

30 November 2012

ASX Release - Chairman's Address 2012

Ladies and Gentlemen,

The 2012 year set the foundation for the future of the Company with the acquisition of 8 gold exploration permits in the prime gold area of Burkina Faso in West Africa. The result for the 2012 financial year was a net loss of \$744,648 compared to the previous year loss of \$612,748. The loss includes costs associated with a review of all available previous exploration data for each of the five Western Australian tenements for potential future exploration activity in the context of recent impressive results from Integra Mining (Majestic) and Pioneer Resources (Juglah Dome) in their nearby projects.

This review has resulted in the Company recently commencing its maiden RC drilling program on its "Triple 3" project located approximately 70km ESE of Kalgoorlie. The program comprises 13 RC holes to a maximum depth of 130 metres, to follow up on a previous discovery hole drilled in 2004 of 6m @ 12.75 g/t Au from 40m, including 1m @ 20.5g/t Au at the bottom of the hole (46m). Adjacent explorers Integra and Pioneer have recorded impressive success on similar target areas nearby.

In June 2011 the Company entered into an agreement to acquire a portfolio of three gold exploration permits in Burkina Faso, West Africa held by Vema Resources Pty Ltd (Vema), subject to a number of conditions. Following satisfaction of all the conditions and shareholder approval for the acquisition being granted on 7 September 2012, the Vema acquisition was completed on 8 October 2012.

In July 2012 the Company entered into an agreement to acquire Eburnean Resources Limited, holder of 100% interest in five gold exploration permits in Burkina Faso located in areas of established trends, and existing gold discoveries. Following shareholder approval of the acquisition on 7 September 2012, the transaction was completed on 15 October 2012. As part of the acquisition Mr Andrew Habets, a principal of Eburnean and a highly experienced geologist was appointed to the Board as a non-executive Director on 24 October 2012.

The Company also carried out various exploration activities on the Vema permits during the year, including reconnaissance field trips and MMI soil sampling. Auger drilling commenced on the Eburnean permits, Pepin and Tigan, in Burkina Faso on 16 November 2012 with the program due to be completed by mid December with results expected to be available early in the new year.

With gold prices predicted to increase in the future, Burkina Faso being recognised as the fourth largest gold producer in Africa, and the prospect of gaining positive results from our current exploration activity we are looking forward to a rewarding year for the Company.

Chairman