

Lyndon Rowe
Chairman

I recognize that royalties from resources are built into the recurrent revenue base and also that recurrent expenditure is based on that revenue base.

I also recognize the resources are finite and consequently have a limited, even if long, life.

In view of the above I believe that any revenue from royalties that is received above the current levels together with that from new projects should not be taken to the recurrent revenue base, but rather be invested and the earnings from those investments be taken to revenue. This would ensure ongoing revenue even after the original royalty producing project may no longer exist.

Thank you and regards

Brett Mayberry B.Comm (Econs); Dip Ed