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25 January 2010

Dear Shareholder,

We are nearly two years old and making very pleasing progress pursuing our scientific and methodical approach to our way ahead.

At Black Hills, east of Burra, our drilling program has found quite exciting gold indications. We are now in the midst of verifying the quantity and the quality of the find.

Using the same steady approach to our drilling program we have now prioritized our search for copper around the old diggings at Princess Royal, south of Burra.

Not forgotten by any means are the very worthy prospects at Spalding and Minlaton. Our human resources currently dictate our disciplined "priority approach".

As at 31 December 2009 our cash balance was a healthy \$3.152 million.

Mr Paul Dowd, Managing Director, provided an interview to Boardroom Radio last Friday, 22 January 2010. If you would like to listen to the interview please go to the following website:  
<http://www.brr.com.au/event/63825/partner/theaustralian>

Sincerely,

Graham Spurling  
Chairman

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