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Company Announcement Office
Australian Stock Exchange Limited

MEDIA REPORTING ON COMPANY'S AGM

The Company wishes to respond to comments made in an article in Saturday's Sydney Morning Herald (25 November 2006).

Exploration Expenditure

In the twelve months ending 30 June 2006, \$US3.1 million was expended on exploration and development of the Guanaco Project in Chile in which the Company holds a 35.78% interest. Since 30 June 2006 an additional \$US1.7 million has been expended. The exploration was funded through loans taken out by Guanaco Mining Company.

The Company has regularly reported on the extensive drilling program undertaken at Guanaco and the results have been released in the Company reports and other releases to market.

During the 2006 financial year the Company conducted an extensive review of its Australian projects and reported expenditure in the order of \$84,000 on these projects.

Spending in an exploration company is cyclical and dependant on season and program implementation. Costs associated with program planning are included in administration costs in the quarterly statement of cash flows.

Directors' Fees

Remuneration paid to Key Management Personnel during a financial year is reported in the Remuneration Report contained in the Company's Annual Report. The remuneration reported for the Company's directors is only for the period in which they held office. In the financial year ended 30 June 2005, the Chairman held this position for 4 months in the financial year ended 30 June 2006 the position was held for 12 months. The monthly fee was the at all times the same. The headline and report in the Sydney Morning Herald article stating that fees "tripled" during the year was thus completely false.

In fact, there has been no increase in the remuneration of any Key Management Personnel during either the last or the preceding reporting period; to the contrary, directors' fees have substantially reduced under the current management.

Eligible Shareholders

It was clearly stated in the Notice of Meeting that pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting were those who were registered Shareholders of the Company on Wednesday, 22 November 2006 at 5:00pm (Record Date).

No registered shareholder at the Record Date was excluded from the meeting.

Change of Name

The Company's board is implementing the decisions of the meeting which include the change of company name to Austral Gold Limited. Exploration at Guanaco is continuing in the interests of development, production and profit.

Henry Kinstlinger
Company Secretary