private and Pastoral Land and Access*'.

An EPM is able to be renewed, by application under s147A Qld Mining Act, for up to 5 years (unless otherwise determined by the Minister). Under s147 Qld Mining Act, an EPM holder may apply for a renewal of the EPM not more than 6 months and not less than 3 months (unless permitted by the Minister) prior to the expiration of the current term.

The holder of an EPM can assign their interest with Ministerial approval under s151 Qld Mining Act. Upon approval, any such assignment shall be entered into the register and on the EPM document. An application for an EPM cannot be assigned prior to grant. Any assignment will not be recorded in the register until the EPM has been granted and a formal transfer requested and approved.

The Minister will only grant an EPM if the EPM area does not affect any native title or once the applicant has addressed any native title issues by validly dealing with native title under the Native Title Act 1993 (Qld).

Rent

The holders of granted exploration tenements in Queensland are required to pay rent on the tenements in accordance with s138 Qld Mining Act.

Rent is paid in relation to each sub-block of an EPM on the anniversary of the EPM's grant date. The Mineral Resources Regulation 2003 (**Regulation**) provides the rent payable on each sub-block of an EPM is $123.35.

Section 138 Qld Mining Act provides that rent for the first period of the term of an EPM must be paid prior to the grant of the EPM.

Under s137 Qld Mining Act, the Minister will only grant an EPM after the rent for the first year of the term of the permit is paid. The Minister determines the area, rent, terms, conditions, provisions and stipulations on which an EPM is granted. Failure to pay rental, submit progress, relinquishment and final reports or comply with the conditions of the EPM may render the EPM liable to be cancelled by the Minister.

Security

Holders of granted exploration tenements in Queensland are required to pay security by way of financial assurance on the granted tenements. Security for a mining tenement in Queensland is required under the *Environmental Protection Act* 1994 (**EP Act**) and under s144 Qld Mining Act. A sum of money must be paid at the commencement of the term as security for payment of environmental costs and rental payments for the tenement. The amount of security is calculated as reasonable security for compliance with the conditions of the tenement, any environmental authority and environmental management plan, the Qld Mining Act and rectification of damage and other amounts payable to the State under the Qld Mining Act.

The amount of security held for the Qld Tenements was not obtained on our search of the public record, therefore we are unable to determine compliance with the security requirements under the EP Act and Qld Mining Act.

Expenditure requirements

The Minister may specify conditions under s141(1)(j) Qld Mining Act (in addition to the conditions prescribed by the Qld Mining Act) to which an EPM is subject. The Minister may include as a condition of an EPM that the holder comply with minimum expenditure requirements. Further work requirements may also be specified in the instrument of grant as conditions of the EPM. A tenement will be liable to forfeiture if the expenditure conditions or work requirements, specified in the terms of grant, are not satisfied.

As we do not have copies of the instruments of grant for these Qld Tenements, we are unable to determine the expenditure requirements, including any compliance with any such requirements.

Relinquishment

In accordance with s139 Qld Mining Act, 50% of the area covered by an EPM is to be relinquished 2 years after the grant of an EPM and a further 50% of the remaining area at the end of each subsequent year (unless otherwise authorised by the Minister). Compensation is not payable to the EPM holder for the reduction in the area.

A mineral development licence (**MDL**) may be granted to the holder of an EPM. An MDL, as a kind of retention tenement, is not subject to the same relinquishment requirements that are imposed on an EPM. Relinquishment is not necessarily a condition of a mining lease (**ML**) however the Governor in Council may impose relinquishment conditions on a mining lease.

Annual reports

Under s141(1)(f) Qld Mining Act, annual reports for EPMs must be lodged within 1 month of each anniversary of the day the EPM takes effect and must cover the previous 12 months of exploration. The content of these reports is prescribed in s13B of the Regulation.

Encumbrances

DEEDI maintains a register of encumbrances and third party interests on mining tenements in Queensland. From our experience, DEEDI only registers encumbrances or third party interests that are lodged by the relevant tenement holder. There may be encumbrances or third party interests affecting the Qld Tenements that are not registered with DEEDI. Likewise, it is our experience that DEEDI will only remove an encumbrance or third party interest if notified of the completion of the encumbrance or third party interest by the tenement holder.

Mortgages and royalties are not registrable over EPM's. However, caveats may be registered over EPM's.

Public enquiry reports have not revealed any record of registered encumbrances over the Qld Tenements. Encumbrances or third party interests not on the DEEDI register have not been addressed in this report.

Exclusions

Exclusions under the legislation will apply to certain types of tenements. Any land which is the subject of a current ML, mining claim (**MC**) or MDL over which an EPM application is made, is excluded from the area of the EPM (if granted). Upon the termination of a ML, MC or MDL that land will become part of the land in respect of which the EPM is granted (s132(2) Qld Mining Act). The land does not become part of the EPM if the EPM was granted after 23 December 1996, or if the land is non-exclusive land under the native title provisions.

Details of exclusions in relation to the Qld Tenements are noted in the Schedule.

Overlapping Areas

We have undertaken an investigation of the Queensland Interactive Resources and Tenure Mapping System to identify if any of the Qld Tenements overlap with any of the following:

(i) mining tenements;

(ii) petroleum tenements;

(iii) petroleum pipeline tenements;

(iv) geothermal tenements;

(v) sterile land;

(vi) restricted areas;

(vii) constrained areas;

(viii) moratorium areas;

(ix) advertised areas;

(x) nominated waterways;

(xi) wild rivers;

(xii) native title; and

(xiii) Aboriginal cultural heritage.

*Overlaps with Authorities to Prospect (**ATPs**)*

Under s 6(2) of the *Petroleum and Gas (Production and Safety) Act 2004* (Qld) (**PG Act**) the Qld Mining Act does not limit or otherwise affect the power to grant or renew an ATP or Petroleum Lease (**PL**) over the land in the area of an EPM.

Section 6(5) PG Act states that an ATP holder may carry out authorised activities over land which overlaps an EPM that was granted prior to the ATP provided the EPM holder has agreed in writing to the carrying out of the activity, a copy of the agreement

has been lodged at the relevant office and the agreement is still in force, or alternatively the authorised activity does not adversely affect the carrying out of an authorised activity under the EPM that has already started.

Conversely under the Qld Mining Act when an ATP is granted prior to an EPM an authorised activity under the EPM may only be carried out on the overlapping land where the ATP holder has agreed in writing to the carrying out of the activity or the activity does not adversely affect the carrying out of an authorised activity for the ATP that has already started (s 3A(6) Qld Mining Act).

Our searches reveal that EPM/A 16426 overlaps with an application for an ATP. The application for the ATP was lodged prior to EPM/16426.

Overlaps with PL

Section 6(6) PG Act states that where an EPM overlaps a PL, an authorised activity under the EPM may be carried out on the overlapping land only if the PL holder has agreed in writing to the carrying out of the activity and a copy of the agreement has been lodged at the relevant office.

Our searches reveal that none of the Tenements presently overlap with PLs.

*Overlaps with Exploration Permit (Geothermal) (**EPG**)*

The *Geothermal Energy Act 2010* (**GE Act**) states that the Qld Mining Act and PG Act do not limit the power to grant an EPG over land that overlaps another resource authority.

However s171 GE Act states that if land is in the area of a EPG and an EPM then an authorised activity under the EPG cannot be carried out if it adversely effects authorised activities under the EPM and if the authorised activity for the EPM has already started.

EPM/A 16426 overlaps with an EPG.

*Overlaps with Exploration Permit for Coal (**EPC**)*

While the overlap of an EPM with an EPC has a limited effect on the parties conducting activities under their respective tenures, the existence of an overlapping EPC may restrict the future grant of any ML.

Under s248(3) Qld Mining Act, if a person applies for a ML where there currently exists an EPC, MDL or another ML, and the ML application is for a different mineral to that specified in the EPC, MDL or ML, then the applicant must obtain the written views of the holder of the other tenement regarding the application. The views must be lodged with the mining registrar on or before the last day for objections, otherwise the applicant must provide a statutory declaration explaining the reason why the views could not be obtained (s248(5) Qld Mining Act). The mining registrar may reject the ML application if the area of the ML application is covered by a MC, MDL or another ML (s250 Qld Mining Act).

However, if a person applies for a ML where there currently exists an EPC, a MDL or another ML, and the ML application is for the same mineral to that specified in the EPC, the MDL or other ML, then the applicant must obtain the written consent of the EPC, MDL or other ML holder to the grant of the ML.

EPM/A 16426 and EPM/A 16428 overlap with EPCs.

Further details of overlapping tenures are noted in the Schedule.

Overlaps with Sterile Land – National Parks

The creation and protection of national parks is dealt with under the *Nature Conservation Act 1992* (Qld) (**NC Act**). The purpose of the NC Act is to conserve nature through the creation of a State-wide conservation strategy. The NC Act achieves its purpose by prescribing certain protected areas and regulating certain activities that are proposed to be undertaken in the protected areas.

The most significant impact of the NC Act on mining is the s27(1) NC Act prohibition on the grant of mining interests within the area of national parks in Queensland. A mining interest for the purposes of s27 NC Act includes an authorised activity under the Qld Mining Act.

Our searches indicated that EPM/A 16426 overlaps a national park area. This same overlap is described in the ecomap report as a Cultural Heritage Registered Area and DLA's other than Stanbroke.

Overlaps with Constrained Land

Constrained lands includes Aboriginal lands (of various types, excluding land granted on economic and cultural viability grounds or obtained through an acquisition program), fish habitat areas, most nature refuges, coordinated conservation areas and wilderness areas under the NC Act, general use zones in Queensland marine parks, resources reserves under joint trusteeship of DERM, DEEDI and other authorities, new state forest proposals, state forest feature protection areas, state forest scientific areas, state forest parks, DPI research sites and flora preservation reserves.

Where a mining tenement overlaps constrained areas, the competing land uses may restrict or exclude exploration or mining. Applications for mining exploration and production tenures for minerals, coal and petroleum over constrained areas will be accepted but additional conditions may be imposed when they are granted.

Overlaps with Nature Refuge

A nature refuge is a protected area under s14(h) of the NC Act and as such must be managed in accordance with management principles and a management plan under the NC Act. The prohibition of granting mining interests under section 27 of the NC Act does not apply to nature refuges. In any event, a lease, agreement, licence, permit or other authority can be granted if it is consistent with the management principles and any management plan approved for the protected area.

EPM 16836 overlaps nature refuge areas.

Overlaps with State Forest

A State forest is not a protected area under the NC Act. However the Governor in Council may declare land within a State forest a forest reserve. Once land is declared a forest reserve, then under s 70F of the NC Act, the forest reserve must be managed to protect the biological diversity, cultural resources and values and conservation values of the land. It must also be managed to provide for the continuation of any lawful existing use of the land (including mining activities under the Qld Mining Act).

None of the tenements overlap a State forest area.

*Overlaps with Deed of Grant in Trust (**DOGIT**)*

The Aboriginal Land Act grants Aboriginal people secure title to certain lands. Certain Aboriginal land tenures (including Aboriginal land leases) granted under the Aboriginal Land Act are deemed to be 'reserves' under the Qld Mining Act. The applicant for a mining lease over Aboriginal land leases must consult with and obtain the consent of the grantees of the Aboriginal land lease prior to the grant of the mining lease.

The Schedule to the Qld Mining Act combined with the *Aboriginal Land Act 1991* (Qld) (**Aboriginal Land Act**) show that land subject to a DOGIT is treated as a reserve. A notification is sent to the trustees of DOGIT land (usually an Aboriginal local government) prior to the grant of an EPM over DOGIT land. If and when access to the DOGIT land is required after the grant of the EPM, s129(1)(a)(ii) of the Qld Mining Act does not permit access to an EPM holder onto this land, other than with the consent of the owner of the reserve or with the consent of the Governor in Council.

EPM/A 16510 overlaps with Doomadgee Aboriginal council DOGIT land.

Further details of overlapping constrained land are noted in the Schedule.

Overlap with Moratorium areas

A moratorium over a tenement can place limitations on, and at times exclude, activities in an area of a tenement. For example, a moratorium on mining over a tenement may limit or exclude proposed mining activities over the moratorium area.

Our searches reveal that none of the Qld Tenements presently encroach on moratorium areas.

Safety

Under the *Mining and Quarrying Safety and Health Act 1999* (Qld) (**MQSH Act**), the holders of mining tenements for minerals have a health and safety obligation. Where there are overlapping tenures (including with other mining or petroleum tenures) each mining tenement holder is required to meet its safety obligations regardless of the activities being carried out by the other holder. The duty can be discharged in the following ways:

(i) by following methods or processes prescribed in regulations or guidelines to achieve an acceptable level of risk;

(ii) by obeying prohibitions on exposure to certain risks; or

(iii) where no regulations or guidelines exist, by taking reasonable precautions and proper diligence to ensure the obligation is discharged.

In addition, the MQSH Act imposes further obligations on the holder of a mining tenement (if the holder and the operator are different people) and imposes obligations on the operator.

Under s31 MQSH Act, when a person fails to comply with obligations and this contravention causes multiple deaths, the maximum penalty imposed is $200,000 or 3 years' imprisonment. The penalty where a contravention causes death or grievous bodily harm is $100,000 or 2 years' imprisonment. Where the contravention causes bodily harm or the exposure to a substance that is likely to cause death or grievous bodily harm, the maximum penalty is $75,000 or 1 year's imprisonment. Other than in these circumstances, the maximum penalty imposed is $50,000 or 6 months' imprisonment.

Generally, in Queensland, mining companies are subject to a mining safety and health fee (**Levy**) imposed by DEEDI pursuant to an amendment to the MQSH Act by the *Mining and Other Legislation (**Safety and Health Fee**) Amendment Act 2008* and implemented by s11C of the *Mining and Health Quarrying Safety and Health Regulations 2001*.

Section 11C(2)(b) of the MQSH Regulations states that the Levy is $795 per worker working in the mine during the financial year (where the number of workers working at the mine is greater than 10). Although the MQSH Regulation does not provide for indexation, amendments to the regulation can be made from year to year as the government reconsiders the funding requirements for its safety inspectorate and economic conditions affecting mining.

In accordance with s11C(4) MQSH Regulations, the Chief Executive must give the responsible person for the mine an invoice on or before 10 October after the end of the financial year. The Levy must be paid on or before 31 October after the end of the financial year (s11C(5) MQSH Regulations).

Environment

The EP Act regulates activities that are likely to have environmental impacts. Such activities are referred to in the EP Act as "environmentally relevant activities" or ERAs.

An environmental authority (**EA**) is required for mining activities (defined in the EP Act to include activities conducted pursuant to a tenure granted under the Qld Mining Act). The EA is referred to as an "environmental authority (mining activities)" and once obtained is deemed to be a licence for all of the ERAs set out in the EP Act and its regulation that are carried out under the relevant mining tenure provided those activities were described in the application for the EA.

The specific activities to be described in an application for a particular project are dependant on the nature and extent of that project. Applications for EAs must be made to DERM with relevant supporting information.

Application fees and annual licensing fees are payable in respect of EAs, and conditions are imposed such as conditions requiring specific monitoring and reporting and potentially conditions requiring financial security for environmental performance.

An EA for a mining activity can be either code compliant or non code compliant (s 148(2) EP Act). For code compliant EAs the relevant standard environmental conditions are taken to be conditions of the EA (s 168A(2) EP Act). While the EA continues to be code compliant the relevant standard environmental conditions are the only conditions of the authority (s 168A(3) EP Act). A non code compliant authority is any EA for a mining activity other than a code compliant EA (s 148(5) EP Act).

Section 30 *Environmental Protection Regulations* 2008 states that an EA must not allow mining activities to cause more than 10 ha of land to be significantly disturbed at any one time. The EA must also not allow mining activities to be carried out in category A or B ESAs.

All of the EAs corresponding to the Qld Tenements are code compliant level 2, with the exception of EPM/A 16503 which is a non-code compliant level 2 EA.

Code of Environmental Compliance

The Code of Environmental Compliance for Exploration and Mineral Development Projects (**Code**) places restrictions on activities which may be carried out in environmental sensitive areas which are located within the area of an EPM. The assessment criteria for applications for EAs include consideration of whether mining activities are not or will not be carried out in category A or category B ESA's (Part 2.0 Code). The Code defines an environmentally sensitive area as a location, regardless of size, that has environmental values that contribute to maintaining biological diversity and integrity, has intrinsic or attributed scientific historical or cultural heritage value, or is important in providing amenity, harmony or a sense of community. Appendix A of the Code lists different categories of ESAs.

Condition 13 of the Code provides that the holder of an EA must not carry out activities in a category A or B ESA. Further, activities involving machinery must not be carried out within 1 km of a category A ESA or within 500 metres of a category B ESA. Condition 13 of the Code states that prior to carrying out activities in a category C ESA, the holder of an EA must consult with the relevant administering authority and the EPA regarding whether additional conditions are necessary. If additional conditions are imposed the holder must comply with those conditions.

Our searches reveal that category B ESA areas are located within EPM 16923 and EPM/A's 16426 and 16980.

Condition 27 of the Code states that an EA holder must not drill, excavate or clear vegetation in standing waters, wetlands or lakes. A wetland is defined in the Code as an area of permanent or periodic/intermittent inundation, whether natural or artificial, with water that is static or flowing, fresh, brackish or salt, including areas of marine water, the depth of which at low tide does not exceed 6 metres. Wetlands typically include areas such as lakes, swamps, marshes, estuaries or mud flats. Condition 27 will apply to any areas of the Qld Tenements which are overlapped by important wetlands.

Our searches reveal that EPM/A 16510 overlaps an area that is in the Directory of Important Wetlands (see the section of report entitled '*Wild Rivers*' below).

The standard environmental conditions contained in the Code and any additional conditions will form the compliance requirements of a standard EA issued under the EP Act for a standard mining activity. A failure to comply with any of these conditions is a breach of the EA and the holder will be liable to various compliance enforcement actions under the EPA (s 430 EP Act).

The holder of a tenement is also under an obligation to rehabilitate the tenement to the condition stated in the EA or pursuant to the EP Act irrespective of who undertook the work on that tenement.

It should be noted that upon the transfer of a tenement following satisfaction of the earn in requirements, the transferee becomes liable for its proportionate share of the rehabilitation costs regardless of when the work causing the need for rehabilitation occurred, unless some other arrangement has been reached between the tenement holders.

Details of Environmentally Sensitive Areas adjacent to or within the area of the Qld Tenements are noted in the Schedule.

Mining tenements in Queensland are also subject to other statutory requirements including the *Wild Rivers Act 2005* (**WR Act**), the NC Act and the Aboriginal Land Act.

3. Uranium Mining

South Australia

The SA Tenements allow for the exploration of radioactive minerals, including uranium. Mining operations and the handling of uranium triggers specific South Australian legislation. An overview of these laws is given below.

Mining Act 1971 (SA)

Mining operations with respect to uranium (as opposed to mere exploration for uranium) is restricted to those persons that hold a mining lease or retention lease that is endorsed by the Minister for that purpose. Further Ministerial authorisation is required for the sale and disposal of uranium.

Radiation Protection and Control Act 1982 (SA)

Any operations involving the mining or milling of radioactive ores (including uranium) must be authorised by a licence issued under this Act. The licence imposes certain conditions relating to the handling, storage and transportation of uranium, including safety processes.

The mining of uranium also attracts the operation of a number of Commonwealth Acts. A brief overview of these Acts is given below.

Atomic Energy Act 1953 (Cth)

The Act requires the reporting of the discovery of uranium to the Commonwealth.

Environment Protection and Biodiversity Conservation Act 1999 (Cth)

Under this Act, a person must not undertake a "nuclear action" (which includes the mining or milling of uranium) that is likely to have a significant impact on the environment unless the Minister has approved the taking of that action.

Nuclear Non-Proliferation (Safeguards) Act 1987 (Cth)

The Act provides for the permitting of persons who possess nuclear material, including uranium.

Customs (Prohibited Exports) Regulations (pursuant to the Customs Act 1901) (Cth)

The exportation of uranium is prohibited without approval from the Minister, who will have regard to Australia's commitments under the United Nations treaty for the non-proliferation of nuclear weapons to ensure that uranium is used for peaceful purposes and is properly accounted for.

Codes of Practice

Various codes of practice and guides apply to the mining of uranium including:

Code of Practice for the Safe Transport of Radioactive Material (2008), Code of Practice and Safety Guide for Radiation Protection and Radioactive Waste Management in Mining and Mineral Processing (2005), Code of Practice for the Security of Radioactive Sources (2007).

Uranium mining is permitted in the Northern Territory but the Queensland State Government remains committed to its "no uranium mines" policy.

Western Australia

In June 2002 the then W.A. Minister announced that the mining of uranium would be banned in accordance with the W.A. State Government's policy. Until the change of W.A. State Government in September 2008 this ban has been imposed by utilising section 110 of the WA Mining Act pursuant to which the Minister may grant mining leases without including authorisation to mine for uranium. Accordingly, all mining leases granted in Western Australia between 22 June 2002 and 23 September 2008 have been issued subject to an endorsement that the mining lease does not authorise mining for uranium.

The current W.A. Premier has announced that his Government will support uranium mining in Western Australia but has not yet released details of the measures that will be taken to effect that change in policy.

4. Private and Pastoral Land and Access

South Australia

The SAMA Amendment Bill introduces a new section 62A, which will give a landowner the right to apply for a Court order mandating the acquisition of the owner's land by a tenement holder (for market value, plus compensation for disturbance) where the activities of a mining operator on the land substantially impair the owner's use and enjoyment of the land.

Western Australia

As noted in the Schedule, most of the WA Tenements encroach either upon leasehold or freehold land which is classified as "private land" for the purposes of the WA Mining Act, or on pastoral lease land.

Under the WA Mining Act, a granted tenement will not give access to the area of that tenement that is 30 metres from the natural surface of private or pastoral lease land and is within a specified distance of certain infrastructure or improvements on that land without the consent of the private land owner and occupier or occupier of the pastoral lease (as applicable). A tenement application can still be granted without that consent but access will be limited to the area that is below a depth of 30 metres from the natural surface of the land in the relevant areas and the tenement register will be endorsed accordingly. The consent is commonly given under the terms of an access agreement whereby the tenement holder also agrees to pay compensation to the owner and/or occupier for losses including damage or disturbance caused to the surface of the land, damage to improvements or loss of earnings.

Most grants of freehold which were made prior to 1899 in Western Australia included the grant of minerals other than gold, silver and precious metals, which were reserved to the Crown. This land is commonly referred to as "minerals to owner" land, as the landowner owns all other minerals and has the right to deal with those minerals as it sees fit. We have not undertaken the detailed land searches to determine whether any of the private land that the WA Tenements encroach upon is "minerals to owner" land.

Queensland

The holder of an EPM must comply with the land access and compensation provisions of the Qld Mining Act. The land access and compensation process in Queensland differs depending on whether proposed activities are categorised as a preliminary activity or an advanced activity. A preliminary activity is an authorised activity that will have no impact, or a minor impact on the business or land use of the owner or occupier (s2(1) sch 1 Qld Mining Act). An advanced activity is any other authorised activity that does not fall within the definition of a preliminary activity (s3 sch 1 Qld Mining Act).

An EPM holder must not enter private land to carry out preliminary activities on an EPM unless the EPM holder has given each owner and occupier of the land a written entry notice. The entry notice must be given at least 10 business days before entry and must comply with s6 sch 1 of the Qld Mining Act. The first entry notice must include a copy of the exploration tenement, the Land Access Code and any code of practice

made under the Qld Mining Act applying to authorised activities for the EPM (s6(2) sch 1 Qld Mining Act). The entry notice period cannot be longer than 6 months unless the owner or occupier agrees in writing (s6(3) sch 1 Qld Mining Act). If an EPM holder enters private land without a valid entry notice a maximum penalty of $50,000 applies (s5 sch 1 Qld Mining Act).

The holder of an EPM must compensate each owner or occupier of private land in the EPM area for any 'compensatable effect' that the owner or occupier suffers because of the authorised activities (s13(1) sch 1 Qld Mining Act). Compensatable effects are:

1. deprivation of possession of its surface of the land;
2. diminution of the value of the land;
3. diminution of the use made or that may be made of the land or any improvement on it;
4. severance of any part of the land from other parts of the land;
5. any cost damage or loss arising from the carrying out of activities under the EP; and
6. accounting, legal or valuation costs the claimant necessarily and reasonably incurs.

(s13(4) sch 1 Qld Mining Act)

The holder of an EPM cannot enter private land to carry out an advanced activity unless each owner or occupier of the land is party to a conduct and compensation agreement (s10(1) sch 1 Qld Mining Act). The conduct and compensation agreement must address how and when the EPM holder may enter the land to carry out an advanced activity, how authorised activities affecting the owner or occupier are to be carried out and the compensation liability payable (s14(1) sch 1 Qld Mining Act).

If the EPM holder does not comply with the entry notice and conduct and compensation agreement requirements, the Minister has the power under s160(1)(c) Qld Mining Act to cancel the EPM or impose a maximum penalty of $50,000. In addition s141(1)(aa) Qld Mining Act states that it is a condition of the EPM that the holder complies with the mandatory provisions of the Land Access Code.

A complete analysis of the entry reports and conduct and compensation agreements for the Qld Tenements is outside the scope of this report.

5. Aboriginal Heritage

Northern Territory

The Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) (**NT Land Rights Act**) and the *Northern Territory Aboriginal Sacred Sites Act 1978* (**NT Sites Act**) apply to the NT Tenements. Both pieces of legislation define a sacred site as a site that is sacred to Aboriginals or otherwise of significance according to Aboriginal tradition. The NT Sites Act established the Aboriginal Areas Protection Authority

(**Authority**) which is empowered, amongst other things, to establish and maintain a register of sacred sites. Sacred sites will only be recorded by the Authority if so requested by a custodian or where the Authority has itself identified them as a result of its own previous work in that area.

South Australia

The *Aboriginal Heritage Act* 1988 (SA) (**SA Heritage Act**) applies to the SA Tenements. Under the SA Heritage Act, damage to Aboriginal sites or objects of significance to Aboriginal tradition, archaeology, anthropology or history or to Aboriginal remains is prohibited. A register of Aboriginal sites and objects is maintained, but it is incomplete and protection is extended to Aboriginal sites and objects whether or not they are noted on the register. The register is confidential and is not available for public inspection. Prior to commencing operations, it is prudent to determine the existence of any Aboriginal site or object by obtaining a clearance survey, which may involve lengthy research and consultation with local communities.

The *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth) (**Commonwealth Heritage Act**) also applies to all of the Tenements and is aimed at the preservation and protection from desecration of significant Aboriginal areas and significant Aboriginal objects. An area or object is found to be desecrated if it is used or treated in a manner inconsistent with Aboriginal tradition.

We have not undertaken searches to ascertain if any Aboriginal sites have been registered in the vicinity of the Tenements under these Acts as there is no obligation, in those Acts, to register sites, objects or relics. In any event, their exact location is not ascertainable from such searches. Further, these enquiries are generally done by the mining company after the mining tenure applied for is granted and once a particular work programme has been determined. In those cases it may be necessary to enter into separate arrangements with the traditional owners of the sites. To ensure that that it does not contravene these Acts while carrying out operations on the Tenements, the Company would, in the normal course of events, need to conduct prior heritage surveys to determine if any Aboriginal sites exist within the area of the Tenements. If so, the Company would also need to ensure that any interference with such Aboriginal sites is in strict conformity with the provisions of the WA Heritage Act, the Qld Heritage Act, the NT Sites Act, the SA Heritage Act and the Commonwealth Heritage Act.

Western Australia

There are a number of known aboriginal cultural heritage sites and there may be other sites of Aboriginal heritage or significance located on the land the subject of the WA Tenements.

The *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**) applies to the WA Tenements and makes it an offence to, among other things, alter or damage an Aboriginal site or object on or under an Aboriginal site. A site is defined to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent. There is no requirement or need for a site to be registered in any public manner or, indeed, be in any way acknowledged as an

Aboriginal site for it to qualify as an Aboriginal site for the purposes of the WA Heritage Act.

Queensland

The Aboriginal Cultural Heritage Act 2003 (Qld) (**ACH Act**) commenced on 16 April 2004. The ACH Act aims to protect Aboriginal areas and objects of cultural significance, irrespective of the underlying tenure of the land. The existence of Aboriginal cultural heritage (**ACH**) is in no way an indication that native title exists in an area. Under s 8 of the ACH Act, "Aboriginal cultural heritage" is defined as:

(a) a significant Aboriginal area in Queensland;

(b) a significant Aboriginal object; or

(c) evidence of archaeological or historic significance of Aboriginal occupation in an area of Queensland.

For an area or object to be a "significant Aboriginal area" or "significant Aboriginal object" it must, under ss 9 and 10 respectively of the ACH Act, be either or both of the following:

(a) Aboriginal tradition, that is, the body of traditions, observances, customs and beliefs of Aboriginal people generally or of a particular community or group of Aboriginal people, and includes any such traditions, observances, customs and beliefs relating to particular persons, areas, objects or relationships; and

(b) the history, including contemporary history, of any Aboriginal party of the relevant area.

A significant Aboriginal area does not need to contain Aboriginal markings or other physical evidence indicating Aboriginal occupation and these areas may include ceremonial, birthing and burial places, and sites of massacre. Section 23 of the ACH Act imposes a duty of care on persons carrying out works not to cause harm to Aboriginal cultural heritage. When considering whether a person has complied with the duty of care a court may take into account the following:

(a) the nature of the activity, and the likelihood of its causing harm to ACH;

(b) the nature of the ACH likely to be harmed by the activity;

(c) the extent to which the person consulted with Aboriginal parties about the carrying out of the activity, and the results of the consultation;

(d) whether the person carried out a study or survey, of any type, of the area affected by the activity to find out the location and extent of ACH, and the extent of the study or survey;

(e) whether the person searched the database and register for information about the area affected by the activity;

(f) the extent to which the person has complied with cultural heritage duty of care guidelines; and

(g) the nature and extent of past uses in the area affected by the activity.

In conjunction with the commencement of the ACH Act, the Minister responsible for the administration of the Act released the Aboriginal Cultural Heritage Guidelines which have legal status and are gazetted by the Minister under ACH Act.

The ACH Act does not operate using a permit or licensing system. Instead, when undertaking activities in an area, a person must meet the ACH duty of care by complying with the Aboriginal Cultural Heritage Guidelines or by entering into an agreement with the Aboriginal party for the area.

Upon grant of a tenement and prior to the commencement of any activities under the tenement, the holders must dispose of the duty of care obligations under the ACH Act (such as an agreement or approved plan) or they will be exposed to a significant risk of breaching the ACH Act.

Further, the ACH Act makes it unlawful to harm ACH if the person knew or ought to have known that ACH existed on the site. Therefore, even on tenements where no ACH sites have been identified, there is a possibility that sites exist undiscovered, that, with reasonable steps, should have been found. Without a management plan or an ACH agreement in place for the Qld Tenements, the holder could be liable for breaching its duty of care if unidentified ACH sites are harmed.

This means that explorers often enter into ACH agreements which comply with s 23 of the ACH Act in order to manage their risk with respect to ACH, and the significant fines associated with a breach of s23. ACH, unlike native title, is not tenure specific, and ACH can still exist and require protection even on freehold land.

We have not sighted or been provided with any s23 agreements with respect to ACH for any of the Qld Tenements. It is not possible to search for such agreements as they exist inter partes, and are not often recorded on the relevant public registers. Therefore it is necessary to ask if any such agreements exist, and, if they do, to review them to make sure they comply for the purposes of s23 of the ACH Act.

DERM maintains an inventory of all recorded ACH sites. However DERM does not guarantee the accuracy of its records. Further, the ACH Act requires persons to take all reasonable and practical measures to ensure an activity does not cause harm to ACH. This is regardless of whether the ACH site is recorded in a register, or on private land, or not yet discovered. Under the Aboriginal Cultural Heritage Guidelines, for ACH that lies undiscovered, below ground, or not yet visible a person must consult with the relevant Aboriginal party before proceeding to remove or excavate. For details on publicly available information about ACH relating to the Qld Tenements see the Schedule.

DERM also maintains information on cultural heritage studies. DERM records show that a cultural heritage study has been conducted in the area of EPM/A 16426. The study is focused on the Ngarrabullgan (Mt Mulligan) area. The study identifies significant ACH in the area.

In addition to the ACH Act which protects ACH, the Queensland Heritage Act 1992 (Qld) (QH Act) allows for authorised persons to inspect places or objects of cultural heritage significance. The Minister may place a stop order on any work or activity likely to damage a cultural heritage site. The maximum penalty for contravening a stop order is $1,700,000 (s155 QH Act). Further, the executive officer of a corporation must ensure that a corporation complies with the QH Act. If a corporation commits an offence against the QH Act, the executive officer also commits an offence (s 160 QH Act).

6. **National and State Heritage Databases**

A number of the WA Tenements encroach upon sites that are in the Register of the National Estate and are recorded in the Australian Heritage Database. Sites recorded in this Database are sites considered to be of national significance and any proposals for development of such sites will be referred to the appropriate government authority. One of the WA Tenements encroaches on a site that is registered in the WA State Heritage Register. Details of these sites are noted in the Schedule.

It is likely that additional conditions will be imposed on these WA Tenements at the time of grant and/or that access to the area will be restricted due to the existence of these heritage sites.

7. **Restrictions on Grant of Mining Tenements in Environmentally Sensitive Areas**

A number of the WA Tenements partially cover certain types of environmentally sensitive areas such as a proposed conservation park, conservation of flora and fauna reserves, landscape protection reserves and threatened ecological community buffer zones. The terms of grant of mining tenements over these types of land will contain stringent conditions relating to ground disturbing activities and access to and from the area. The affected WA Tenements, and extent of encroachment, are noted in the Schedule.

A number of the WA Tenements partially cover land which is designated as "CALM purchased former pastoral lease" (**CPL**) land. In the future these areas will be considered for conversion to a Crown reserve, or possibly other tenure, and tenements granted over these areas will have specific conditions to ensure impacts on the native vegetation are appropriately managed. The affected WA Tenements, and extent of encroachment, are noted in the Schedule.

A number of the Qld Tenements also encroach on environmentally sensitive areas, as noted in the Schedule.

8. **Petroleum and Geothermal Act 2000 (SA)**

Both of the SA Tenements are situated over land which is also partially or wholly the subject of:

(a) petroleum exploration titles; and

(b) geothermal exploration titles;

or applications for such titles, granted to third parties under the *Petroleum and Geothermal Act 2000* (SA).

In the event a conflict arises between the respective activities of the mining title holder and a petroleum or geothermal title holder, this will need to be resolved between those parties. The *Petroleum and Geothermal Act 2000* (SA) also provides for disputes to be referred to the Minister and to the Warden's Court.

Additionally, it is a condition of both SA Tenements that any activities which may significantly deleteriously affect the potential for coal seam methane drainage or insitu gasification of coal require agreement of the third party licensee or the Minister.

The SAMA Amendment Bill introduces the requirement to serve a notice of entry on the holder of a licence under the *Petroleum and Geothermal Act 2000* (SA).

9. Petroleum and Geothermal Energy Resources Act 1967 (WA)

One of the WA Tenements is over land which is also the subject of a title granted to a third party under the *Petroleum and Geothermal Energy Resources Act 1967* being an exploration permit, as shown in the Notes to this report.

In the event a conflict arises between the respective activities of the mining title holder and the petroleum title holder this will need to be resolved between those parties. However, the WA Mining Act provides that if such a dispute arises, the dispute may be referred to the Warden who shall inquire into the dispute and report to the Minister. The Minister may make such orders, and give such directions to the parties as are in the public interest and the Minister considers are just and equitable.

10. Native Title - Generally

On 3 June 1992 the High Court of Australia held in *Mabo v Queensland* that the common law of Australia recognises a form of native title. In order to maintain a native title claim the persons making such claim must show that they enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of an "inconsistent interest" in the land by the Crown. An example of inconsistent interest would be the granting of a freehold or some types of leasehold interest in the land. The granting of a lesser form of interest will not extinguish native title unless it is wholly inconsistent with native title and native title rights will co-exist with that interest to the extent that they are not inconsistent with that interest.

The Commonwealth Parliament responded to the Mabo decision by passing the *Native Title Act 1993* (Cth) (**Commonwealth Act**). Among other things, the Commonwealth Act:

(a) regulates the recognition and protection of native title;

(b) confirms the validity of titles granted by the Federal Government prior to the commencement of that Act on 1 January 1994;

(c) specifies the procedures to be complied with for certain future acts which affect native title; and

(d) specifies the procedures by which Aboriginal people can claim native title and by which people determined to hold native title can claim compensation.

The Commonwealth Act was extensively amended in 1998 by the *Native Title Amendment Act 1998*. These amendments include the validation of any titles that may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. Other significant amendments include a revised threshold test for the acceptance of native title claims, confirmation of extinguishment of native title by the grant of "exclusive possession" pastoral leases and certain other leasehold interests and provisions intended to deal with overlapping claims.

Western Australia

The Western Australian Parliament has enacted the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* which adopts the Commonwealth Act in Western Australia.

The majority of the High Court concluded in the Ward decision (8 August 2002) that, among other things:

- native title has been wholly extinguished in respect of land the subject of freehold, public works or other previous "exclusive possession" acts, and in respect of minerals and petroleum which are vested in the Crown, as well as various other grants and vestings; and

- native title has been partially extinguished as a result of the grant of "non-exclusive possession" pastoral leases and mining leases, and also as a result of the creation of certain reserves.

We have not researched the historic underlying land tenure in respect of the WA Tenements in order to assess the extent of extinguishment (if any) for the purposes of this report.

Queensland

Essentially the native title situation in Queensland (as it relates to exploration and production tenures) is as follows:

(a) Native title is governed by the Commonwealth Act, as well as complementary legislation – the *Native Title (Queensland) Act 1993* (**NTQ Act**). The Commonwealth Act prescribes a regime by which persons claiming to hold native title may lodge a claim to that effect for determination; by which any future act affecting native title (such as the grant of mining tenements) may be validly undertaken; and by which registered claimants may be afforded certain procedural rights including the "right to negotiate".

(b) Under the Commonwealth Act and the NTQ Act, native title is extinguished by grants of private freehold title and exclusive possession tenures such as

freehold and urban leases. Validly granted mining tenements that are to be granted solely over such tenures are not subject to native title considerations.

(c) Tenures which may co-exist with native title are generally non-exclusive leases such as pastoral leases, pastoral development holdings, some special leases and term leases for grazing or pastoral purposes, occupation licences, permits to occupy, road licences, etc.

(d) EPMs created on or before 23 December 1996 were validated by the NTQ Act. So long as activities are conducted under those tenements in accordance with the conditions of the tenement, the explorer is not subject to any right to negotiate with registered native title holders.

(e) Renewal of mining tenements created on or before 23 December 1996 can be effected without recourse to the right to negotiate process, so long as the renewed mining tenement is on the same terms as previously existed.

(f) Mining tenements granted after 23 December 1996 are subject to the future act regime. Under the future act regime, the "right to negotiate" process must be complied with (unless exempted by the provisions of the Commonwealth Act) before a proposed future act which has the potential to affect native title can proceed. The right to negotiate process will not apply if native title over the area of the development can be said to have been extinguished.

(g) The Commonwealth Act will affect the Qld Tenements in different ways, depending on the nature of the tenement, the date of its grant or proposed grant and the nature of the underlying land tenures.

(h) The DEEDI will grant mining tenements over land on which native title is conclusively extinguished under the Commonwealth Act and Native Title (Queensland) Act. An applicant for a mining tenement over land on which native title has not been conclusively extinguished must first undertake the right to negotiate process as detailed in the Commonwealth Act with the registered native title claimants or be a party to an ILUA.

The grant of a freehold interest in land is considered so inconsistent with the continued enjoyment of native title rights that it extinguishes native title, and once extinguished, native title cannot revive. Similarly, the public nature of roads and other public works such as schools is considered sufficient to extinguish native title. We have not researched the underlying land tenure in respect of the Qld Tenements in order to determine the extent of extinguishment for the purposes of this report.

It should be noted that the existence of a native title claim over an area of land is not evidence for the existence or otherwise of native title. The existence of native title is a question of fact to be determined by an assessment of the extent to which native title has been adversely affected or extinguished by adverse State Government action. A claim is an expression of interest by a native title group, which is subject to a detailed assessment by the State Government and ultimately the Federal Court. A native title group receives a procedural right to negotiate in relation to land the subject of their native title claim where the grant of a mining tenement is proposed by the State.

11. Native Title – Native Title Claims

Persons claiming to hold native title may lodge an application for determination of native title (being a native title claim) with the Federal Court. Applications which are lodged with the Federal Court will be referred to the NNTT for the purposes of registration of the claim.

If the Native Title Registrar is satisfied that a claim meets the registration requirements set out in the Commonwealth Act (**Registration Test**) it will be entered on the Register of Native Title Claims maintained by the NNTT (**NT Register**). Claimants of registered claims are afforded certain procedural rights under the Commonwealth Act including the "right to negotiate" discussed further below.

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received maintained by the NNTT. Such claims may be entered on the NT Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Claims which are deregistered will lose the right to negotiate from the date of deregistration but will still remain on foot in the Federal Court until such time as they are determined by the Court. The quick appraisal searches provided by the WA Department only include information in relation to claims on the NT Register. We have not undertaken the additional searches needed to determine whether any unregistered claims affect the Tenements.

None of the NT Tenements, both of the SA Tenements, most of the WA Tenements and all of the Qld Tenements relate to land which is currently the subject of either a registered native title claim and/or a determination, or determinations, of native title. The Tenements affected by these claims and determinations are identified in the Schedule. The fact that a claim has been lodged does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area. The existence of native title will be established in due course as the undetermined claims are determined by the Federal Court. We have not, nor are we qualified to, undertake the considerable historical, anthropological and ethnographic work that would be required to determine the possibility of any further claims in respect of the area of the Tenements being made in the future.

Queensland

We note that the following registered native title claims affect granted Qld Tenements and application Qld Tenements: Ewamian People #3 (QC01/16), Kalkadoon People #4 (QC05/12), Tagalaka People #2 (QC01/22), Djungan People #3 (QC97/6), Djungan People #2 (QC97/5), Bar-Barrum People #4 (QC01/32), and Gangalidda and Garawa People #2 (QC05/3). Details of these native title claims are in the Schedule.

We note that there is a delay of up to 48 hours between a Native Title Determination Application being lodged in the Federal Court and its transfer to the National Native Title Tribunal (**NNTT**). The application summary may therefore not show applications recently lodged with the court.

The validity of a granted Qld Tenement depends on the date it was granted. Prior to 23 December 1996, a granted mining tenement will either be valid or validated by the

Commonwealth Act. After 23 December 1996, a mining tenement must have been granted under a relevant Commonwealth Act procedure or risk being invalid under s28 of the Commonwealth Act.

For the Qld Tenements the subject of this report, there are two categories of grant:

(a) grants subjected to the full right to negotiate procedure; and

(b) grants subjected to the expedited procedure and the application of the Native Title Protection Conditions (**NTPCs**).

EPMs 16625 and 16923 and EPM/A 16980 are subject to a full s31 agreement under the Commonwealth Act.

Grants subject to the expedited procedure category include: EPMs 16431, 16435, 16626 and 16836.

Expedited procedures have been advertised for EPM/A's 16426, 16428, 16502, 16503 and 16510.

The application of the expedited procedure is a 'fast-tracking' of mining grants under s32 of the Commonwealth Act where such grants do not affect or are unlikely to involve major disturbance to land or waters, or to Significant Aboriginal Areas or Significant Aboriginal Objects, as defined under the Aboriginal Cultural Heritage Act, or are not likely to interfere directly with the carrying on of community or social activities of the relevant native title holders. Most of the EPMs in Queensland that do not contain the Excluded Land condition are granted after having undergone the application of the expedited procedure.

If a registered native title group does not object to the application of the expedited procedure, the State of Queensland nevertheless applies the NTPCs as conditions of the grant of exploration rights under s141AA of the Commonwealth Act. These conditions provide a process for taking account of native title and cultural heritage issues during the course of exploration work.

If a registered native title group objects to the application of the expedited procedure, the applicant for the EPM and the registered native title group may either do a full s31 agreement under the Commonwealth Act, or an agreement (a "Top-Up Agreement") to add procedures in addition to the NTPCs for cultural heritage management.

12. Native Title – Validity of Titles

(a) Granted Tenements – Northern Territory

(i) Tenements granted prior to 1 January 1994

Under the *Validation of Titles and Actions Act 1994 (NT)* the grant of mining tenements granted in the Northern Territory prior to 1 January 1994 has been validated to the extent that the grant may have been invalid as a result of the existence of native title. None of the NT Tenements were granted during this period.

(ii) **Tenements granted between 1 January 1994 and 23 December 1996**

The Schedule indicates that there were no NT Tenements granted in this period.

(iii) **Tenements granted since 23 December 1996**

Mining Tenements granted since 23 December 1996 which are affected by native title rights and interests will be valid provided the applicable processes prescribed by the Commonwealth Act were complied with. All of the granted NT Mining Tenements were granted after 23 December 1996. We understand that it has been the practice of the Northern Territory Government to comply with these processes but we have not undertaken any independent enquiries to confirm that this is the case.

(b) **Future Tenement Grants – Northern Territory**

The valid grant of a Northern Territory tenement that may affect native title is subject to provisions of the Commonwealth Act. The primary procedure prescribed under the Commonwealth Act is the "right to negotiate" process, or the negotiation of an ILUA with the relevant native title parties and subsequent registration with the NNTT. There is also ability to fast-track the native title process by way of the "expedited procedure". This process is for activities that have a minimal impact on native title; thus allowing the future act to be done without negotiation with registered native title parties.

Under the "expedited procedures" regime the public must be notified, generally by newspaper advertisement, of the application for the EL's and the Government must notify any registered native title body corporate, claimant or representative Aboriginal/Torres Strait Islander body, the applicant and the Registrar of the arbitral body of the application. From the date of notification a native title parties will have 4 months to lodge an objection to the grant of the EL's with the NNTT. If an objection to the EL's is lodged within this time frame, the applicant and the native title parties can further negotiate and reach an agreement, or the NNTT can determine whether the act should still attract the expedited procedure. Based on the outcome of this negotiation process the application will be granted or further 'normal' negotiations may take place under section 31 of the Commonwealth Act.

(c) **Renewals – Northern Territory**

Renewals of tenements validly granted will not be subject to the right to negotiate process provided:

(i) the area to which the earlier right is made is not extended;

(ii) the term of the new right is not longer than the term of the earlier right; and

the rights to be created are not greater than the rights conferred by the earlier grant.

(d) **Granted Tenements – South Australia**

(i) **Tenements granted prior to 1 January 1994**

The South Australian Parliament has enacted the *Native Title (South Australia) Act* 1994, which confirms the validity of titles granted by the South Australian Government at any time prior to 1 January 1994. The SA Tenements were not granted prior to this date.

(ii) **Tenements granted between 1 January 1994 and 23 December 1996**

This Act was amended by the *Native Title (South Australia) (Miscellaneous) Amendment Act* 2000, which imposes more demanding requirements on applicants seeking registration of a native title claim. The Act was also amended by the *Native Title (South Australia) (Validation and Clarification) Amendment Act* 2000 to clarify the extent to which titles granted between 1 January 1994 and 23 December 1996 extinguish native title. The SA Tenements were not granted during this period.

(iii) **Tenements granted after 23 December 1996**

Tenements granted since 23 December 1996 which are affected by native title rights and interests will be valid provided the applicable processes prescribed by the Commonwealth Act were complied with. The Commonwealth Act provides that, in relation to the future grant of mining tenements in certain areas, a State law can operate in lieu of the right to negotiate process of the Commonwealth Act tenements. Part 9B of the SA Mining Act enacts such alternative procedures, which are described further below. The SA Tenements were both granted after 23 December 1996.

(e) **Future Tenement Grants – South Australia**

As noted above, in South Australia, Part 9B of the SA Mining Act contains procedures which operate in lieu of the right to negotiate process contained in the Commonwealth Act. Under Part 9B, a mining tenement granted since 23 December 1996 confers no right to carry out mining operations on native title land, being land in respect of which native title exists or may exist. Mining operations on native title land can only be carried out if they are not inconsistent with native title rights existing over the land, an agreement is reached with the registered native title claimants ("**native title mining agreement**") or a determination has been made by the Environment Resources and Development Court of South Australia ("**ERD Court**") authorising the operations.

The fact that no such agreement has been reached and no such determination has been made in accordance with the SA Mining Act does not mean that there is an automatic suspension of minimum labour and expenditure conditions attached to the mining tenement. However, PIRSA will take into consideration

bona fide efforts to negotiate such an agreement in its review of any non-compliance with conditions attached to the mining tenement.

Part 9B sets out a process for negotiating agreements authorising mining operations on native title land. Part 9B also provides for an expedited procedure where the impact of the proposed exploratory operations is minimal. If no written objection against reliance on the expedited procedure is made within 2 months of notice being given by the proponent, the proponent can seek a summary determination from the ERD Court authorising the proposed exploratory mining operations.

Again, the right to negotiate process under Part 9B, as under the Commonwealth Act, does not have to be pursued in cases where an ILUA is negotiated with the relevant Aboriginal people and registered with the NNTT. The procedures prescribed by the ILUA must be followed in order to conduct exploration activities.

(f) **Renewals – South Australia**

As with the grant of mining tenements, renewals of mining tenements granted prior to 1 January 1994, to the extent the renewals were invalid due to native title, have been validated by legislation. Renewals granted between 1 January 1994 and 23 December 1996 have been similarly validated provided certain statutory criteria have been met.

Renewals made after 23 December 1996 of tenements validly granted before that date will not be subject to the right to negotiate process provided:

(i) the area to which the earlier grant was made is not extended;

(ii) the term of the new grant is not longer than the term of the earlier grant; and

(iii) the rights to be created are not greater than the rights conferred by the earlier grant.

There is doubt as to whether the right to negotiate process applies to second and subsequent renewals but this matter is yet to be determined by the courts. Other than as stated above, renewals of mining tenements are subject to the same right to negotiate process (or, pending legislation, alternative State process) as is described above.

(g) **Granted Tenements – Western Australia**

The grant of a mining tenement is an act that is capable of affecting, and which may affect, native title. The future act processes of the Commonwealth Act provide a mechanism for achieving the valid grant of a mining tenement in terms of native title. The validity of a mining tenement granted in Western Australia is dependent on its date of grant.

(i) **Tenements granted prior to 1 January 1994**

Under the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* the grant of mining tenements granted in Western Australia prior to 1 January 1994 has been validated to the extent that the grant may have been invalid as a result of the existence of native title. None of the granted WA Tenements were granted during this period.

(ii) **Tenements granted between 1 January 1994 and 23 December 1996**

The Western Australian Parliament passed the *Titles Validation Amendment Act 1999* which confirmed the validity of certain acts made by the State of Western Australia between 1 January 1994 and 23 December 1996, provided such acts had met various conditions set out in the Commonwealth Act. None of the granted WA Tenements were granted during this period.

(iii) **Tenements granted after 23 December 1996**

Mining tenements granted since 23 December 1996 which are affected by native title rights and interests will be valid provided the applicable processes prescribed by the Commonwealth Act were complied with. We understand that it has been the practice of the Western Australian Government to comply with these processes but we have not undertaken any independent enquiries to confirm that this is the case. All of the granted WA Tenements were granted after 23 December 1996.

(h) **Future Tenement Grants – Western Australia**

As stated above, the valid grant of any of the WA Tenements which may affect native title requires full compliance with the provisions of the Commonwealth Act in addition to compliance with the usual procedures under the State's mining legislation. The primary procedure prescribed under the Commonwealth Act is the "right to negotiate" process. Other procedures generally apply to low-impact titles (such as prospecting and exploration licences) or infrastructure titles.

The right to negotiate process involves the publishing of a notice of the proposed grant of a tenement followed by a minimum 6 month period of negotiation between the relevant State Government, the tenement applicant and the relevant registered native title claimant. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the NNTT, which has a further 6 months to make a determination. A party to a determination of the NNTT may appeal that determination to the Federal Court on a question of law.

The Commonwealth Act provides that, in relation to the grant of mining tenements in certain areas, a State law can operate in lieu of the right to negotiate process of the Commonwealth Act. These areas are principally areas

covered by pastoral leases. The Western Australian State Government has not yet introduced such a law.

The right to negotiate process does not have to be pursued in cases where an indigenous land use agreement (**ILUA**) is negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the tenement. These procedures will vary depending on the terms of the relevant ILUA. Similarly, if any other type of agreement is reached between a mining company or other proponent and a native title group which allows the grant of future tenements, the right to negotiate process will not have to be followed with that native title group but the parties will be required to enter into a State Deed pursuant to the Native Title Act which refers to the existence of that other ancillary agreement and confirms that the tenement can be granted. A State Deed is a standard form document prepared by the State Government and available from the Department.

The Department has released a policy to facilitate the grant of exploration licence applications outside the right to negotiate procedure. The Department has indicated its intention to grant exploration licences where the applicant is willing to enter into a standard aboriginal heritage protection agreement (**HPA**) or an alternative heritage agreement. The HPA's have been negotiated between the State, mining and exploration representative bodies, and certain of the aboriginal representative bodies. A number of native title groups have developed alternative heritage agreements. The policy appears to be effective in achieving the grant of exploration licences.

(i) **Renewals – Western Australia**

As with the grant of mining tenements, renewals of mining tenements granted prior to 1 January 1994, to the extent the renewals were invalid due to native title, have been validated by legislation. Renewals granted between 1 January 1994 and 23 December 1996 have been similarly validated provided certain statutory criteria have been met.

Renewals made after 23 December 1996 of tenements validly granted before that date, whether they be first renewals or subsequent renewals, will not be subject to the right to negotiate process provided:

(i) the area to which the earlier right is made is not extended;

(ii) the term of the new right is not longer than the term of the earlier right; and

(iii) the rights to be created are not greater than the rights conferred by the earlier grant.

Other than as stated above, renewals of mining tenements are subject to the same right to negotiate (or, pending legislation, alternative State) process as is described above.

(j) **Future Tenement Grants – Queensland**

The valid grant of a Queensland mining tenement that may affect native title is subject to provisions of the Commonwealth Act, as well as the NTQ Act. As stated previously, the primary procedure prescribed under the Commonwealth Act is the "right to negotiate" process, or the negotiation of an ILUA with the relevant native title parties and subsequent registration with the NNTT. There is also ability to fast-track the native title process by way of the "expedited procedure". This process is for activities that have a minimal impact on native title; thus allowing the future act to be done without negotiation with registered native title parties.

Under the "expedited procedures" regime the public must be notified, generally by newspaper advertisement, of the application for the EPMs and the Government must notify any registered native title body corporate, claimant or representative Aboriginal/Torres Strait Islander body, the applicant and the Registrar of the arbitral body of the application. From the date of notification a native title party will have 4 months to lodge an objection to the grant of the EPMs with the NNTT. If an objection to the EPMs is lodged within this time frame, the applicant and the native title parties can further negotiate and reach an agreement, or the NNTT can determine whether the act should still attract the expedited procedure. Based on the outcome of this negotiation process the application will be granted or further 'normal' negotiations may take place under section 31 of the Commonwealth Act.

(k) **Renewals – Queensland**

Renewals of mining tenements in Queensland are governed by the Commonwealth Act. Renewals of tenements granted prior to 1 January 1994, that would otherwise be invalid due to native title claims, have been validated, as well as those granted between 1 January 1994 and 23 December 1996, provided statutory criteria, as set out in Divisions 2 and 2A of Part 2 of the Native Title Act and the corresponding provisions of the NTQ Act have been met.

Renewals made after 23 December 1996 of tenements validly granted before that date will not be subject to the right to negotiate process provided:

(i) the area to which the earlier right is made is not extended;

(ii) the term of the new right is not longer than the term of the earlier right; and

(iii) the rights to be created are not greater than the rights conferred by the earlier grant.

There is doubt as to whether the right to negotiate process applies to second and subsequent renewals but this matter is yet to be determined by the courts. Other than as stated above, renewals of mining tenements are subject to the same right to negotiate (or, pending legislation, alternative State) process as is described above.

In addition, the Qld Mining Act states in s147C that where an application for renewal of a tenement is:

(a) properly made and is not withdrawn, refused or granted before the tenement's expiry date;

(b) after the expiry day, the holder continues to pay the rent for the tenement,

(c) pays all other amounts required under the Qld Mining Act, and

(d) complies with the Qld Mining Act and the conditions of the tenement,

the tenement remains in force subject to the rights, entitlements and obligations which were in effect immediately before the end of the expiry date (including expenditure and work commitments) until the application is withdrawn, refused or granted.

13. Other Queensland statutory requirements

(a) Strategic Cropping Land

On Monday 23 August 2010, the Queensland Government announced its plan for protecting the State's most valuable food producing land in a new policy entitled *"Protecting Queensland's Strategic Cropping Land: A policy framework"*.

The policy will be implemented by way of a new law that will provide the criteria for identifying strategic cropping land, and a process for assessing and deciding whether development can proceed on that land; a state planning policy under the *Sustainable Planning Act 2009* which will guide planning and development assessment under that Act; and amendments to the existing resources legislation to require assessment of the impact of authorised activities on strategic cropping land, and to impose conditions to ensure such impacts are avoided.

Draft trigger maps currently identify 4.1% of Queensland as possible strategic cropping land. These trigger maps are not definitive but provide a guide on the possible extent of strategic cropping land. Although the criteria for assessing strategic cropping land has not yet been released, the Queensland Government has stated that strategic cropping land can only be identified through an on-ground assessment.

The EPM holder will need to consider the potential impact of this policy and, if enacted, laws that implement the policy on its future operations in Queensland. An analysis of the maps of potential strategic cropping land (these are contained in the policy) with the location of the Qld Tenements would provide a useful first pass indication of the policy's potential impact on the Tenements.

(b) Mines and Petroleum Legislation Amendment Consultation Paper

On 20 January 2011 a consultation paper entitled the *Mines and Petroleum Legislation Amendment Bill 2011* was released. This bill proposes significant changes to overlapping coal and coal seam gas tenures.

The proposed amendments require a production lease holder to provide a statement of reasons in the event that the holder does not consent to exploration activities being carried out by an overlapping exploration tenement holder. This amendment is aimed at:

(i) restricting the production lease holder from unreasonably withholding consent; and

(ii) promoting negotiations between the production lease holder and the explorer.

Currently there are no restrictions on the reasons a production lease holder may use for declining consent.

The bill also proposes new requirements for making petroleum lease applications including the requirement to demonstrate knowledge of reserves at the time of application.

The tenement holder should consider the possible implications that these amendments may have on the Qld Tenements.

(c) Wild Rivers Act 2005 (Qld)

The WR Act was enacted to preserve the natural values of rivers that have all, or almost all, of their natural values intact. This is achieved through the declaration by the Minister of wild rivers areas including 'high preservation areas', 'preservation areas', 'floodplain management areas' and 'sub-artesian management areas'. The WR Act, in s41, defines a 'high preservation area' as including the river itself, major tributaries, any special features in the wild river area, and the area, stated in the declaration, of up to one kilometre either side of the river, its tributaries and any special features. The remainder of the declaration area is known as the 'preservation area'.

Prior to declaring a wild river area, the Minister must prepare a declaration proposal. This is a statutory instrument which identifies, among other things, the area that the proposed declaration covers and the regulation or prohibition of certain activities.

Wild river requirements will apply when a mining tenement is either granted or renewed under the Qld Mining Act or an EA is granted under the EP Act for mining activities. Exploration activities are not permitted within the area of a nominated waterway. To the extent that an EPM impacts on a preservation area, exploration activities are permitted. However, the extent of exploration activities allowed in the preservation area will be determined by the terms of the relevant declaration. With regards to high preservation areas, in addition to any restrictions imposed under the proposed declaration, any exploration

within the wild river high preservation area, other than watercourses and lakes, must be a low impact activity (s383(2) Qld Mining Act). To the extent that the EPM applies to watercourses and lakes in the wild river high preservation area or nominated waterways, only limited hand sampling techniques may be carried out. EPM/As 16502 and 16503 overlap both preservation and high preservation wild river areas that are located in the Settlement Wild River Area. As a result, the conditions of the *Settlement Wild River Declaration* will in effect be conditions on the grant of these EPMs.

In high preservation areas low impact activities (other than limited hand sampling techniques), associated with the exploration permit, must not occur within 100 lateral metres of a high preservation area.

Within a preservation area, activity (other than limited hand sampling techniques) must not occur within 50 lateral metres of a nominated waterway; and

If the EPM is considered a non-code compliant authority (exploration) under the EP Act, an environmental management plan will be required. This is the situation for EPM/A 16503.

It should be noted that these conditions are additional to the usual conditions of grant of an exploration permit. Under s141(1A) of the Qld Mining Act, breaches by the explorer of the conditions contained in the Declaration are effectively breaches of the conditions of grant.

(d) Important Wetlands

An ecomap highlighting environmentally sensitive areas suggests that EPM 16510 encroaches on a wetland that is a part of the Directory of Important Wetlands in Australia (**DIWA**). DIWA identifies important wetlands and provides a knowledge base of what defines wetlands, their variety and the dependence on them of many flora and fauna species.

On our investigations it appears that, subject to what is said above in relation to the Code of Environmental Compliance Condition 27 and the WR Act, there are no rules that enforce conditions or restrictions on mining tenements that affect or overlap with wetlands contained in the DIWA.

Because this wetland is in a wild river area, it is likely that exploration activities will not be permitted at all in the wetland area as it may be deemed to be a watercourse or lake for the purposes of the Qld Mining Act and the WR Act. This comment is not conclusive and further checks should be made prior to the exploration being undertaken on EPM/A 16510 in order to ensure that the explorer's understanding of the operation of these provisions in relation to the Important Wetland accords with the DERM's understanding.

14. Risk Factors

The existence of native title and/or native title claims, aboriginal heritage sites or environmentally sensitive areas in relation to the land the subject of the Tenements may have an adverse impact on the activities of the Company and its ability to fund

those activities. It is impossible at this stage to quantify the impact that these matters may have, but the main risks include:

(a) delays in obtaining the grant of renewals or conversions of the Tenements, or further applications, as a result of the right to negotiate (or alternative State) process under the Native Title Act, as this process can take as long as 2 years. Further, if the parties to the right to negotiate process cannot reach agreement the matter may be referred to the NNTT for arbitration. The NNTT may determine that the application cannot be granted or only granted on conditions unacceptable to the Company;

(b) compensation may be payable by the Company as a result of agreements made pursuant to the right to negotiate or alternative process or as a result of a compensation order made by the Federal Court in the event native title has been determined to exist. The amount of such compensation is not quantifiable at this stage;

(c) if native title is found to exist the nature of the native title may be such that consent to mining is required from the native title holders but is withheld or only granted on conditions unacceptable to the Company;

(d) the risk that Aboriginal sites and objects exist on the land the subject of the Tenements, the existence of which sites and objects may preclude or limit mining activities in certain areas of the Tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties; and

(e) the existence of environmentally sensitive areas which encroach on some of the Tenements may restrict the activities of the Company within those areas.

15. Qualifications

While the status of the Tenements is dealt with in detail in the Schedule and the Notes, we point out by way of summary, that:

(a) we have assumed the results of the searches which we have made or caused to be made referred to in paragraph 1 of this report are accurate;

(b) we have relied on the accuracy of the Registers and databases maintained by the governmental bodies referred to in paragraph 1 of this report; and

(c) the holding of the Tenements is subject to compliance with their terms and conditions and the provisions of the WA Mining Act, the Qld Mining Act, the NT Mining Act and the SA Mining Act and the information available from the searches conducted only includes information in relation to compliance with some such terms, conditions and provisions.

Further, as it is beyond the scope of this report, we have not undertaken the following searches:

(a) searches of Aboriginal heritage sites that may exist on the Tenements, except in relation to the Qld Tenements;

(b) searches of deregistered or unregistered native title claims with NNTT; and

(c) historic land tenure searches to determine if the WA Tenements encroach on any "minerals to owner" private land.

Yours faithfully

Blakiston & Crabb

Blakiston & Crabb

SCHEDULE OF MINING TENEMENTS

Tenement No. and Type	Holder/ Applicant	Grant Date	Expiry Date	Registered Dealings/ Relationships	Registered Native Title Claims/ Determinations	Notes
Northern Territory						
EL 26091	RegalpointPL	26/11/07	25/11/13	None	None	NT 1, NT 5, NT 6
EL 26094	RegalpointPL	06/05/08	05/05/14	None	None	NT 2, NT 5, NT 6
EL 26098	RegalpointPL	Pending application Lodged 30/04/07		None	None	NT 3, NT 5
EL 26322	RegalpointPL	30/06/08	29/6/14	None	None	NT 4, NT 5, NT 6
South Australia						
EL 3976	Regalpoint	05/11/07	04/11/2010	None	Dieri Native Title Claim (SC97/4)	SA 1, SA 2, SA 3, SA 4, SA 6, SA 8
EL 3977	Regalpoint	05/11/07	04/11/2010	None	Dieri Native Title Claim (SC97/4)	SA 1, SA 2, SA 3, SA 5, SA 7
Western Australia						
E 51/1235	Regalpoint	11/02/08	10/02/13		Yugunga Nya (WC99/046)	1, 2, 50, 51, 57, 58, 59, 60, 61, 62, 146
E 51/1236	Regalpoint	11/02/08	10/02/13		Yugunga Nya (WC99/046)	2, 50, 51, 57, 58, 59, 60, 146
E 53/1340	Regalpoint	20/02/08	19/02/13		Yugunga Nya (WC99/046)	3, 50, 51, 57, 58, 59, 60, 62, 63, 146
E 80/3990	Regalpoint	20/11/08	19/11/13	None	Kiwirrkurra (WC95/016) (This is a determined native title claim)	31, 50, 51, 64 Underexpended – exemption from expenditure not lodged.
E 80/3991	Regalpoint	20/11/08	19/11/13	None	Kiwirrkurra (WC95/016)	31, 50, 51, 64

Tenement No. and Type	Holder/ Applicant	Grant Date	Expiry Date	Registered Dealings/ Relationships	Registered Native Title Claims/ Determinations	Notes
					(This is a determined native title claim)	No expenditure lodged
E 80/4211	Regalpoint	14/12/09	13/12/14	None	Gooniyandi Combined 2 (WC00/010) Yurriyangem Taam (WC10/13)	4, 34, 36, 50, 51, 57, 58, 59, 60, 65, 66, 72 Underexpended – exemption from expenditure not lodged.
E 04/1877	Regalpoint	26/10/09	25/10/14	Forfeiture 362768 – Regalpoint to lodge submissions by 06/02/11	Bunuba (WC99/019) Yurriyangem Taam (WC10/13)	4, 5, 36, 41, 50, 51, 57, 58, 59, 60
E 80/3993	Regalpoint	30/09/10	29/09/15	None	Gooniyandi Combined 2 (WC00/010)	4, 34, 36, 42, 50, 51, 57, 58, 59, 60, 68
E 80/4263	Regalpoint	15/03/10	14/03/15	None	Yurriyangem Taam (WC10/13)	4, 6, 34, 36, 50, 51, 57, 58, 59, 60, 69, 72
E 80/4264	Regalpoint	Pending application Lodged 09/06/09		None	Gooniyandi Combined 2 (WC00/010) Yurriyangem Taam (WC10/13)	4, 7, 34, 36
E 80/4265	Regalpoint	Pending application Lodged 09/06/09		None	Gooniyandi Combined 2 (WC00/010)	4, 36, 42, 43
E 45/3037	Regalpoint	Pending application Lodged 17/04/07		None	Martu (WC96/078)	

Tenement No. and Type	Holder/ Applicant	Grant Date	Expiry Date	Registered Dealings/ Relationships	Registered Native Title Claims/ Determinations	Notes
					(This is a determined native title claim)	
E 45/3035	Regalpoint	Pending application Lodged 17/04/07		None	Martu (WC96/078) (This is a determined native title claim)	
E 45/3036	Regalpoint	Pending application Lodged 17/04/07		None	Martu (WC96/078) (This is a determined native title claim)	45
E 46/804	Regalpoint	23/06/10	22/06/15	None	Nyiyaparli (WC05/006)	8, 38, 44, 50, 51, 57, 58, 59, 60
E 15/1000	Regalpoint	18/03/08	17/03/13		None	37, 39, 50, 51, 57, 58, 59, 60, 74, 75, 76, 77, 78, 79, 80, 81, 120, 121, 122
E 15/1001	Regalpoint	18/03/08	17/03/13		None	37, 39, 46, 50, 51, 57, 58, 59, 60, 82, 120, 121, 122
E 15/1002	Regalpoint	20/05/08	19/05/13		None	50, 51, 57, 58, 59, 60, 84
E 77/1458	Regalpoint	06/08/08	05/08/13		None	37, 39, 50, 51, 57, 58, 59, 60, 75, 76, 77, 78, 79, 80, 81, 83, 120, 121, 122, 146
E 77/1670	Regalpoint	26/03/10	25/03/15	None	None	37, 39, 50, 51, 57, 58, 59, 60, 75, 76, 77, 78, 79, 80, 81, 94, 123, 124, 125, 126, 127

Tenement No. and Type	Holder/ Applicant	Grant Date	Expiry Date	Registered Dealings/ Relationships	Registered Native Title Claims/ Determinations	Notes
E 77/1671	Regalpoint	01/02/10	31/01/15	None	None	37, 39, 50, 51, 57, 58, 59, 60, 85, 86, 123, 124, 125, 126, 127
E 30/339	Regalpoint	28/03/08	27/03/13		None	50, 51, 57, 58, 59, 60, 87
E 30/340	Regalpoint	30/05/08	29/05/13		None	9, 37, 50, 51, 52, 57, 58, 59, 60, 88, 128, 129, 130
E 16/348	Regalpoint	18/03/08	17/03/13		None	50, 51, 57, 58, 59, 60, 89, 134, 135, 136, 137
E 09/1467	Regalpoint	28/07/09	27/07/14		Wajarri Yamatji (WC04/010)	10, 11, 37, 50, 51, 57, 58, 59, 60, 128, 129, 130, 138, 139
E 09/1468	Regalpoint	28/07/09	27/07/14		Wajarri Yamatji (WC04/010)	12, 13, 14, 15, 34, 50, 51, 57, 58, 59, 60, 65, 73
E 09/1469	Regalpoint	28/07/09	27/07/14		Malgana 1 (WC98/017) Wajarri Yamatji (WC04/010)	37, 50, 51, 57, 58, 59, 60, 67, 128, 129, 130
E 09/1470	Regalpoint	28/07/09	27/07/14		Wajarri Yamatji (WC04/010)	16, 17, 51, 53, 57, 58, 59, 60, 138, 139, 140, 141, 142, 143, 144, 145
E 09/1509	Regalpoint	28/07/09	27/07/14		Wajarri Yamatji (WC04/010)	11, 16, 50, 51, 57, 58, 59, 60
E 09/1651	Regalpoint	16/09/10	15/09/15	None	Wajarri Yamatji (WC04/010)	12, 13, 14, 15, 34, 50, 51, 57, 58, 59, 60, 65, 70, 73
E 70/3199	Regalpoint	19/03/10	18/03/15	None	Mullewa Wadjari (WC96/093)	18, 50, 51, 57, 58, 59, 60, 95, 96

Tenement No. and Type	Holder/ Applicant	Grant Date	Expiry Date	Registered Dealings/ Relationships	Registered Native Title Claims/ Determinations	Notes
					Wajarri Yamatji (WC04/010)	
E 09/1646	Regalpoint	04/10/10	03/10/15	None	Gnulli (WC97/028)	19, 20, 50, 51, 57, 58, 59, 60, 97
E 09/1647	Regalpoint	04/10/10	03/10/15	None	Gnulli (WC97/028)	20, 21, 34, 50, 51, 57, 58, 59, 60, 73, 98, 99, 100
E 09/1648	Regalpoint	04/10/10	03/10/15	None	Gnulli (WC97/028)	20, 21, 50, 51, 57, 58, 59, 60, 65, 71
E 09/1649	Regalpoint	04/10/10	03/10/15	None	Gnulli (WC97/028)	21, 22, 27, 28, 29, 34, 37, 40, 50, 51, 54, 57, 58, 59, 60, 65, 101, 102, 103, 131, 132, 133
E 09/1650	Regalpoint	04/10/10	03/10/15	None	Gnulli (WC97/028)	22, 23, 26, 34, 50, 51, 57, 58, 59, 60, 65, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115
E 04/1631	Regalpoint	26/09/07	25/09/12	None	Wanjina-Wunggurr Wilinggin (WC99/001) (This is a determined native title claim)	24, 36, 48, 50, 51, 55, 57, 58, 59, 60, 116
E 04/1973	Regalpoint	Pending application Lodged 16/10/09		None	Bunuba (WC99/019) Yurriyangem Taam (WC10/13)	4, 5, 6, 36, 41
E 16/391	Regalpoint	09/07/10	08/07/15	None	None	50, 51, 57, 58, 59, 60
E 38/1974	Regalpoint	26/09/08	25/09/13	Forfeiture 363468 –	Yilka (WC08/005)	32, 50, 51, 57, 58, 59, 60,117, 118

Tenement No. and Type	Holder/ Applicant	Grant Date	Expiry Date	Registered Dealings/ Relationships	Registered Native Title Claims/ Determinations	Notes
				Regalpoint to lodge submissions by 16/02/11		
E69/2432	Regalpoint	23/07/08	22/07/13		Ngaanyatjarra Lands (WC04/003) (This is a determined native title claim) Note: there are 3 ILUAs with the Ngaanyatjarra People affecting this area	27, 33, 49, 50, 51, 56, 119, 146
E69/2433	Regalpoint	23/07/08	22/07/13		Ngaanyatjarra Lands (WC04/003) (This is a determined native title claim) Note: there are 3 ILUAs with the Ngaanyatjarra People affecting this area	27, 33, 49, 50, 51, 119, 146
E 80/4311	Regalpoint	27/07/10	26/07/15	None	Yurriyangem Taam (WC10/13)	4, 25, 50, 51, 57, 58, 59, 60
Queensland						
EPM 16431	Regalpoint	19/05/08	18/05/13	None	Ewamian People #3 (QC01/16)	Q 4, Q 6, Q 13
EPM 16435	Regalpoint	19/05/08	18/05/13	None	Ewamian People #3	Q 4, Q 6, Q 13

Tenement No. and Type	Holder/ Applicant	Grant Date	Expiry Date	Registered Dealings/ Relationships	Registered Native Title Claims/ Determinations	Notes
					(QC01/16)	
EPM 16625	Regalpoint	06/07/09	15/07/14	None	Kalkadoon People #4 (QC10/4, QC05/12)	Q 5, Q 14
EPM 16626	Regalpoint	22/02/10	21/02/15	None	Kalkadoon People #4 (QC10/4, QC05/12)	Q 4, Q 6, Q 14
EPM 16836	Regalpoint	06/09/09	05/08/14	Partial abandonment of area (28 sub-blocks) on 17 January 2008	Tagalaka People #2 (QC01/22)	Q 5, Q 6, Q 15, Q 21
EPM 16923	Regalpoint	18/12/09	17/12/11	None	Kalkadoon People #4 (QC10/4, QC05/12)	Q 4, Q 8, Q 14
EPM 16426	Regalpoint	Pending application Lodged 03/05/07		None	Djungan People #3 (QC97/6) and Djungan People #2 (QC96/5)	Q 1, Q 4, Q 6, Q 10, Q 16, Q 17, Q 23
EPM 16428	Regalpoint	Pending application Lodged 03/05/07		None	Bar-Barrum People #4 (QC01/32)	Q 4, Q 6, Q 18
EPM 16980	Regalpoint	Pending application Lodged 01/11/07		None	Kalkadoon #4 (QC10/4, QC05/12)	Q 2, Q 4, Q 6, Q 8, Q 14, Q 22
EPM 16502	Regalpoint	Pending application Lodged 30/05/07		None	Gangalidda and Garawa People #2 (QC05/3)	Q 5, Q 6, Q 11, Q 12, Q 19, Q 20
EPM 16503	Regalpoint	Pending application Lodged 30/05/07		None	Gangalidda and Garawa People #2 (QC05/3)	Q 11, Q 12, Q 19
EPM 16510	Regalpoint	Pending application Lodged 31/05/07		None	Gangalidda and Garawa People	Q 3, Q 4, Q 6, Q 7, Q 9, Q 11,

Tenement No. and Type	Holder/ Applicant	Grant Date	Expiry Date	Registered Dealings/ Relationships	Registered Native Title Claims/ Determinations	Notes
					#2 (QC05/3)	Q 19

Key to Abbreviations used in this Schedule:

Parties:

Regalpoint	Regalpoint Exploration Ltd
RegalpointPL	Regalpoint Exploration Pty Ltd

** Regalpoint Resources Limited have advised us that applications to amend the name of the holder of the Tenements to "Regalpoint Resources Limited" have been, or are in the process of being, made.*

Tenement types:

E, EL	Exploration Licence
EPM	Exploration Permit for Minerals

Legislation:

Aboriginal Heritage Act	Aboriginal Heritage Act 1972
EP(CNV) Regs	Environmental Protection (Clearing of Native Vegetation) Regulations 2004
EPA	Environmental Protection Act 1986
NT Land Rights Act	Aboriginal Land Rights (Northern Territory) Act 1976
NT Mining Act	Mining Act 1980
PGERA	Petroleum and Geothermal Energy Resources Act 1967
WA LAA	Land Administration Act 1997
WA Land Act	Land Act 1933
WA Mining Act	Mining Act 1978
WA Mining Regulations	Mining Regulations 1981
WRC Act	Waters and Rivers Commission Act 1995

Notes on NT Tenements:

Encroachments:

NT 1 This tenement encroaches entirely on freehold lands.

NT 2 This tenement encroaches upon freehold lands, Vacant Crown Land, and Koolpinyah Pastoral Lease (PPL 1147).

NT 3 This tenement encroaches on Aboriginal freehold land subject to the NT Land Rights Act. Regalpoint was permitted to negotiate an Exploration Agreement in accordance with section 42 of the NT Land Rights Act, however on 25 November 2010, consent was refused by the Land Council. In normal circumstances this means that no further negotiations can occur before 25 November 2015 although the Land Council can, in certain circumstances request the Federal Minister for Aboriginal Affairs give approval to allow negotiations to be re-commenced.

NT 4 This Tenement encroaches entirely on Crown leasehold land.

Endorsements:

NT 5 An EL is granted subject to the provisions of the legislation detailed in the Report.

Conditions:

NT 6 ELs are granted subject to the provisions of the NT Mining Act. The required expenditure covenants are not revealed by tenement search.

Notes on SA Tenements:

Encroachments / Endorsements / Conditions:

SA 1 The licence permits exploration for all minerals except extractive minerals or precious stones.

SA 2 The licence area is wholly or partially situated in a Petroleum Tenements Area.

SA 3 It is a condition of this licence that any activities which may significantly deleteriously affect the potential for coal seam methane drainage or insitu gasification of coal require agreement of the third party licensee or the Minister.

SA 4 The licence is subject to an expenditure commitment of $360,000 over the term of the EL.

SA 5 The licence is subject to an expenditure commitment of $360,000 over the term of the EL.

SA 6 Regalpoint has advised us that its consultant has applied for an extension to the EL.

SA 7 Regalpoint has advised us that its consultant has applied for an extension to the EL.

SA 8 Geothermal Exploration Licence (Application) Areas GELA 396 and GELA 400 partially overlap the licence area.

Notes on WA Tenements:

Encroachments:

1 Part of the tenement encroaches on the Hillview Pastoral Lease (3114/584).

2 Part of the tenement encroaches on the Murchison Downs Pastoral Lease (3114/820).

3 Part of the tenement encroaches on the Youno Downs Pastoral Lease (3114/1177).

4 Part of the tenement encroaches on Fossil Downs Pastoral Lease (3114/1248).

5 Part of the tenement encroaches on Leopold Downs Pastoral Lease (K571500).

6 Part of the tenement encroaches on Mornington Pastoral Lease (3114/1226).

7 Part of the tenement encroaches on Mt Amhurst Pastoral Lease (3114/1158).

8 Part of the tenement encroaches on Balfour Downs Pastoral Lease (3114/977).

9 Part of the tenement encroaches on Walling Rock Pastoral Lease (3114/999).

10 Part of the tenement encroaches on Meeberrie Pastoral Lease (3114/512).

11 Part of the tenement encroaches on Mt Narryer Pastoral Lease (3114/582).

12 Part of the tenement encroaches on Innouendy Pastoral Lease (3114/452).

13 Part of the tenement encroaches on Ballythunna Pastoral Lease (398/741).

14 Part of the tenement encroaches on Byro Pastoral Lease (3114/700).

15 Part of the tenement encroaches a Pastoral Lease Exclusion Area (i.e. an area to be excluded when the lease comes up for renewal in 2015).

16 The entire tenement encroaches on Curbur Pastoral Lease (3114/877).

17 A small part of the tenement encroaches on the Breberle Lake wetlands area.

18 Part of the tenement encroaches on Yallalong Pastoral Lease (3114/867).

19 Part of the tenement encroaches on Eudamullah Pastoral Lease (3114/683).

20 Part of the tenement encroaches on Lyons River Pastoral Lease (3114/763).

21 Part of the tenement encroaches on Bidgemia Pastoral Lease (3114/764).

22 Part of or the entire tenement encroaches on Jimba Jimba Pastoral Lease (3114/850).

23 Part of the tenement encroaches on Yalbalgo Pastoral Lease (3114/964).

24 Part of the tenement encroaches on Napier Downs Pastoral Lease (3114/682).

25 Part of the tenement encroaches on Lansdowne Pastoral Lease (3114/587).

26 A very small part of the tenement encroaches on a State Onshore Pipeline Licence (PPA69) and a Pipeline Centre Line.

27 Part of the tenement encroaches on a site listed on the Register of the National Estate, being a list of natural, Indigenous and historic heritage places throughout Australia.

28 A very small part of the tenement encroaches on a site listed on the WA State Register of Heritage Places, being a list of places that have heritage value (HWA/15408).

29 A very small part of the tenement encroaches on a national park.

30 The entire tenement area is included in a geothermal discrete area release under the *PGERA*.

31 The entire tenement encroaches on Use and Benefit of Aboriginal Inhabitants Reserve 40783 vested in the Aboriginal Lands Trust.

32 The entire tenement encroaches on Use and Benefit of Aboriginal Inhabitants Reserve 22032 vested in the Aboriginal Affairs Planning Authority.

33 The entire tenement encroaches on Use and Benefit of Aboriginal Inhabitants Reserve 17614 vested in the Aboriginal Affairs Planning Authority.

34 Part of the tenement encroaches on a stock route.

35 Part of the tenement encroaches on two stock routes.

36 Part of or the entire tenement encroaches on national heritage listed land (NHL/106063, the Kimberley).

37 Part of or the entire tenement encroaches on a pastoral lease(s) purchased by the former Department of Conservation and Land Management for conservation of flora and fauna.

38 A very small part of the tenement encroaches on a Repeater Station Site vested in the Australian and Overseas Telecommunications Corp Ltd.

39 Part of or the entire tenement encroaches on a proposed Conservation Park.

40 Part of the tenement encroaches on private land.

41 Part of the tenement encroaches on Millie Windi Indigenous Owned Lease (3114/914).

42 Part of the tenement encroaches on Mt Pierre Indigenous Owned Lease (398/806).

43 Part of the tenement encroaches on Louisa Downs Indigenous Owned Lease (398/808).

44 Part of the tenement encroaches on Walagunya Indigenous Owned Lease (3114/1103).

45 Part of the tenement encroaches on an unnumbered Land Act reserve.

46 Part of the tenement encroaches on a proposed reserve for conservation and mining under section 5(1)(h) of the Conservation and Land Management Act 1984 (WA).

47 Part of the tenement encroaches on a water reserve (WR 57).

48 The entire tenement encroaches on exploration permit EP 464 under the Petroleum Act 1967 (WA).

49 The entire tenement encroaches on a general lease (I798552).

Endorsements:

50 The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act and any Regulations thereunder.

51 The Licensee's attention is drawn to the EPA and the EP(CNV) Regs, which provide for the protection of all native vegetation from damage unless prior permission is obtained.

52 The grant of this licence does not include the land the subject of prior Exploration Licence 30/203. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the WA Mining Regulations titled "Transitional provisions relating to Geocentric Datum of Australia".

53 The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act and WRC Act and any Regulations thereunder, identification of environmental sensitive wetlands listed within the RAMSAR Convention 1971, ANCA's Directory of important wetlands, the National Estates Register and the Environmental Protection Policies 1999.

54 The land the subject of this Licence affects Heritage Place No. 15408 registered pursuant to the Heritage Act 1990 (WA).

55 The grant of this licence does not include the land the subject of prior Exploration Licences 04/1136, 04/1169 and 04/1184. If the prior licences expire, are surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

56 The grant of this licence does not include the land the subject of prior Exploration Licences 69/1640 and 69/1642. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

Conditions:

57 All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.

58 All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, WA Department. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, WA Department.

59 All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of the exploration program.

60 Unless the written approval of the Environmental Officer, WA Department is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.

61 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Water Reserve 12822 and Rabbit Proof Fence Reserve 12300.

62 Mining on a strip of land 30 metres wide with the Rabbit Proof Fence as the centre-line being restricted to below a depth of 15 metres from the natural surface.

63 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Rabbit Proof Fence Reserve 29839.

64 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Use & Benefit of Aboriginal Inhabitants Reserve 40783.

65 No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 meters from the natural surface.

66 No interference with Geodetic Survey Stations R644 and BY54 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

67 No interference with Geodetic Survey Station NMF 607 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

68 No interference with Geodetic Survey Station HUXLEY and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

69 No interference with Geodetic Survey Station BY 55 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

70 No interference with Geodetic Survey Station SSM-GLENBURGH 10 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

71 No interference with Geodetic Survey Station SSM-NMF 583 and SSM-K34 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

72 Consent to explore on Stock Route Reserve 22256 granted subject to: no exploration activities being carried out on Stock Route Reserve 22256 which restrict the use of the reserve.

73 Consent to mine on Stock Route Reserve 9701 granted subject to: no exploration activities being carried out on Stock Route Reserve 9701 which restrict the use of the reserve.

74 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Unnumbered WA Land Act Reserve 568.

75 No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land (RCL/16) as shown in TENGRAPH without the prior written approval of the Minister responsible for the WA Mining Act.

76 No surface excavation approaching closer to the boundary of the Safety Zone established by Condition (75) hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer, DOCEP.

77 Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition (75) hereof being approved by the State Mining Engineer, DOCEP in consultation with the operator of the railway on corridor land.

78 No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition (75) hereof without the prior approval of the operator of the railway on corridor land.

79 The Licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established by Condition (75) hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer, DOCEP.

80 No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods Safety Branch, DOCEP.

81 The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.

82 No interference with Geodetic Survey Station SSM – Boorabbin 1 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

83 No interference with Geodetic Survey Station R 475 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

84 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Access Reserve 44102.

85 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Yilgarn Vermin Proof Fence Reserve 28257.

86 Mining on a strip of land 30 metres wide with the Yilgarn Vermin Proof Fence Reserve 28257 as the centre line being restricted to below a depth of 15 metres from the natural surface.

87 The rights of ingress to and egress from Miscellaneous Licence 16/79 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.

88 The rights of ingress to and egress from Miscellaneous Licence 16/79 and 16/80 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.

89 The rights of ingress to and egress from Miscellaneous Licence 16/67 and 16/79 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.

90 Mining on a strip of land 30 metres wide with the Rabbit Proof Fence Number 1 (CR 1297) as the centreline being restricted to below a depth of 15 metres from the natural surface.

91 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Repeater Station Site CR 42274.

92 No interference with Geodetic Survey Station NMF 384 and Balfour Downs 15 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

93 In respect of the area covered by this licence if the Licencee, if so requested in writing by the Nyiyaparli People, (being the applicants in Federal Court Application No/s. WAD 6280 of 1998 (WC05/6) such request being sent by pre-paid post to reach the licensee's address, c/-

Tenement Manager, Regalpoint Exploration Ltd, Level 14, 191 St Georges Tce, PERTH WA 6000 not more than ninety days after the grant of this licence, the licensee shall within thirty days of the request execute in favour of the Nyiyaparli People the Regional Standard Heritage Agreement (RSHA) endorsed by peak industry groups and the Pilbara Native Title Service.

94 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on FNA/8754.

95 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Resting Place for Travellers and Stock Reserve 1806.

96 In respect of the area covered by this licence if the Wajarri Yamatji People (being the applicants in Federal Court Application No. WAD of 1998 (WC04/10) send a request by pre-paid post to the licensee's or agent's address, not more than ninety days after the grant of this licence, the licensee shall within thirty days of the request execute in favour of Wajarri Yamatji People the Regional Standard Heritage Agreement (RSHA) endorsed by peak industry groups and the Yamatji Bana Baaba Marlpa Land and Sea Council.

97 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on CR 44094 Repeater Station Site.

98 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on CR 22338 De Grey Mingenew Stock Route Deviation.

99 No exploration activities being carried out on CR 9701 Reserve De Grey Mingenew Stock Route which restrict the use of the reserve.

100 No interference with Geodetic Survey Station K35, MM1, K35T & K35T1 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

101 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on National Park Reserve 42474, Water Reserves 18375, 18374, 15432 and 57, FNA 7007 (being proposed Racecourse and Airstrip Reserve) and the Gascoyne Junction Townsite.

102 No interference with Geodetic Survey Stations K37, K39, ZL1, WOORAMEL 7, WOORAMEL 9, WH12, WH12A, WH14, WH15 and KENNEDY RANGE 5 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

103 Consent to conduct exploration activities on Stock Route Reserves 21350, 22339 and 22340 granted subject to: no exploration activities being carried out on Stock Route Reserves 21350, 22339 and 22340 which restrict the use of the reserves.

104 No interference with Geodetic Survey Stations Wooramel 67 to 72, Wooramel 81, 82 and WH17 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

105 Mining on a strip of land 30 metres wide with the Vermin Proof Fence as the centre-line being restricted to below a depth of 15 metres from the natural surface.

106 No mining within 25 metres of either side of the Gas pipeline.

107 No surface excavation approaching closer to the boundary of the Safety Zone established by note 106 hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer DMP.

108 No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by note 106 hereof without the prior approval of the operators of the Gas pipeline.

109 The Licensee shall not excavate, drill, install, erect, deposit or permit to be excavated, drilled, installed, erected or deposited within the Safety Zone established in note 106 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer DMP.

110 No explosives being used or stored within one hundred and fifty (150) metres of the Gas pipeline without the prior written consent of the State Mining Engineer DMP.

111 Mining on the Safety Zone established in note 106 hereof being confined to below a depth of 50 metres from the natural surface unless otherwise approved by the State Mining Engineer DMP.

112 The rights of ingress to and egress from the pipeline easement established in note 106 hereof being at all times preserved for employees, contractors and agents of the operators of the Gas pipeline.

113 Such further conditions as may from time to time be imposed by the Minister responsible for the WA Mining Act for the purpose of protecting the Gas pipeline.

114 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Public Purposes Reserve 694 and Protection of Vermin Proof Fence Reserve 16454.

115 Consent to conduct exploration activities on Stock Route Reserve 21350 subject to: no exploration activities being carried out on Stock Route Reserve 21350 which restrict the use of the reserve.

116 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Government Requirements Reserve 9742.

117 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing mining on Use & Benefit of Aborigines Reserve 22032.

118 No interference with Geodetic Survey Station XN27 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

119 The prior written consent of the Minister responsible for the WA Mining Act being obtained before commencing any exploration activities on Use and Benefit of Aboriginal Inhabitants Reserve 17614.

In respect to the area designated as CPL 37 in TENGRAPH the following conditions apply:

120 Prior to any ground-disturbing activity, as defined by the Director, Environment, WA Department the licensee preparing a detailed program for each phase of proposed exploration for approval of the Director, Environment, WA Department. The program to include: maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks,

camps, drill sites and any other disturbances;. the purpose, specifications and life of all proposed disturbances; proposals which may disturb any declared rare or geographically restricted flora and fauna; and techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances.

121 The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the Director, Environment, WA Department.

122 Prior to the cessation of exploration/prospecting activity the licensee notifying the Environmental Officer, WA Department and arranging an inspection as required.

In respect to the area of land designated Proposed Conservation Park [PCP/195] in TENGRAPH, hereinafter referred to as the designated area, the following conditions shall apply:

123 Prior to accessing the licence area, the licensee shall consult with the Environmental Officer, WA Department, and ensure that where required all vehicles and equipment entering the designated area are washed down to remove soil and plant propagules and adhering to such conditions specified for the prevention and spread of soil-borne diseases.

124 Prior to any activity involving disturbance to vegetation and soils including:-

(a) exploration access; and/or

(b) exploration sampling;

the licensee preparing a detailed program for each phase of proposed exploration for written approval of the Director, Environment, WA Department. The Director, Environment, WA Department to consult with the Regional/District Manager, Department of Environment and Conservation or other government agency (as relevant) prior to approval. This program to described the environmental impacts and programs for their management.

125 Access to and from and the movement of vehicles within the licence area being restructured to ground or seasonable conditions and routes approved under the program or otherwise agreed by the Environmental Officer, WA Department.

126 At agreed intervals, not greater than 12 monthly, the licensee providing a brief report to the Director, Environment, WA Department outlining the progress of the operation and rehabilitation program and the proposed operations and rehabilitation programs for the next 12 months.

127 Prior to the cessation of exploration/prospecting activity the licensee notifying the Environmental Officer, WA Department and arranging an inspection as required.

In respect to the area designated as CPL 50 in TENGRAPH, and CPL 5 in TENGRAPH (being a portion of former Pastoral Lease 3114/866), the following conditions apply:

128 Prior to any ground-disturbing activity, as defined by the Director, Environment, WA Department the licensee preparing a detailed program for each phase of proposed exploration for approval of the Director, Environment, WA Department. The program to include:. maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances;. the purpose, specifications and life of all proposed disturbances; proposals which may disturb any declared rare or geographically

restricted flora and fauna; and techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances.

129 The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the Director, Environment, WA Department.

130 Prior to the cessation of exploration/prospecting activity the licensee notifying the Environmental Officer, WA Department and arranging an inspection as required.

In respect to the areas designated as CPL 30, 39 and 40 in TENGRAPH the following conditions apply:

131 Prior to any ground-disturbing activity, as defined by the Director, Environment, WA Department the licensee preparing a detailed program for each phase of proposed exploration for approval of the Director, Environment, WA Department. The program to include: maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances; the purpose, specifications and life of all proposed disturbances; proposals which may disturb any declared rare or geographically restricted flora and fauna; and techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances.

132 The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the Director, Environment, WA Department.

133 Prior to the cessation of exploration/prospecting activity the licensee notifying the Environmental Officer, WA Department and arranging an inspection as required.

In respect to the area outlined in "red" and designated File Notation Areas 275 and 668 in TENGRAPH, hereinafter referred to as the designated area, the following additional conditions shall apply:

134 The licensee should not establish any camp, base works or area, fuelling depot or similar establishment on the licence area unless the site and access has received prior approval of the State Mining Engineer in agreement with the Director, Waste Management Division, Department of Environment (WMD).

135 Prior to any mining activity, the licensee shall prepare a program for each phase of the proposed mining activity for approval of the Director, Environment, WA Department in agreement with the Director, Waste Management Division, Department of Environment.

136 On completion of an exploration/drilling program, the licensee shall report the outcome of the program to the WA Department in accordance with Section 115A of the WA Mining Act. With the written approval of the licensee, data about surveyed locations, lithology and depths to basements will be relayed by the WA Department to WMD.

137 No use of the Access Road (Reserve Number 44102) without entering into an agreement with WMD.

In respect to the area of land designated FNA 7618 in TENGRAPH, hereinafter referred to as the designated area, the following additional conditions shall apply:

138 Prior to carrying out any on-ground activities, the Licensee developing a plan of activities to ensure that electromagnetic emissions from those activities will not interfere with the radio-quiet requirements of the Murchison Radio-astronomy Observatory. The plan shall be submitted to the Australian SKA Coordination Committee's "Coordinator for Land Management Issues" at the WA Department for approval by the Director General of the WA Department.

139 The approved plan to be included with any "Programme of Work" or "Mining Proposal" submitted to the WA Department for approval under the WA Mining Act.

In respect to the area of land designated "AW/57" in TENGRAPH, the following additional conditions shall apply:

140 Written notification, where practicable, of the time frame, type and extent of proposed ground disturbing activities being forwarded to the Department of Water Karratha seven days prior to commencement of those activities.

141 Any significant waterway (flowing or not), wetland or its fringing vegetation that may exist on site not being disturbed or removed without prior written approval from the Department of Water.

142 The rights of ingress to and egress from the Licence being at all reasonable times preserved to officers of the Department of Water for inspection and investigation purposes.

143 The storage and disposal of hydrocarbons, chemicals and potentially hazardous substances being in accordance with the Department of Water's Guidelines and Water Quality Protection Notes.

144 All WA Mining Act tenement activities prohibited within 200 metres of RAMSAR or ANCA listed wetlands unless written permission of the Department of Environment and Conservation, in consultation with the Department of Water, is first obtained.

145 All WA Mining Act tenement activities prohibited within 200 metres of "Conservation" and "Resource Enhancement" Category wetlands unless written permission of the Department of Water is first obtained.

146 The tenement is currently subject to an application for forfeiture. We have been advised by Regalpoint, and we have independently verified, that it is likely that a fine will be imposed in respect of the application for forfeiture.

Notes on Old Tenements:

Exclusions:

Q 1 Sterile land – 2244 Ngarrbullgan National Park will be excluded from this tenement if it is granted.

Encroachments:

Q 2 This application is a competing application with Summit Resources (Australia) Pty Ltd (lodged 1 November 2007).

Q 3 This application encroaches on constrained land (Deed of Grant in Trust (DOGIT) for Doomadgee Aboriginal Council).

Conditions:

The DEEDI reports identify that the following general conditions[1] apply to the EPMs referred to. General Conditions Version 1 is a reference to the standard general conditions imposed on the Tenements in the instrument of grant.

Q 4 General Conditions Version 2 (terms of conditions can be found in the instrument of grant).

Q 5 General Conditions Version 3 (terms of conditions can be found in the instrument of grant).

Q 6 NTPCs Version 1.1(a).

Q 7 Preservation Area – Nominated Waterways – no exploration within 50 lateral metres.

Environmentally Sensitive Areas adjacent to or within the area of the Tenements:

Q 8 Endangered Regional Ecosystems (Biodiversity Status) (Category B).

Q 9 The land covered by this application encroaches on land that is included in the Directory of Important Wetlands in Australia.

Q 10 Cultural Heritage Registered Areas & DLAs other than Stanbroke (Category B).

Q 11 Wild River Preservation Area.

Q 12 Wild River High Preservation Area.

Native Title[2]:

Q 13 The land covered by this claim lies partly within the area of the Ewamian People #3 native title claim (QC01/16).

Q 14 The land covered by this claim lies partly within the area of the Kalkadoon People #4 native title claim (QC10/4, QC05/12).

Q 15 The land covered by this claim lies partly within the area of the Tagalaka People #2 native title claim (QC01/22).

Q 16 The land covered by this claim lies partly within the area of the Djungan People # 2 native title claim (QC96/5).

Q 17 The land covered by this claim lies partly within the area of the Djungan People #3 native title claim (QC97/6).

Q 18 The land covered by this claim lies partly within the area of the Bar-Barrum People #4 native title claim (QC01/32).

Q 19 The land covered by this claim lies partly within the area of the Gangalidda and Garawa People #2 native title claim (QC05/03).

Cultural Heritage:

[1] Information obtained from DEEDI reports and disclosed by DEEDI.

[2] An analysis of the ILUAs overlapping the Qld Tenements was outside the scope of this report.

Q 20 There is a "significant Aboriginal area" ("storyplace") on the land that is the subject of this EPM/A. The registered Aboriginal party to this object of cultural heritage is Gangalidda and Garawa People #2.

Q 21 There are multiple "significant Aboriginal objects" on the land that is the subject of this EPM. These objects are labelled as: artefacts, axegrind, paintings, quarry, grindstone and stone. There area a total of 51 registered objects for EPM 16836. The registered Aboriginal party to this area of cultural heritage is the Tagalaka People #2.

Q 22 There is a "significant Aboriginal object" (painting) on the land that is subject of this EPM. The registered Aboriginal party to this area of cultural heritage is Kalkadoon CH services.

Q 23 DERM records indicate that a registered cultural heritage study was conducted in the area of this EPM. The cultural heritage study is in the area of Mt Mulligan (Ngarrabullgan). The study identifies significant ACH in the area.

Section 8. Risk Factors

8.1 Introduction

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the exploration and mining industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed business of the Company.

An investment in the Company should be regarded as speculative. Uranium exploration, development and production have inherent risks, which may have a material effect on the Company's future performance and the value of its shares.

Refer to section 3 of the Solicitor's Report on Mining Interests regarding the law relevant to uranium mining in each state where the Company holds tenements.

The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

8.2 General investment risk factors

Factors such as inflation, currency fluctuation, interest rates, market sentiment and commodity prices may have a significant impact on the Company's future revenues. The impact of those factors on the Company's future profitability is to a large extent beyond the control of the Company.

8.3 General economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors which contribute to that general economic climate include:

- contractions in the world economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- the level of direct or indirect, domestic or global competition against the Company;
- international currency fluctuations;
- new or increased government taxes or duties or changes in taxation laws; and
- changes in government regulatory policy affecting the industry in which the Company operates and further regulation of the industry generally.

8.4 General exploration and developmental risks

The future viability and profitability of the Company as an exploration and mining company will be dependent on a number of factors, including, but not limited to, the following:

- commodity prices and exchange rates and in particular the prices of uranium and gold;
- risks inherent in exploration and mining including, among other things, successful exploration and identification of economically recoverable ore reserves, satisfactory performance of mining operations and competent management;
- a number of assumptions have been used by the Independent Geologist on Uranium Projects and the Independent Geologist on Highlander Gold Prospect in each of their respective Independent Geologist's Reports. If any of these assumptions are incorrect, whether positive or negative, this will have an effect on any estimates which have been made. Investors must read these assumptions in detail in order to fully understand the manner in which the estimates have been arrived at;
- risks associated with the discretion of the relevant government minister or official/s in granting any mining tenements which are applications for, or renewals of tenements upon expiry of their current term, or granting extensions where expenditure commitments could not be met in the required timeframes;
- risks associated with not being able to agree on the terms of appropriate land access arrangements with land owners, thereby jeopardising the grant of a mining lease over existing exploration tenements;
- the risk of material adverse changes in government policies or legislation affecting the level of mining and exploration activities, in particular the transitional requirements to bring the land holding under the new mining legislation and the introduction of State imposed royalties or new or changed levels of taxation;
- environmental management issues which the Company may be required to comply with from time to time;
- poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues;
- unforseen major failures, breakdowns or repairs required to key items of mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep;
- risks associated with projected continuity of an ore deposit, fluctuations in grades and values of the product being mined, and unforeseen operational and technical problems;
- risks associated with the grant of approvals required to commence a mining operation, including environmental approvals and the grant of suitable water licences, which may be secured outside anticipated time frames or not at all;
- contracting risks associated with third parties providing essential services;
- risks associated with the accuracy of capital estimates, which in the current environment have proven in many cases to be understated. In addition, the escalating cost of plant and equipment may make the projects uneconomic; and
- operating costs may increase for both materials and labour due to shortages. Rising costs may make the projects uneconomic.

If exploration or mining programs prove to be unsuccessful, this could result in a diminution of the value of the tenements which could have a negative impact on the Company's share price. In the event that programs yield negative results, mining interests may be relinquished either in total or in part thereof and/or the Company may cease funding, even though a viable mineral deposit may be present, but undiscovered.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. In addition, the Company may be subject to reduced ore treatment rates through the proposed processing plant, higher treatment costs and worse than anticipated metallurgical characteristics. No assurance can be given that the Company will achieve commercial viability through the development and/or mining of its projects and treatment of ore.

8.5 Native Title and Aboriginal land

The exploration licences held by the Company have been validly granted to it. However, there can be no guarantee that some of those mining interests will not be challenged or impaired, or that claims for compensation will not be made under the *Native Title Act 1993* (Cth).

The resolution of native title, Aboriginal land and Aboriginal heritage issues is an integral part of exploration and mining operations and the Company is committed to managing the issues effectively. However, in view of the legal and factual uncertainties, no assurance can be given that material adverse consequences will not arise in connection with them. Refer to section 14 of the Solicitor's Report on Mining Interests for further information as to the risks associated with the existence of native title and/or native title claims, aboriginal heritage sites or environmentally sensitive areas in relation to the land the subject of the Tenements.

8.6 Exploration results

The exploration to date on the Projects has generated results which allow for preliminary observations about the prospectivity potential of the relevant ground. This may change significantly when new information becomes available as a result of further exploration and test work. No resources have yet been established.

8.7 Environmental risks

The Company will be subject to environmental regulations. Non-compliance with these could result in a cessation of production and in substantial liabilities.

Further, mineral exploration and production can be environmentally sensitive activities which can give rise to substantial costs for environmental rehabilitation, damage control and losses. Further, if there are environmental rehabilitation conditions attached to the Tenements, failure to meet such conditions could lead to forfeiture of the Tenements.

8.8 Risk of forfeiture

E51/1235, E51/1236, E53/1340, E04/1877, E77/1458, E38/1974, E69/2432 and E69/2433 are currently subject to applications for forfeiture. The Company understands that a fine is likely to be imposed in lieu of forfeiture of these tenements, other than E04/1877 and E38/1974, and this has been independently verified by the Solicitors Reporting on Mining Interests. Submissions from the Company relating to the applications for forfeiture over E04/1877 and

E38/1974 have been lodged with the WA Department of Mines and Petroleum. Refer to the Schedule to the Solicitor's Report on Mining Interests for further information.

8.9 Share market conditions

The price of the Shares, when quoted on ASX, will be influenced by international and domestic factors. Should these produce a negative effect on the price, this may also affect the Company's ability to raise development capital.

The price at which the Shares trade may be above or below the Offer price and may fluctuate in response to a number of factors.

In addition, there is no guarantee that ASX will admit the Company to the Official List and grant quotation of the Shares offered under this Prospectus.

8.10 Acts of terrorism and outbreak of international hostilities

Acts of terrorism or an outbreak of international hostilities may adversely affect the operations or prospects of the Company or more generally the operation of global markets, including the stock market.

8.11 Commodity prices

Commodity prices, including in particular the market price of gold or uranium, may substantially impact on the economics of mining projects and hence on exploration and development programs, and consequently on the value of the Company's share price. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include supply and demand fluctuations, forward selling by producers, and production cost levels in major metal-producing regions. In addition, government regulations, including regulations in relation to price, taxes, royalties, land tenure, land use, importing and exporting of natural resources and environmental protection are all factors which may affect the marketability and price of natural resources.

8.12 Financial risks

The Company has limited financial resources. Further development of the Projects will be dependent on the Company's ability to obtain future funding. There can be no assurance that such funding required by the Company will be made available to it and, if such funding is available, that it will be offered on reasonable terms.

Any future equity raising may dilute the interests of the Company's shareholders and any future debt financing, if available, may involve financial covenants which limit its operations. If the Company is unable to obtain such additional capital, it may be required to reduce the scope of its business activities, which could adversely affects its business, operating results and financial condition.

8.13 Government and legal environment

The impact of actions by the Federal and State governments in Australia may affect the Company's operations, including matters such as land access, compliance with environmental regulation, taxation and royalties. Mining industry activities are subject to discretionary regulations and approvals.

The introduction of any new legislation or regulations could have an adverse affect on the Company's operations. The Company's activities are subject to extensive laws and regulations controlling not only the mining of and exploration for uranium and other minerals, but also the

possible effects of such activities upon the environment and upon the interests of native and indigenous peoples.

Obviously, it is not possible to forecast the effects that future legislative developments may have on the future operation of the Company. Amendments to current laws, regulations and permits governing operations and activities of mining companies or more stringent implementation thereof, could have a material impact on the Company and cause increases in capital expenditures or production costs or delays in development of new mining properties,

8.14 Government regulation of uranium industry

Uranium mining in Australia is subject to extensive regulation by Federal, State and Territory governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. The approvals required are more rigorous that those for the mining of other metals. Compliance with such laws and regulations will affect the costs of exploring, drilling, developing, constructing, operating and closing mines and other uranium production facilities. There is a risk that should potentially economic deposits of uranium be discovered, the requisite government approvals may not be granted or may be significantly delayed, thereby rendering the deposits uneconomic.

In addition, no assurance can be given that governments which currently do not prohibit uranium mining will not in future change their positions.

Refer to section 3 of the Solicitor's Report on Mining Interests for further information as to the current position of the relevant State and Territory governments on uranium mining.

8.15 Competition from alternative energy sources and public perception

Nuclear energy is in direct competition with other, more conventional sources of energy that include oil, gas, coal and hydro electricity. These conventional energy sources may be provided at lower cost resulting in a decrease in the demand for uranium. Furthermore, the growth of the nuclear power industry (and resulting increase in the demand for uranium) beyond its current level will depend on continued and increased public acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to negative public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

8.16 Operating risks

In the event that the Company successfully identifies potential economic uranium deposits, the operations of the Company may be impacted by several factors including, but not limited to, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment and mechanical failure or plant breakdown.

Various other operating risks exist such as: inadequate water supplies; unanticipated metallurgical problems which may affect extraction costs; inability to obtain satisfactory joint venture partners; adverse weather conditions; industrial and environmental accidents; industrial disputes; unexpected shortages or increases in costs of consumables; spare parts and plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration of its tenements.

8.17 Insurance risk

The Company as a participant in exploration programs may become subject to liability for hazards which cannot be insured against or against which it may elect not to be insured because of high premium costs or other reasons. The Company may incur liabilities to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

No assurance can be given that the Company will be able to obtain insurance coverage at reasonable rates (or at all) or that any coverage it obtains will be adequate and available to cover any claims that may arise.

8.18 Personnel

The success of the Company's proposed operations depends to some extent on the ability of the Company to attract and retain qualified and capable staff and consultants to perform geological, exploration, analytical, geotechnical, engineering, metallurgical and mining work. In the current tight worldwide conditions for mining personnel, attracting and retaining appropriately experienced staff is particularly difficult.

8.19 Uncertainties of nature

The Company's activities are subject to uncertainties of nature including natural disasters and extreme weather conditions.

8.20 Litigation

Legal proceedings may arise from time to time in the course of the Company's business and, depending on the outcome of such proceedings, the Company may be exposed to liabilities which may adversely impact the revenue, profits or financial position of the Company.

8.21 Managing growth

As the Company and its operations expand, it will be required to continue to improve, and where appropriate, upscale its operational and financial systems, procedures and controls and expand, retain, manage and train its employees. There is a risk of material adverse impact on the Company's financial performance if it is not able to manage its expansion and growth efficiently and effectively.

8.22 Other risks

The future viability and profitability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries, including, but not limited to, the following:

- financial failure or default by a participant in any contractual relationships to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- industrial disputation in Australia and overseas.

8.23 Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically

referred to above, may in the future materially affect the financial performance of the Company and hence the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares in the Company.

Section 9. Additional Information

9.1 Incorporation

The Company was incorporated on 17 November 2006.

9.2 Company Tax Status

The Directors expect that the Company will be taxed in Australia as a public company.

9.3 Legal Proceedings

The Directors are not aware of any pending or threatened litigation of a material nature which may significantly affect the Company.

9.4 Material Contracts

Set out below is a brief summary of certain contracts which have been entered into by the Company and which have been identified as material and relevant to potential investors. To fully understand all rights and obligations of a material contract it would be necessary to review each contract in full and these summaries should be read in that light.

(a) Collaborative Research Agreement between UWA and Transcontinental Investments Pty Ltd and related agreements

Pursuant to an agreement between the University of Western Australia and Transcontinental Investments Pty Ltd (**Transcontinental**), Transcontinental acquired a 50% interest in all intellectual property arising from the Project (**Project Intellectual Property**).

By agreement between Transcontinental and the Company, Transcontinental agreed to assign to the Company, as a going concern, the business of exploring for and exploiting uranium deposits, including:

(i) Transcontinental's rights under the CET Agreement;

(ii) the right to exploit any opportunities arising from the CET Agreement and derived data and reports; and

(iii) access to personnel from the CET working in relation to the CET Agreement.

By letter dated 25 October 2007, UWA confirmed its agreement to this assignment.

As a result, the Company currently holds a 50% interest in the Project Intellectual Property.

Confidential information (including information created by a party or otherwise coming into existence pursuant to the agreement or as a result of the Project) comprised within the Project Intellectual Property must not be disclosed except in the circumstance set out in the CET Agreement. The confidentiality obligation endures for two years or for the life of any patents arising from the Project, whichever is longer.

(b) Administration Services Agreement between the Company and Transcontinental Investments Pty Ltd

By agreement between Transcontinental Investments Pty Ltd trading as the Transcontinental Group (**Transcontinental Group**) and the Company dated 14 February 2011, the Company agreed to retain Transcontinental Group to provide

administration services to the Company on the terms and conditions set out in the agreement.

Administration services include all administration and management services and guidance including:

(i) administrative, management, corporate, advisory and other similar services;

(ii) management of third party professional and expert services including legal and audit and investment banking, independent technical expert and other services required to conduct an IPO and list on a stock exchange;

(iii) head office support services including provision of office space for the Company's CEO and one other Company appointee, shared access to Transcontinental Group's office IT and telecommunications equipment and access to third party provided communications systems and support;

(iv) company secretarial, administrative support, accounting, payroll business analysis and recruitment and employee administration services; and

(v) other administration services as may be requested from time to time by the Company's board of directors and as agreed by Transcontinental.

Under the agreement the Company must pay a monthly fee of $20,000 (plus GST) to Transcontinental Group plus reimbursement for certain costs, expenses and liabilities incurred and/or paid by Transcontinental Group on behalf of the Company.

The initial term of the agreement is two years from the date the Company is listed on the ASX and thereafter on the same terms unless and until the agreement is terminated on six months' written notice from either party.

Subject to certain notice requirements, the agreement may also be terminated in certain circumstances, including material and substantial breach of the agreement, grave misconduct or wilful neglect in the discharge of a party's duties and responsibilities under the agreement or where one party to the agreement is placed under administration, a receiver or manager is appointed or has an order made for it to be wound up.

Simon Trevisan (a director of the Company) is a director and shareholder of Transcontinental Group.

(c) Commodity Rights Purchase Agreement between Ausgold Exploration Pty Ltd and the Company

By Agreement dated 4 November 2009 between Ausgold Exploration Pty Ltd (**Ausgold**) and the Company, the Company agreed to sell, and Ausgold agreed to purchase, the Company's beneficial interest in minerals other than uranium mineralisation (**Non-Uranium Rights**) in respect of an application for exploration licence 45/3037 (**Tenement**). The Company will retain all rights in relation to uranium mineralisation (**Uranium Rights**).

The application for the Tenement was lodged on 17 April 2007 and is still pending.

The Non-Uranium Rights include a right to enter and an exclusive right to explore for minerals other than those included in the Uranium Rights, and where deposits are discovered which in Ausgold's opinion are economically viable to mine or to process, to mine or process them.

The purchase of the Non-Uranium Rights is conditional on:

(i) the grant of the Tenement by the Department of Mines and Petroleum;

(ii) the Company procuring, to the extent required, consent or waiver to the agreement under any law or native title agreement;

(iii) the Company providing to Ausgold all relevant information in its possession and all documents that relate to the Tenement or the Company's interest in the Tenement;

(iv) at completion, the Tenement being in good standing, full force and effect and free of encumbrances;

(v) the Company providing to Ausgold satisfactory evidence that it is the sole legal and beneficial owner of the Tenement;

(vi) the consent of the Minister for Mines and Petroleum if required; and

(vii) there being no material adverse change event prior to the day before completion occurs under the agreement.

If these conditions are not satisfied or waived by Ausgold on or before 30 November 2012 (or such later date as the parties agree), then either party may terminate the agreement.

As consideration for the sale of the Non-Uranium Rights, Ausgold has agreed to keep the Tenement in good standing for two years from the date of grant.

The exercise of any rights over the Tenement by Ausgold under the agreement takes precedence over the exercise of the Company's Uranium Rights. However, Ausgold warrants that it will not unnecessarily interfere with the exercise by the Company of the Uranium Rights.

After the initial two-year period following the grant of the Tenement, Ausgold may elect to relinquish (in whole or in part) the Non-Uranium Rights, in which case the agreement will terminate with respect to the relinquished blocks.

If Ausgold only partially relinquishes the Non-Uranium Rights, it will only remain liable to expend the minimum annual expenditure allocated to the non-relinquished blocks and for other fees and expenses in the proportion that the non-relinquished blocks have in relation to the total number of blocks comprising the Tenement. Subject to this, Ausgold remains responsible for all reporting obligations relating to the Tenements, although the Company is obliged to assist Ausgold by providing information where necessary.

In the event of a proposed sale or assignment of the Tenement by the Company, pre-emptive rights will apply if the Tenement has had a JORC-compliant resource defined and announced to the ASX.

The agreement also outlines the procedures which the parties must follow in relation to access, exploration and development of the Tenement and notification of mineral discoveries.

(d) Agreement for Heritage Protection Over Exploration and Prospecting Tenure – E38/1972

By an agreement dated 28 February 2007 between the Company and the Goldfields Land & Sea Council (**GLSC**)[1] (on behalf of the Wongatha Native Title Claim (No. 99/001) Group), the GLSC agreed not to object to the grant of E38/1972 and the Company has agreed to ensure that in the exercise of its rights under E38/1972 it will protect Aboriginal sites.

In summary, the agreement records the parties' commitment to cooperate with each other in order to ensure the proper identification, management and preservation of Aboriginal sites within the area covered by E38/1972.

The Company has agreed to carry out Aboriginal heritage surveys prior to commencing ground disturbing activities, if required to do so. The GLSC has agreed:

(i) not to lodge an objection against the grant of E38/1972;

(ii) if an objection has been lodged, to withdraw the objection within seven days after the agreement; and

(iii) to enter into any further or supplementary agreement necessary to perfect the grant of E38/1972.

The Company has agreed not to make an application under section 18 of the Aboriginal Heritage Act with respect to any area within E38/1972 without first giving the Native Title Claim Group at least 60 days' written notice of its intention to do so and consulting with the Native Title Claim Group with a view to avoiding or minimising the impact of the proposed activity on any Aboriginal sites.

The agreement will continue until it is terminated by one of the parties.

(e) Heritage Protocol Agreement – E30/340

By agreement dated 31 January 2008 between the GLSC and the Company, the GLSC has agreed not to object to the grant of E30/340 and the Company has agreed to ensure that in the exercise of its rights under E30/340 it will protect Aboriginal sites.

In summary, the agreement records the parties' commitment to cooperate with each other in order to ensure the proper identification, management and preservation of Aboriginal sites within the area covered by E30/340.

The GLSC has agreed to use its best endeavours to ensure that:

(i) no native title claim is lodged over the area of E30/340; and

(ii) no objection, appeal or application for judicial review of any kind is lodged against the grant of E30/340, including under the Mining Act 1978 (WA).

The Company has agreed not to make an application under section 18 of the Aboriginal Heritage Act with respect to any area within the Tenement without first giving the

[1] The Goldfields Land and Sea Council is the peak body for Aboriginal land and heritage matters in the Goldfields Region of Western Australia. It is also a representative body recognised under the Native Title Act 1993 (Cth).

GLSC at least 60 days' written notice of its intention to do so and consulting with the GLSC with a view to avoiding or minimising the impact of the proposed activity on any Aboriginal sites.

The agreement will continue until it is terminated by one of the parties.

(f) Yugunga-Nya Heritage Agreement – E51/1235, E51/1236 and E53/1340

By agreement dated 16 November 2007 between the Company and The Yamatji Marlpa Barna Baba Maaja Aboriginal Corporation (as agent for Yugunga-Nya Claim Group) (**NTP**), the NTP has agreed not to object to (or to withdraw any existing objections to) the grant of E51/1235, E51/1236 and E53/1340, in consideration of the Company entering into the agreement and agreeing to protect Aboriginal sites and not to interfere with the community life of the NTP in accordance with the agreement.

In summary, the agreement records the parties' commitment to cooperate with each other in order to ensure the proper identification, management and preservation of Aboriginal sites within the area covered by E51/1235, E51/1236 and E53/1340.

The Company has agreed to carry out Aboriginal heritage surveys prior to commencing ground disturbing activities, if required to do so.

The Company has agreed not to make an application under section 18 of the Aboriginal Heritage Act with respect to any area within the area covered by E51/1235, E51/1236 and E53/1340 without obtaining the NTP's prior written consent (not to be unreasonably withheld) and will make reasonable efforts to consult with the NTP regarding any proposal to make lodge such a notice.

The agreement will continue until it is terminated either by mutual agreement, by virtue of the default provisions, or upon the Company ceasing to hold an interest in E51/1235, E51/1236 and E53/1340.

(g) Deed Regarding the Grant of the Exploration Permit – EPM 16923

On 31 March 2009, the Company executed a counterpart of a 'Deed Regarding the Grant of Exploration Permit' (**Deed**) with the State of Queensland (**Queensland Government**) and various individuals on their own behalf and on the behalf of the Kalkadoon People #4 (**Claimant Group**) in relation to exploration permit EPM 16923. The Company is unaware as to whether the State of Queensland and the Claimant Group have executed signed counterparts.

Under the terms of the Deed, the Claimant Group withdraws all objections under the Native Title Act 1993 (Cth) (**NTA**) and the Queensland Government withdraws certain statements made under the NTA to enable the grant of the permit to fall under the "normal negotiation procedure" provisions of the NTA. The parties agree that the Deed is an agreement for the purposes of section 28(1)(f) and section 31(1)(b) of the NTA. The Company and the Claimant Group also agree that they have, as part of the good faith negotiations required by the NTA, entered into an ancillary agreement that deals with the effect of the grant of EPM 16923 on the native title rights and interests. Accordingly, the Claimant Group consents to the grant of EPM 16923 and to the Company exercising its rights and obligations under the tenement.

If the grant of EPM 16923 is invalid for failure to comply with the NTA, then the parties shall enter into an Indigenous Land Use Agreement under the NTA on substantially the same terms as the Deed and the ancillary agreements.

Nothing in the Deed or the ancillary agreements limits the decision-making, discretion or making of subordinate legislation by the Queensland Government, and if any such act results in an outcome that is inconsistent with the Deed or any ancillary agreements, then the Queensland Government shall not be liable for any loss or damage incurred by any party as a result of the inconsistency. The Queensland Government has no responsibility or obligation under the ancillary agreements.

Where the ancillary agreement or the Deed provides that the Claimant Group or any other person may receive compensation for the effect of the grant of EPM 16923 on their native title rights and interests, then the Claimant Group accepts that such compensation is in full and final settlement of any claim that the Claimant Group has now or in the future in relation to the grant of EPM 16923.

The Company and the Claimant Group agree that the provisions of the Deed prevail over the provisions of any ancillary agreements to the extent of any inconsistency. Further, all parties agree that a breach of the Deed or any ancillary agreement will not give rise to a right to terminate the Deed, nor will it nullify the consent of the Claimant Group to the grant of EPM 16923.

(h) Service agreement for Chief Executive Officer

By letter dated 30 December 2010 between the Company and Nicholas Burn, the Company confirmed the appointment of Mr Burn as Chief Executive Officer of the Company effective from 4 January 2011.

The appointment is on the following terms:

(i) annual salary of $180,000 (plus 9% superannuation), to be reviewed within six months of Mr Burn's appointment. Mr Burn's remuneration package will then be reviewed at the end of each calendar year thereafter;

(ii) issue of 1.7 million options to Mr Burn (or his nominee) with the terms set out in section 9.6; and

(iii) appointment to the Board with immediate effect.

In addition, Mr Burn (or his nominee) will be issued a further 300,000 options, which will vest immediately, if the Company establishes a JORC-compliant resource prior to 30 December 2012. These options will be exercisable at 25 cents each. The other terms of the options will be the same as the options which have already been issued to Mr Burn (as set out in section 9.6).

Mr Burn has directed the Company to issue the options to his spouse, Patricia Burn.

(i) Patersons Securities Limited Mandate Agreement

Pursuant to a letter agreement dated 11 February 2011 (**Mandate**), Patersons has been engaged by the Company to act as the lead manager to the Offer.

Patersons' obligations are conditional on (amongst other conditions):

(i) Patersons reviewing and being satisfied with the due diligence process undertaken by the Company;

(ii) the Company finalising its capital structure, pricing for the Offer and timing parameters to Paterson' satisfaction; and

(iii) compliance of the Offer and the Prospectus with the Listing Rules, the Constitution and the Corporations Act.

Patersons is entitled to receive an issue management fee of 1% and a placement fee of 4% of the gross funds raised under the Offer. Patersons is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in carrying out its engagement under the Mandate.

Patersons may terminate the Mandate if (amongst other conditions):

(i) the Australian equity market conditions and/or ASX trading conditions are such that in the bona fide judgment of Patersons they are not conducive to the successful completion of the Offer or other events beyond the control of Patersons are so material and adverse as to make it impracticable or inadvisable to proceed with the Offer;

(ii) there is a material adverse change in the assets, liabilities or financial position of the Company;

(iii) default by the Company under the terms of the Mandate;

(iv) a Director is charged with an indictable offence or is disqualified from acting as a director of a corporation; or

(v) any government agency (including ASIC) commences any public action, hearing or investigation against the Company or any of its directors in their capacity as a director of the Company or announces that it intends to take such action.

The Company has also provided standard representations, warranties and indemnities to Patersons.

Under the Mandate the Company has agreed not to offer Shares or other marketable securities of the Company without the prior written consent of Patersons for a period of 12 months commencing on the closing date of the Offer (excluding the issue of the Loyalty Options).

9.5 Rights Attaching to Shares

There is only one class of share on issue in the Company being fully paid ordinary shares. The rights attaching to Shares are:

(a) set out in the Constitution, a copy of which is available for inspection at the registered office of the Company during normal business hours; and

(b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASTC Settlement Rules and the general law.

The following is a summary of the principal rights of the holders of Shares:

Voting

Every holder of shares present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of shares who is present in person or by proxy, attorney or representative has one vote for every fully paid share held by him, and a proportionate vote for every partly paid share, registered in such shareholder's name on the Company's share register.

A poll may be demanded by the Chairman of the meeting, by any five shareholders present in person or by proxy, attorney or representative entitled to vote on the resolution, or by any one or more shareholders present in person or by proxy, attorney or representative who are together entitled to not less than five percent of the total votes that may be case on the resolution on a poll.

Dividends

Subject to the Corporations Act, the Directors may resolve to declare a dividend and may fix the amount and the time and method of payment.

Transfer of Shares

A shareholder may transfer shares by a market transfer in accordance with any computerised or electronic system conducted in accordance with the Corporations Act, the ASX Facility Rules and the CS Facility Rules for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of shares quoted on ASX, , where permitted by the Listing Rules. The Company must not refuse to register or give effect to or delay or in any way interfere with a proper ASTC transfer of shares or other securities quoted by ASX.

Meetings and notices

Each shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of the Company, the Corporations Act or the Listing Rules.

Rights on liquidation

The Company will have only one class of shares on issue, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of the Company, divide the whole or any part of the remaining assets of the Company among the shareholders. The liquidator may, with the sanction of a special resolution of the Company, vest the whole or any part of the assets in trust for the benefit of contributories. No shareholder of the Company can be compelled to accept any shares or other securities in respect of which there is any liability.

Alteration of the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

ASX Listing Rules

Despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9.6 Rights attaching to Options

Set out below are a summary of the principal terms and conditions of the Options issued to the nominee of Mr Burn, the Chief Executive Officer of the Company:

(a) No monies are payable for the issue of the options.

(b) The options will expire on the date which is five years from the date that the Company is admitted to the Official List, unless Mr Burn's employment by the Company ceases prior to that date, in which case the options will expire on the date which is six months after his employment ceases (expiry date), and may be exercised at any time following vesting and prior to the expiry date.

(c) Vesting

(i) 700,000 options vest on the date that the Company is admitted to the Official List and have an exercise price of 20 cents each.

(ii) 500,000 options vest on 4 January 2012 and have an exercise price of 25 cents each.

(iii) 500,000 options vest on 4 July 2012 and have an exercise price of 25 cents each.

(d) Subject to conditions (k) and (l), each option confers the right to subscribe for and be allotted one Share.

(e) The exercise price of the options will be payable in full on exercise.

(f) Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to exercise all or a specified number of the options held by the option holder accompanied by a option certificate and a cheque made payable to the Company for the subscription price for the exercise of the specified options. An exercise of only some of the options will not affect the rights of the option holder to the balance of the options held by him.

(g) The Company will allot the resultant shares and deliver the holding statement within five business days after the exercise of the option.

(h) The options are not transferrable, and no application will be made to the ASX for Official Quotation of the options.

(i) There will be no participating entitlements inherent in the options to participate in new issues of capital that may be offered to shareholders during the currency of the options. Prior to any new pro-rata issue of securities to shareholders, holders of options will be notified by the Company in accordance with the requirements of the Listing Rules.

(j) In the event the Company proceeds with a pro-rata issue (except a bonus issue) of the securities to the holders of shares after the date of issue of the options, the exercise price of the options will be adjusted in accordance with a formula set out in Listing Rule 6.22.2, with such adjustment to take effect on and from the final date of allotment of the securities comprised in that issue.

(k) In the event of a bonus issue of securities, the number of shares over which the options are exercisable may be increased by the number of shares that the option holders would have received if the options had been exercised before the record date for the bonus issue.

(l) In the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the expiry date, all rights of an option holder are to be changed in a manner consistent with the Listing Rules.

(m) There is no right to a change in the exercise price of the options or to the number of shares over which the options are exercisable in the event of a new issue of capital (other than a bonus issue or a pro rata issue) during the currency of the options.

(n) Shares allotted pursuant to an exercise of options will rank, from the date of allotment, in all respects equally with existing fully paid ordinary shares of the Company.

(o) In accordance with the Listing Rules the Company will apply for Official Quotation of all shares allotted pursuant to an exercise of options.

9.7 Directors' Interests

Except as disclosed in this Prospectus, no Director (or entity in which a Director is a partner or director) holds, or during the last two years has held, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer,

and no amounts of any kind have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any Director to induce him or her to become, or to qualify as, a Director, or otherwise for services which he or she (or an entity in which he or she is a partner or director) has provided in connection with the formation or promotion of the Company or the Offer.

Directors' Holdings

Set out in the table below are details of each of the Directors' relevant interests in the securities of the Company as at the date of this Prospectus:

Director	Relevant Interest in Existing Shares	Relevant Interest in Existing Options
Shane Stone[1]	1,165,650	
Robert Pett[2]	2,404,766	-
Simon Trevisan[3]	22,061,516	-
Richard Lockwood[4]	3,206,355	-
Ian Murchison[5]	5,819,820	-
Nicholas Burn[6]	-	1,700,000

Note 1: Relevant interest as a beneficiary of Stone Family Superannuation Fund.

Note 2: Relevant interest as controlling shareholder of Batterbury Holdings Pty Ltd.

Note 3: Relevant interest as shareholder of Transcontinental Investments Pty Ltd.

Note 4: Relevant interest as beneficial holder of shares.

Note 5: Relevant interest as controlling shareholder of Tenalga Pty Ltd.

Note 6: Held by his spouse, Patricia Burn.

Directors may subscribe for Shares under this Prospectus.

Remuneration of Directors

The Constitution provides that, subject to the Listing Rules, non-executive Directors may be paid or provided remuneration for their services for a total amount or value of which must not exceed an aggregate maximum sum of $240,000 per annum or such other maximum amount determined from time to time by the Company in general meeting. The remuneration of an executive Director may be fixed by the Board from time to time.

If a non-executive Director is required to perform services for the Company which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director, the Company may pay the Director remuneration determined by the Board which may be either in addition to or instead of that Director's normal remuneration.

Directors may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

Details of the service agreement, including remuneration, for Mr Burn are set out in Section 9.4(h). The other Directors do not currently have service agreements with the Company.

9.8 Interests of Named Persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, or during the last two years has held, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Patersons has acted as lead manager in relation to the Offer. For these services, the Company will pay Patersons an issue management fee of 1% (excluding GST) and a placement fee of 4% (excluding GST) of the gross funds raised under the Offer.

Snowden prepared the Independent Geologist's Report on Uranium Projects included in Section 4 of this Prospectus. The Company has agreed to pay approximately $32,000 for these services.

CSA Global Pty Ltd prepared the Independent Geologist's Report on the Highlander Gold Prospect included in Section 5 of this Prospectus. The Company has agreed to pay approximately $11,000 for these services. CSA Global Pty Ltd has also been paid, or is entitled to be paid, approximately $105,000 for the provision of other professional services to the Company in the two years before the date of this Prospectus.

BDO Corporate Finance (WA) Pty Ltd has prepared the Investigating Accountant's Report included in Section 6 of this Prospectus. The Company has agreed to pay $6,500 for these services.

Minter Ellison has acted as solicitors to the Company in relation to the Offer and this Prospectus and will be paid approximately $90,000 in respect of these services up to the date of this Prospectus. Further amounts may be paid to Minter Ellison in accordance with its time-based charges. Minter Ellison has also been paid, or is entitled to be paid, approximately $3,200 for the provision of other professional services to the Company in the two years before the date of this Prospectus.

Blakiston & Crabb has prepared the Solicitor's Report on Mining Interests in Section 7. The Company has agreed to pay Blakiston & Crabb approximately $29,000 for these services. Blakiston & Crabb has also been paid, or is entitled to be paid, approximately $230 for the provision of other professional services to the Company in the two years before the date of this Prospectus.

BDO Audit (WA) Pty Ltd has been paid, or is entitled to be paid, approximately $37,500 for the provision of professional services to the Company in the two years before the date of this Prospectus.

HopgoodGanim Lawyers has provided advice to Blakiston & Crabb on the Queensland Tenements held by the Company for inclusion in the Solicitor's Report on Mining Interests. The Company has agreed to pay approximately $12,000 for these services.

Peter Walker has provided advice to Blakiston & Crabb on the Northern Territory Tenements held by the Company for inclusion in the Solicitor's Report on Mining Interests. The Company has agreed to pay approximately $3,000 for these services.

Kelly & Co Lawyers has provided advice to Blakiston & Crabb on the South Australian Tenements held by the Company for inclusion in the Solicitor's Report on Mining Interests. The Company has agreed to pay approximately $1,500 for these services.

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

9.9 Consents

Each of the parties referred to in this Section:

(a) has given its written consent to be named in this Prospectus and any electronic version of it and has not, as at the date of lodgement of this Prospectus with ASIC, withdrawn that consent;

(b) other than as set out below, has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based;

(c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than as set out below; and

(d) has not caused or authorised the issue of this Prospectus or been in any way involved in the making of the Offer.

Snowden consents to the inclusion in this Prospectus of references to it as Independent Geologist on Uranium Projects in the form and context in which those references are included, to the inclusion of its Independent Geologist's Report on Uranium Projects in the form and context in which that report is included, and to any express reference to the Independent

Geologist's Report on Uranium Projects in the form and context in which those references are included.

CSA Global Pty Ltd consents to the inclusion in this Prospectus of references to it as Independent Geologist on Highlander Gold Prospect in the form and context in which those references are included, to the inclusion of its Independent Geologist's Report on Highlander Gold Prospect in the form and context in which that report is included, and to any express reference to the Independent Geologist's Report on Highlander Gold Prospect in the form and context in which those references are included.

BDO Corporate Finance (WA) Pty Ltd consents to the inclusion in this Prospectus of references to it as Investigating Accountant in the form and context in which those references are included, to the inclusion of its Investigating Accountant's Report in the form and context in which that report is included, and to any express reference to its Investigating Accountant's Report in the form and context in which those references are included.

BDO Audit (WA) Pty Ltd consents to the inclusion in this Prospectus of references to it as auditors of the Company in the form and context in which those references are included.

Blakiston & Crabb consents to the inclusion in this Prospectus of references to it as Solicitors Reporting on Mining Interests in the form and context in which those references are included, to the inclusion of its Solicitors' Report on Mining Interests in the form and context in which that report is included, and to any express reference to its Solicitors' Report on Mining Interests in the form and context in which those references are included.

Minter Ellison consents to the inclusion in this Prospectus of references to it as Solicitors to the Issue in the form and context in which those references are included.

Security Transfer Registrars Pty Ltd consents to the inclusion in this Prospectus of references to it as share registrar for the Company in the form and context in which those references are included.

Patersons consents to the inclusion in this Prospectus of references to it as Lead Manager in the form and context in which those references are included. Patersons:

(a) has given and not withdrawn its consent to being named in this Prospectus as lead manager to the Company as at the date of lodgement of this Prospectus with ASIC;

(b) has not authorised or caused the issue of this Prospectus or the making of the Offer; and

(c) makes no representation regarding and takes no responsibility for any statements in or omissions from any part of this Prospectus.

The Centre for Exploration Targeting consents to the inclusion in this Prospectus of references to it in the form and context in which those references are included.

HopgoodGanim Lawyers consents to the inclusion of statements in Blakiston & Crabb's Solicitor's Report on Mining Interests, to the extent the statements relate to the Tenements of the Company held in Queensland, in the form and context in which those references are included. HopgoodGanim Lawyers also consents to the references to such statement in this Prospectus, in the form and context in which they are included.

Peter Walker consents to the inclusion of statements in Blakiston & Crabb's Solicitor's Report on Mining Interests, to the extent the statements relate to the Tenements of the Company held in the Northern Territory, in the form and context in which those references are included.

Peter Walker also consents to the references to such statement in this Prospectus, in the form and context in which they are included.

Kelly & Co Lawyers consents to the inclusion of statements in Blakiston & Crabb's Solicitor's Report on Mining Interests, to the extent the statements relate to the Tenements of the Company held in South Australia, in the form and context in which those references are included. Kelly & Co Lawyers also consents to the references to such statement in this Prospectus, in the form and context in which they are included.

9.10 Costs of the Offer

The total estimated costs of the Offer, including legal fees, registration fees, fees for other advisers, Prospectus design, printing and advertising expenses and other miscellaneous expenses, will be approximately $850,500 (exclusive of any GST which may be payable on that amount) comprising the following:

	$
Lead Manager's fees	600,000
Independent Geologist's Report on Uranium Projects	32,000
Independent Geologist's Report on Highlander Gold Prospect	11,000
Investigating Accountant's Report	6,500
Legal and related costs	135,500
Lodgement and listing fees	45,500
Printing and postage	15,000
Administration	5,000
Total Cost Estimate	850,500

9.11 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with the ASIC and the issue of shares in response to an electronic Application Form, subject to compliance with certain provisions.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company at email at companysecretary@regalpointresources.com.au or telephone (08) 9424 9320 or the Lead Manager on (08) 9263 1111 or by email at patersons@psl.com.au and you will be sent either a hard copy or a further electronic copy of the Prospectus or both at no cost to you.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

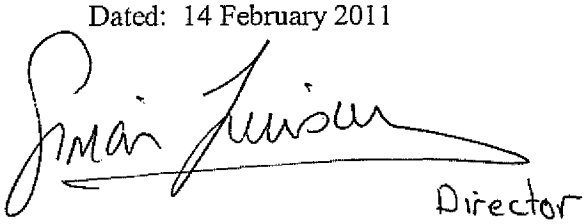
Section 10. Directors' Responsibility Statement and Consent

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that no statements made by the Directors in this Prospectus are misleading or deceptive and that in respect of any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 14 February 2011



Signed for and on behalf of
Regalpoint Resources Limited
by Simon Trevisan

Section 11. Glossary of Terms

The following terms and abbreviations used in this Prospectus have the following meanings:

Aboriginal Heritage Act	*Aboriginal Heritage Act 1972* (WA)
Applicant(s)	Person(s) who submit a valid Application Form pursuant to this Prospectus.
Application	A valid application made to subscribe for a specified number of Shares pursuant to this Prospectus.
Application Form	Application Form accompanying this Prospectus.
Application Monies	Application monies for Shares received and banked by the Company.
ASIC	Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporation Pty Ltd.
ASX	ASX Limited trading as the Australian Securities Exchange.
ASX Requirements	Means those of the requirements of the Listing Rules (particularly Chapters 1 and 2) which (subject to any waivers that may be obtained) the Company is required to comply with in applying for Official Quotation.
Board	The board of Directors.
Business Day	A day on which ASX is open for trading.
CET	Centre for Exploration Targeting situated at the University of Western Australia
CET Study	The study undertaken pursuant to the agreement entered between the University of Western Australia and Transcontinental Investments Pty Ltd summarised in Section 9.4(a) to identify areas of promising new uranium mineral deposits.
CHESS	Clearing House Electronic Subregister System.
Closing Date	5.00pm (WST) on 14 March 2011. This date and time is indicative only and the Company, in conjunction with the Lead Manager, reserves the right to vary this date and/or time without prior notice subject to the Corporations Act, the Listing Rules and other applicable laws.
Company or **Regalpoint**	Regalpoint Resources Limited ACN 122 727 342.
Constitution	The constitution of the Company.
Corporations Act	*Corporations Act 2001* (Cth).
Directors	The directors of the Company.
Electronic Prospectus	An electronic version of this Prospectus.
Existing Shares	46,609,333 Shares

Exposure Period	The period of seven days after lodgement of this Prospectus (which may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act).
Independent Geologist on Highlander Gold Prospect	CSA Global Pty Ltd.
Independent Geologist on Uranium Projects or **Snowden**	Snowden Mining Industry Consultants Pty Ltd.
Independent Geologist's Reports	The Independent Geologist's Report on Highlander Gold Prospect and the Independent Geologist's Report on Uranium Projects.
Independent Geologist's Report on Highlander Gold Prospect	The report contained in Section 5.
Independent Geologist's Report on Uranium Projects	The report contained in Section 4.
Inferred Mineral Resource	Has the meaning given to it by the JORC Code.
Issue	The issue of Shares pursuant to this Prospectus.
JORC or **JORC Code**	The Australasian Code for Reporting of Mineral Resources and Ore Reserves of the Australasian Institute of Mining and Metallurgy.
Listing Rules	The official listing rules of ASX.
Loyalty Options	Options exercisable at 20 cents and expiring on 31 March 2014, to be issued (subject to ASX approval) pro rata to Shareholders registered as such on a date which is no later than three months after the admission of the Company to the Official List, on the basis of one Option for every Share held on that date.
Offer	The invitation made under this Prospectus to subscribe for Shares.
Official List	The official list of ASX.
Official Quotation	Quotation of the Shares offered under this Prospectus on ASX.
Opening Date	21 February 2011. This date is indicative only and assumes an Exposure Period of 7 days. In addition, the Company, in conjunction with the Lead Manager, reserves the right to vary this date without prior notice subject to the Corporations Act, the Listing Rules and other applicable laws.
Options	Options to subscribe for Shares.

PACE	Plan for Accelerating Exploration, an initiative of the South Australian government.
Patersons or Lead Manager	Patersons Securities Ltd.
Projects	The projects described in Section 1.2.
Prospectus	This Prospectus, including the Electronic Prospectus.
SCH Business Rules	The SCH Business Rules as referred to in the Company's Constitution and which are now known as the ASTC Settlement Rules.
Section	A section of this Prospectus.
Share(s)	Fully paid ordinary share(s) in the Company.
Shareholder	A holder of Shares.
Tenements	The mining tenements referred to in the Tenement Schedule to the Solicitors' Report on Mining Interests in Section 7.
WST	Australian Western Standard Time.

Regalpoint Resources Limited
APPLICATION FORM

Share Registrars use only	
Broker reference – stamp only	
Broker code	Adviser Code

Please read all instructions on reverse of this form

A Number of Shares applied for (minimum 10,000 Shares and then multiples of 1,000 Shares.)

B Total amount payable cheque(s) to equal this amount

	at **$0.20** per Share =	A$

You may be allocated all of the Shares above or a lesser number.

C Full name details title, given name(s) (no initials) and surname or company name

Name of Applicant 1

Name of Joint Applicant 2 or <account name>

Name of Joint Applicant 3 or <account name>

D Tax file number(s)
Or exemption category

Applicant 1/company

Joint Applicant 2/ trust

Joint Applicant 3/exemption

E Full postal address

Number/street

Suburb/town

State/postcode

F Contact details

Contact name

Contact daytime telephone number ( )

Contact email address

G **CHESS HIN** (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to **"Regalpoint Resources Limited – Share Issue Account"**

Drawer	Cheque number	BSB number	Account number	Total amount of cheque

I Return of this Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and

(b) I/we have received personally a copy of the Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 14 February 2011 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Guide to the Regalpoint Resources Limited Application Form

This Application Form relates to the Offer of a maximum of 60,000,000 Shares in Regalpoint Resources Limited at $0.20 per Share, pursuant to the Prospectus dated 14 February 2011. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable).

Please complete all relevant sections of this Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of this Application Form. Further particulars and the correct forms of registrable titles to use on this Application Form are contained below.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by $0.20.

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three Joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name and address in the same format as that are presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each Joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

G The Company will apply to ASX to participate in CHESS, operated by ASTC, a wholly owned subsidiary of ASX. In CHESS, the Company will operate an electronic CHESS subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted.
If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHESS subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to the relevant section of the Prospectus.

H Please complete cheque details as requested:
Make your cheque payable to "Regalpoint Resources Limited – Share Issue Account" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

I Before completing this Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging this Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of the Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign this Application Form.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	**Mr John Alfred Smith**	**JA Smith**
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	**John Alfred Smith** **<Peter Smith>**	**Peter Smith**
Company Use company title, not abbreviations	**ABC Pty Ltd**	**ABC P/L** **ABC Co**
Trusts Use trustee(s) name(s), do not use the name of the trust	**Mrs Sue Smith** **<Sue Smith Family A/C>**	**Sue Smith Family Trust**
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	**Ms Jane Smith** **<Est John Smith A/C>**	**Estate of late John Smith**
Partnerships Use partners personal names, do not use the name of the partnership	**Mr John Smith and Mr Michael Smith** **<John Smith and Son A/C>**	**John Smith and Son**

Lodgement of Applications

Return your completed Application Form with cheque(s) attached to:

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

OR

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Application Forms must be received no later than 5.00pm WST on 14 March 2011.