

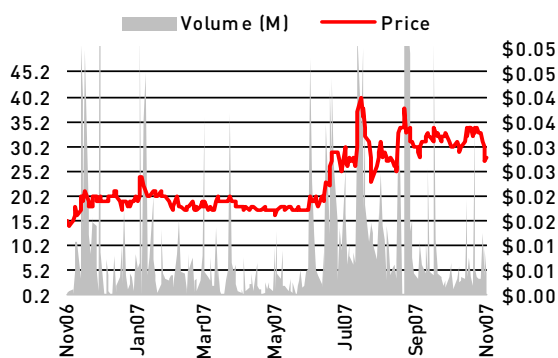


# WEEKLY EXPLORATION WRAP 23/11/07

## Market Stats

Risk	HIGH
Share Price	\$0.028
Market Capitalisation	\$20.58m (Diluted)
12 Month Price Range	\$0.014 - \$0.047
Cash	\$2.4m
Issued Capital	712.47m shares on issue 22.6m options
Management	David Martin – Chairman Iggy Tan – Managing Director Mark Bojanjac – Non Exec Director Andrew Radonjic – Non Exec Director
Shareholders	R. Gardner (8.8%) HSBC Custody Nominees (5.67%) Wessex Holdings (4.35%)

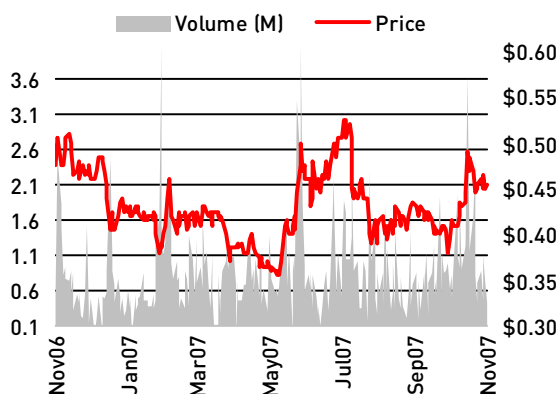
## Share Price Chart 1 Year



## Market Stats

Risk	HIGH
Share Price	\$0.455
Market Capitalisation	\$306.5m (Diluted)
12 Month Price Range	\$0.34 - \$0.54
Cash	\$1.75m
Issued Capital	642m shares on issue 31.7m options
Management	John Foley – Chairman Mark Lynch – Managing Director Terence Willsteed – Non Exec Director
Shareholders	James Lynch (Aurora Invest. 10.68%)

## Share Price Chart 1 Year



## Halcyon Resources (HCY) – Presentation 19/11/2007

### Key Points

- Halcyon is evaluating an inferred resource of 20mt @ 0.7% Ni (140,000kt Ni contained) at its Canegrass Ni project located approximately 70km NW of Kalgoorlie, and adjacent to the Cawse Ni laterite operation.
- The company has defined a 3 stage approach to extracting value from the resource. Initially ore will be mined and sold locally, the 2<sup>nd</sup> stage will be beneficiation to upgrade the ore from 0.7%Ni to +1.2% Ni and finally the most advanced stage is to heap leach the ore.
- HCY has brought together a highly experienced project team to complete the scoping and feasibility studies. An open pit mine is being optimized at present for the 1<sup>st</sup> stage option.
- Subject to scoping and feasibility, HCY will commence ramp up of heap leached Ni from Q2 2009 to a maximum of 18.5ktpa. If this achieved HCY would be a significant producer.
- HCY is to change its name to Nickelore to reflect the focus on Ni and will also be consolidating its shares on a 10:1 basis.

### View

HCY is an emerging new Ni laterite player. We are impressed with the technical team compiled for project assessment and given the solid resource base we would expect to see some re-rating. A peer comparison shows that HCY has more upside than downside. The outcome of study results will be critical success determinants..

## Citigold Corp. (CTO) – Cutting Edge Pres. 20/11/07

### Key Points

- CTO is producing from the historic Charters Towers goldfield which had past production of 6.6moz Au at an average grade of 38g/t. The company has defined an Au resource of 10moz (23mt @ 14 g/t Au) and 330koz of gold reserves.
- CTO has defined 5 main parallel reefs of which only one reef has been a significant producer. The reefs strike between 2-5km and are 1.5-2.0m wide and shallowly dipping. Metallurgically the ore has a 98% recovery and is free milling.
- CTO has commenced gold production (3,945oz Sept Qtr.) at an average grade of 10.1g/t at and a cost of A\$470/oz from development on the warrior reef.
- A production rate of 100,000ozpa is the initial target while longer term production of 250,000ozpa the ultimate goal.
- The company is attempting to increase reserves to 1moz by end 2008 and 2moz by end 2009, while the target is to increase resources to 20moz within 5 years. Three drill rigs are supporting this strategy.

### View

While the resource and reserve bases appear significant, given the dimension of the reefs the company will need significant expenditure to appropriately develop this mine to meet the production goals. Until such time production costs will remain high while production volumes will be low. Recent equity raisings have reduced debt to zero. CTO will need to significantly improve performance to turn around a \$10m loss in 2006/07.

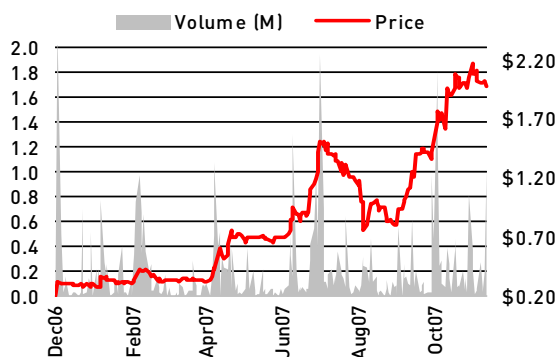


# WEEKLY EXPLORATION WRAP 23/11/07

## Market Stats

Risk	HIGH
Share Price	\$1.97
Market Capitalisation	\$198.6m
12 Month Price Range	\$0.26 - \$2.24
Cash	\$7.29m
Issued Capital	75.4m ordinary shares 25.4m options
Management	Albert Wong – Chairman Tony Schoer – Managing Director Neville Wran – Non Exec Director Ray Schoer – Non Exec Director Alistair Reed – Executive Director
Shareholders	Gujarat NRE Coke (13%) JP Morgan Nominees (9.36%) HSBC Nominees (8.63%)

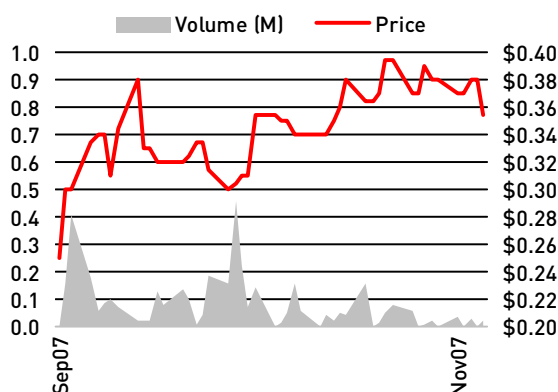
## Share Price Chart 1 Year



## Market Stats

Risk	HIGH
Share Price	\$0.355
Market Capitalisation	\$20.9m
12 Month Price Range	\$0.285 - \$0.40
Cash	\$7.2m
Issued Capital	51.6m shares 7.2m options
Management	Paul Chapman – Non Exec Chairman Steve Olsen – Managing Director Richard Laufmann – Non Exec Director
Shareholders	Lihir Gold (12%) Avoca Resources (12%) Lion Selection (4%)

## Share Price Chart 1 Year



## Pluton Resources (PLV) – Cutting Edge Pres. 20/11/07

### Key Points

- PLV has two main projects; iron ore in the Kimberley and porphyritic Cu-Au in Tasmania. PLV is testing 3 anomalies within the Mt Read Volcanics, one of which is the largest aeromagnetic peak (never tested). Systematic underground sampling at the historic Devon Mine has also highlighted very high grade results.
- PLV has the opportunity to earn 50% (from Portman) of the Irvine Island high grade iron ore which is also found on adjacent Koolan and Cockatoo Islands.
- PLV has significantly reached an agreement with the traditional landholders to explore the island. The company has submitted an EL application and is submitting a proposal to the EPA. A proposal to drill over 30 DDH holes has been defined.
- The drilling proposal is to define an JORC resource for the Isthmus region and to test the extension through Hardstaff point. Surface samples as high as 67.5% Fe have been identified in rockchips.

### View

PLV is a newly listed entity with a very well connected board. The management has iron ore experience and successfully formalized an agreement with the local landholders where others could not. While the share price has appreciated along with the sector potential resource definition given successful drilling should determine the progress of this company.

## Rex Minerals (RXM) – Cutting Edge Pres. 20/11/07

### Key Points

- RXM is managed by ex WMC and Ballarat Goldfields management. Also a recent listing the company raised ~\$7m.
- RXM is exploring for Au/Au in South Australia and for gold in Victoria. Lihir Gold, Avoca Resources and Lion Selection have all vendored in the properties in the portfolio in return for a substantial shareholding hence RXM has a strong alliance with significant industry players.
- The company has three projects in SA, of which Moonta South is the highest priority. This area is of interest as the host rocks for the Olympic Dam style deposits come to surface in this area. Gravity targets will be drilled in 2007.
- In Victoria, the company has a project at St Arnaud (historic production 360koz Au) which has average grades of 15g/t of fine grained gold. One of the mines in the area has 320koz while many of the old mines were shallow and not tested at depth. The company also has a gold target at Nth. Creswick (1.7moz Au past production).

### View

RXM while a new entity has some interesting projects to drill test in SA and Victoria. The geological understanding the management team has in gold and IOCG deposits is solid and should ensure focussed exploration. Drilling at Moonta South in SA will be a key catalyst.

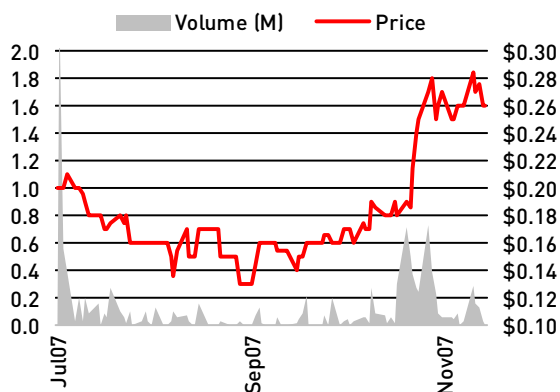


# WEEKLY EXPLORATION WRAP 23/11/07

## Market Stats

Risk	HIGH
Share Price	\$0.26
Market Capitalisation	\$13.7m (Diluted)
12 Month Price Range	\$0.10-\$0.295
Cash	\$4.2m
Issued Capital	26.45m shares on issue 26.25m options + restricted shares
Management	James MacDonald - Non Exec Chair. Mark Stewart - Managing Director Nick Archibald - Non Exec Director Mark Lester - Non Exec Director
Shareholders	Geoinformatics (47.7%) Geologic Resource Fund (7.8%) Martin Place Sec. (2.8%)

## Share Price Chart 1 Year



## Clancy Exploration (CLY) – Presentation 21/11/07

### Key Points

- CLY is a greenfields exploration company focused on world class Cu/Au and base metals and Sn deposits in the Lachlan Fold Belt of NSW and the Mt Read Volcanics in Tasmania. Proprietary Geoinformatics based geological models are used to generate innovative yet focused and constrained regional scale exploration targets.
- Geoinformatics is a Canadian (though Aust. based) listed entity which has 30 geoscientists generating global exploration targets using its own 3D based targeting technology. The targeting process has been successful in delineating over 2moz of resources from deposits in Canada.
- The company has three JV projects with Goldfields Ltd in NSW, where CLY is managing the fieldwork. The target is to find giant Cu-Au porphyry deposits. CLY also has JV's with Bass Metals in Tasmania and holds investments in that company.
- The immediate focus is NSW. At Gobondery, west of Parkes, CLY will soon be drill testing the Allendale induced polarization anomaly after which the rig will move to the Forest View prospect to test further an area with positive rock chip samples and a chargeable IP anomaly. In Q1 2008 at target near the Cowal Au mine (to the south) to aircore drill potential Cowal type Au targets.

### View

CLY is targeting giant deposits using proprietary and innovative geoscientific smarts. Giant targets such as Cadia/Ridgeway (34oz Au and 4mt Cu), Northparkes and Cowal (>4m oz Au) are example deposit styles of interest. With JV funding by Goldfields and plenty of additional cash to complete 25,000m of drilling over the next 6 months, CLY is an pure exploration play to monitor closely.



### Tolhurst's Recommendation and Risk Rating system:

Recommendations are assessments of each Tolhurst Analyst's view of potential total returns over Short Term and/or Long Term time horizons. A Short Term time horizon is less than 12 months; a Long Term time horizon is greater than 12 months.

Expected total Return is measured as (capital gain (or loss) + dividend)/purchase price

We have divided our recommendations into four main categories:

**Buy:** Expected Total Return more than 20%

**Accumulate:** Expected Total Return between 5% - 20%

**Hold:** Expected Total Return between -5% and 5%

**Sell:** Expected Total Return less than -5%

### Risk Ratings:

Risk is a subjective assessment of overall risk within a company including price volatility and earnings variability, external liquidity, and size. We divide our risk into three categories:

**High:** Company typically has high price volatility and earnings variability, low external liquidity and has a small market capitalisation.

**Medium:** Company typically has moderate price volatility and earnings variability, external liquidity and a medium size market capitalisation.

**Low:** Company typically has low price volatility and earnings variability, high external liquidity and is a large size market capitalisation

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This report has been reviewed by peers within the research department.