

19 August 2009

SHAREHOLDER UPDATE

Dear Shareholder,

Since delisting from the ASX in Mid June of this year your Company has continued to progress its highly prospective DRC Kapulo project. The non JORC compliant copper resource has reached a size which has warranted the commencement of a Definitive Feasibility Study (DFS).

The Company has employed the services of Mike O'Sullivan - ex Anvil Mining - who built, and initially ran Anvil's highly successful Dikulushi copper silver mine in the DRC. Mike is now heading-up the feasibility/development team on the Kapulo project.

The Company is currently in negotiations to acquire a significant project in the DRC, which has the potential to transform the Company into a copper producer within 12 months.

The Company will undertake capital raisings at a significant premium to the AUD\$0.054 closing price at delisting. This money will be used to fund the completion of the JORC/43-101 resource and Kapulo DFS, also to progress the Company towards a TSX listing, and for continued exploration.

Yours sincerely,



David J. Frances
Managing Director - CEO