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3 April 2012

Dear Shareholder

Non-Renounceable Rights Issue

On 30 March 2012, the Company announced to the Australian Securities Exchange (**ASX**) the details of a fully underwritten, non-renounceable rights issue of up to approximately 13,531,476 fully paid ordinary shares (**Shares**) at an issue price of \$0.10 each, on the basis of one (1) Share and 1 free attaching New Option for every eight (8) Shares held on the record date, to raise approximately \$1,353,148 (**Offer**).

An offer document relating to the Offer (**Offer Document**) will be sent to Shareholders after the record date.

We invite you to participate in this forthcoming Offer. Please find below a timetable outlining the expected sequence of events:

Announcement Date	30 March 2012
Release of Offer Document, Cleansing Notice and Appendix 3B lodged to ASX	30 March 2012
Notice sent to Shareholders	3 April 2012
Ex Date	4 April 2012
Record Date The Company determines eligible shareholders	12 April 2012
Opening Date Offer Documents sent to all eligible shareholders	17 April 2012
Closing Date* The date on which the Offer closes. Applications must be received by 5.00pm (WST)	2 May 2012
Securities quoted on a deferred settlement basis	3 May 2012
Notification of Shortfall	7 May 2012
Dispatch Date** The date on which holding statements are sent to shareholders that have taken up their entitlement of New Shares.	10 May 2012
Share Trading Date The date upon which New Shares commence trading on the ASX	11 May 2012

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Shares.

** These dates are indicative only.

Use of Funds

The Company intends to apply the funds raised from the Offer towards:

- (a) **providing funding for exploration drilling programs to progress its existing projects in Chile and Argentina;**
- (b) **business development; and**
- (c) **working capital.**

Description of Cash Outflows	Offer A\$
1. Project Exploration Chile and Argentina	\$950,000
2. Business development activities	\$100,000
3. Working Capital	\$206,021
4. Costs of Offer	\$97,127
Total funds raised under the Offer	\$1,353,148

The use of funds set out above is a “best estimate” only. It is important to recognise that the use of funds may be subject to change in line with results, circumstances and other opportunities.

Yours sincerely



Michael Fowler
Managing Director

Further Information

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