

PROSPECTUS

For the offer of 7,500,000 ordinary shares at an issue price of 20 cents each to raise \$1,500,000. Oversubscriptions of up to 2,500,000 ordinary shares at an issue price of 20 cents each to raise a further \$500,000 may be accepted.

FAST SCOUT LIMITED
A.B.N. 94 088 488 724 (Name to be changed to Strike Resources Limited)

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered speculative.

CONTENTS

1. Timetable	2
2. Chairman's Letter	3
3. Prospectus Information	4
4. Details of the Offer	5
5. Capital Structure	8
6. Projects Overview	10
7. About the Company	16
8. Shareholder Approvals	17
9. Board of Directors	19
10. Independent Geological Report	24
11. Independent Exploration Titles Report	60
12. Financial Effects	73
13. Material Contracts	83
14. Risk Factors	97
15. Rights Attached to Securities	103
16. Other Additional Information	107
17. Glossary	109
18. Directors' Responsibility Statement and Consent	112

Application Forms

ENQUIRIES IN RELATION TO THE OFFER

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

CORPORATE DIRECTORY

BOARD

John F. Stephenson	Chairman
H. Shanker Madan	Director
Farooq Khan	Director
Victor P H Ho	Director

COMPANY SECRETARY

Victor P H Ho

PRINCIPAL & REGISTERED OFFICE

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Perth, Western Australia 6000
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SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia 6009
Telephone: +61 8 9389 8033
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Email: admin@advancedshare.com.au
Internet: www.asrshareholders.com

STOCK EXCHANGE

Australian Stock Exchange
Perth, Western Australia

ASX CODE

FSL

AUDITORS

Stanton Partners
1 Havelock Street
West Perth
Perth, Western Australia 6005

INDEPENDENT EXPLORATION TITLES REPORT PREPARED BY

Hetherington Exploration & Mining Title Services Pty Ltd
1st Floor, 503 Willoughby Road
Willoughby, New South Wales 2068

INDEPENDENT GEOLOGICAL REPORT PREPARED BY

Al Maynard & Associates
Suite 9, 280 Hay Street
Subiaco, Western Australia 6008

This Prospectus is dated 23 December 2005.

1. TIMETABLE

The proposed timetable in relation to the AGM and Share Conversion is as follows:

1.	Despatch of Notice of AGM and Explanatory Statement to Shareholders	22 November 2005
2.	Suspension ⁽²⁾ of Fast Scout shares from ASX on the eve of the AGM	21 December 2005
3.	AGM	22 December 2005 ⁽³⁾
4.	Settlement of UOG Agreement and the issue of 350,000 shares (pre Share Conversion basis) to UOG	23 December 2005
5.	Issue of 9,710,000 shares under \$971,000 Share Placement (pre Share Conversion basis) to sophisticated and professional investors	23 December 2005
6.	Share Conversion Record Date	3 January 2006
7.	Date for despatch of updated holding statements to shareholders post Share Conversion	By 9 January 2006

The proposed timetable in relation to the Prospectus Share Offer and ancillary matters post AGM is as follows:

1.	Date of Prospectus Share Offer	23 December 2005
2.	Close of Prospectus Share Offer	3 February 2006
3.	Settlement of the Hume Agreement and the issue of 1,666,667 shares (post Share Conversion basis) to Hume	6 February 2006
4.	Anticipated date for issue of shares under Prospectus Share Offer	6 February 2006
5.	Anticipated date for despatch of holding statements to applicants under Prospectus Share Offer	7 February 2006
6.	Expected reinstatement of quotation of Fast Scout shares to ASX upon re-compliance with ASX Listing Rules	10 February 2006

The proposed timetable in relation to the Prospectus Options Offer and ancillary matters post AGM is as follows:

1.	Date of Prospectus Options Offer	2 March 2006
2.	Shares quoted on "ex" basis	6 March 2006
3.	Options Record Date	10 March 2006
4.	Date of despatch of Prospectus Options Offer to shareholders	14 March 2006
5.	Close of Prospectus Options Offer	28 March 2006
6.	Anticipated date for issue of Options ⁽⁴⁾ and quotation of Options on deferred settlement basis	29 March 2006
7.	Company notifies ASX of undersubscriptions	31 March 2006
8.	Deferred settlement trading ends	5 April 2006
9.	Anticipated date for despatch of holding statements to applicants under Prospectus Options Offer	5 April 2006

NOTES:

- (1) Certain items are indicative dates only, which may change. The Company reserves the right to vary dates by either shortening or extending such dates, subject to the Corporations Act and ASX Listing Rules. Certain dates are also subject to the ASX Listing Rules; to the extent that any of the above dates are inconsistent with the Listing Rules, the dates prescribed under the Listing Rules shall be applicable
- (2) Pursuant to ASX requirements as advised by ASX to Fast Scout (refer Section 4.8 of this Prospectus)
- (3) Fast Scout obtained the consent of ASIC to extend the period within which the Company must hold its AGM from 30 November 2005 to 23 December 2005. The extension was sought by the Company as given the proximity of the AGM (which was required to be held by 30 November 2005 under the Corporations Act) and the matters requiring shareholder approval the subject of the proposed change of activity transactions and related capital raising, it was the Company's view that it would be in the best interests of shareholders (in terms of less confusion in considering and attending 2 general meetings of Fast Scout within a short period of time) and the Company (in terms of reduced costs of despatching 2 sets of extensive meeting documents and convening 2 general meetings within a short period of time) for such matters to be consolidated and considered at the same time at a single meeting of shareholders.
- (4) In accordance with resolution 8 passed at the AGM on 22 December 2005, the Options under the Prospectus Option Offer will be issued within 4 months of the date of the AGM.

2. CHAIRMAN'S LETTER

23 December 2005

Dear Investor,

On behalf of the Board of Fast Scout Limited (name to be changed to Strike Resources Limited in accordance with shareholder approval at the AGM on 22 December 2005), I am very pleased to introduce this Prospectus to you and invite you to become a shareholder in the Company. An investment in Fast Scout offers investors the opportunity to participate in the exploration and potential development of a portfolio of uranium and coal tenements in Australia and Indonesia. I consider both of these commodities to offer considerable growth potential for a junior resource company such as Fast Scout.

The uranium tenements occur in the prospective Ngalia Basin in the Northern Territory and in the Gascoyne, East Pilbara and Murchison regions of Western Australia. The tenements cover areas previously identified with radiometric anomalies or are located in close proximity to uranium anomalies and/or occurrences. Two of the 15 tenements are granted and ready for further work. Agreements with the holders of these tenements allow Fast Scout to earn a majority interest in, and operatorship of the tenements (see section 13 of this Prospectus).

While the current regulatory environment in Australia precludes the development of new uranium mines, the issue is now being debated more openly among the States/Territory and Federal Government. The price of uranium is likely to be underpinned by the rapidly expanding demand for this near-zero carbon emission commodity in the energy hungry countries of China and India for years to come.

This current regulatory environment has led the Board of Fast Scout to broaden the scope of the company to include coal assets in its portfolio. Coal projects that Fast Scout has identified in Indonesia offer the potential for early cash flow and a means of funding its future exploration activities.

As previously flagged, Fast Scout has entered into an agreement with two Indonesian companies, PT Kaltim Jaya Coal and PT Kaltim Jaya Mineral on two coal concessions in East Kalimantan. The agreement allows Fast Scout to exploit any economic coal resource to its exclusive benefit subject to completion of due diligence on these concessions by 3 March 2006 and to Fast Scout completing staged payments to the concession holders, paying them a royalty and paying normal government royalties (see section 13.4 of this Prospectus).

Concession 1 is approximately 150km north of Balikpapan on a navigable waterway affording ready barging access to the coast. This adjoins a coal lease currently being developed.

Concession 2, 65km southwest of the provincial capital Balikpapan, is close to the coast and barging points. Coal seams previously mapped and observed on the concession by geologist and Fast Scout director, Mr. Shanker Madan, encourage the Company to believe that an early determination of a coal resource may be possible.

Other coal opportunities are being actively pursued by the Company in Indonesia.

This Prospectus seeks to raise \$1,500,000 by the issue of 7,500,000 fully paid ordinary shares at \$0.20 per share together with the right to accept oversubscriptions for a further \$500,000 to advance the business of the Company. The minimum subscription is 6, 500,000 fully paid ordinary shares to raise \$1,300,000.

Proceeds of this Offer will be used to facilitate a change in the Company's business activities to that of a mineral exploration and development company, fulfil minimum capital raising requirements under the Hume Agreement related to certain of the uranium tenements; advance the commercial potential of the uranium and coal projects; seek additional uranium and coal opportunities; satisfy existing liabilities of the Company; meet the costs of this Offer, associated fees and experts' reports, and meet ongoing operational expenses of the Company.

I encourage you to consider this Prospectus and look forward to welcoming you as a shareholder of the Company in an exciting new phase in the development of Fast Scout.

Yours Sincerely



John Stephenson
Chairman

3. PROSPECTUS INFORMATION

- 3.1. This Prospectus is dated 23 December 2005.
- 3.2. A copy of this Prospectus was lodged with the ASIC on 23 December 2005. Neither the ASIC nor ASX take any responsibility for the contents of this Prospectus.
- 3.3. Although the Company has issued this Prospectus in accordance with the provisions of the Corporations Act applicable to prospectuses, the Company specifically notes that the Offer does not take account of your specific investment needs or objectives. The Company urges you to read this Prospectus in its entirety before making an application for Shares. In particular the Company draws your attention to those matters identified by the Company as representing risks to the Company (as set out in Section 14 of this Prospectus). In the context of your personal requirements and the risk factors, the Company recommends that you seek professional guidance from your stock broker, solicitor, accountant or other professional adviser prior to making any decision to apply for Shares.
- 3.4. Neither the Company nor any other person warrants or guarantees the success or future performance of the Company or the returns (if any) to be received by Shareholders (including with respect to the return of capital, payment of dividends or the future value of the Shares). The Shares offered under this Prospectus must be regarded as a speculative investment.
- 3.5. The Company has changed its activities to a mineral exploration and development company. Given the speculative nature of mineral exploration, development and production, there are significant uncertainties associated with forecasting exploration success and potential future revenue. On this basis, the Directors believe that reliable forecasts can not be prepared and accordingly have not included forecasts of future revenue, profit or cash flow in this Prospectus.
- 3.6. This Prospectus will be issued in paper form and as an electronic Prospectus, which may be viewed online at www.fastscout.com. The offer of Shares pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus in Australia only. The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company by e-mail at info@fastscout.com.
- 3.7. No person or entity is authorised to give any information or to make any representation in connection with this Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company (or its Directors or advisers) in connection with this Offer.
- 3.8. No Shares will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made within seven (7) days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for Quotation.
- 3.9. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.
- 3.10. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer.
- 3.11. In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement of the Prospectus with the ASIC. This period may be extended by the ASIC for a further period of up to 7 days. The purpose of this Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds, which examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.
- 3.12. Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 17 of this Prospectus.
- 3.13. All amounts are in Australian dollars unless otherwise specified.

4. DETAILS OF THE OFFER

4.1 SHARES OFFERED FOR SUBSCRIPTION

This Prospectus invites investors to apply for a total of 7,500,000 Shares at an issue price of 20 cents per Share to raise \$1,500,000. All Shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares already on issue.

4.2 OVERSUBSCRIPTIONS

The Company reserves the right to accept Oversubscriptions of up to \$500,000 through the issue of up to a further 2,500,000 Shares at an issue price of 20 cents per Share.

The maximum amount which may be raised under this Prospectus is therefore \$2,000,000 through the issue of up to a total of 10,000,000 Shares.

4.3 MINIMUM SUBSCRIPTION

The Minimum Subscription is 6,500,000 Shares to raise \$1,300,000.

This will permit the Company to fulfil the minimum capital raising condition under the Hume Agreement and complete the acquisition of the Hume Tenements. See section 12.1 of this Prospectus for details as to how the funds raised from the Issue will be used if the minimum subscription amount only is raised.

If the Minimum Subscription has not been raised within four (4) months of the date of this Prospectus, all Application Monies will be returned to Applicants pursuant to section 724(2) of the Corporations Act.

4.4 OPENING AND CLOSING DATES

Subscription lists will open on 23 December 2005, or such later date as may be prescribed by the ASIC, and will remain open until 5.00pm WST on 3 February 2006 subject to the right of the Company to either close the Issue at an earlier time and date or to extend the closing time and date without prior notice.

Applicants are encouraged to submit their Applications as early as possible.

No Shares will be issued on the basis of this Prospectus later than 13 (thirteen) months after the date of this Prospectus.

4.5 APPLICATIONS

Applications for Shares must be for a minimum of 10,000 Shares (or \$2,000) and thereafter in multiples of 1,000 Shares (or \$200), and can only be made by completing the Application Form attached to this Prospectus. Applications for Shares will not be accepted electronically.

The Application Form must be completed in accordance with the instructions set out on the back of each Application Form.

Completed Application Forms and accompanying cheques should be lodged at any time after the Opening Date with:

Fast Scout Limited
C/- Advanced Share Registry Services
P O Box 1156
Nedlands WA 6909

or delivered to:

Fast Scout Limited
C/- Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

Cheques must be made payable to “**Fast Scout Limited – Offer Account**” and crossed “**Not Negotiable**”.

No brokerage or stamp duty is payable by Applicants.

4.6 PURPOSE OF THE OFFER

The purpose of the Offer is to provide the Company with the necessary funds to enable it to:

- (1) Facilitate a change in the Company's business activities to that of a mineral exploration and development company;
- (2) fulfil the minimum capital raising condition under the Hume Agreement and allow the Company to complete the acquisition of the Hume Tenements;
- (3) advance the commercial prospects of the Projects;
- (4) meet the exploration expenditure in relation to each of the Projects (see section 6.4 of this Prospectus for further details of the proposed exploration expenditure);
- (5) research and identify other resource projects in Australia and internationally, consistent with the Company's strategic objectives as a mineral exploration and development company;
- (6) expand the Company's tenement and Project portfolio by way of specific pegging, acquisitions and/or farm-in and joint venture agreements;
- (7) satisfy existing liabilities of the Company referred to in Section 12.3.7 of this Prospectus;

4. DETAILS OF THE OFFER

- (8) meet all costs in relation to the Prospectus Share Offer, including broker's fees, legal fees, the costs of experts' reports, ASIC and ASX fees, share registry costs, prospectus design and printing costs, and other printing and mail-out costs;
- (9) meet the ongoing operational expenses and working capital requirements of the Company.

Please refer to Section 12.1 for further information about the use of proceeds from the Issue.

4.7 AGM

At the AGM of the Company on 22 December 2005, the Company obtained shareholder approval in accordance with the Corporations Act and the Listing Rules for (inter alia):

- (1) a change in the nature and scale of the Company's activities by becoming a mineral exploration and development company;
- (2) the Share Conversion of the current issued share capital of the Company on a one (1) for three (3) basis; and
- (3) the Issue pursuant to this Prospectus.

Further details of these and other resolutions passed at such AGM are set out in Section 8 of this Prospectus.

4.8 ASX SUSPENSION

Under the Listing Rules of the ASX, the Company's securities were suspended from Quotation on ASX on the eve of the AGM.

The Company's suspension will continue until the Company fully re-complies with Chapters 1 and 2 of the ASX Listing Rules. As a part of these re-admission requirements, the Company must issue a prospectus and complete a capital raising at a minimum price of 20 cents per share and satisfy minimum shareholder spread requirements.

The successful completion of this Prospectus Share Offer will facilitate the re-admission of the Company's securities to Quotation on ASX.

4.9 RIGHTS ISSUE OF OPTIONS AFTER RE-ADMISSION TO ASX

All Shareholders registered on the share register of the Company at the Options Record Date (being one month after the date of re-admission of the Company's securities to Quotation on ASX) will be entitled to participate in a proposed non-renounceable rights issue of Options on the basis of 1 Option for every 2 Shares then held. The Options are to be issued at one (1) cent each with an exercise price of 20 cents and an expiry date of

30 June 2008. The Company will apply for the Options to be granted Quotation on ASX.

The terms and conditions of the Options to be issued pursuant to the rights issue are set out in Section 15.2 of this Prospectus.

4.10 ASX LISTING

Within 7 (seven) days after the date of this Prospectus, application will be made to the ASX for the Shares offered by this Prospectus to be admitted to Quotation.

ASX approval for Quotation of such Shares will be subject to the re-admission of the Company's securities to Quotation as outlined in Section 4.8 of this Prospectus.

If approval for Quotation is not granted by ASX in respect of the Shares offered by this Prospectus within 3 (three) months after the date of this Prospectus, the Company will not allot or issue any Shares pursuant to the Offer, and will repay all relevant Application Monies without interest as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may re-admit the Company to its Official List, or grant Quotation of the Shares, is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

4.11 UNDERWRITING

The Issue is not underwritten.

4.12 COMMISSIONS ON APPLICATIONS

The Company reserves the right to pay a commission of up to 5% (exclusive of GST) of amounts subscribed under this Prospectus to any Australian Financial Services licensees in respect of valid applications lodged and accepted by the Company and bearing the stamp of the Australian Financial Services licensee. Payments will be subject to the receipt of a proper tax invoice from the Australian Financial Services licensee.

4.13 ALLOTMENT OF SHARES

Subject to ASX granting approval for the Company's securities to be re-admitted to Quotation (including the Quotation of the Shares offered by this Prospectus), the allotment of Shares to Applicants will occur as soon as possible after the Issue is closed, following which statements of Share holdings will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

4. DETAILS OF THE OFFER

Pending the issue of the Shares, or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

4.14 ALLOCATION OF SHARES

The Company reserves the right to reject any Application (in whole or in part) or to allocate any investor fewer Shares than the number applied for.

If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded.

4.15 APPLICANTS OUTSIDE AUSTRALIA

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be allotted Shares.

No action has been taken to register or qualify the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

4.16 CHESS

The Company participates in the Clearing House Electronic Sub register System (CHESS), operated by ASX Settlement and Transfer Corporation Pty Ltd (ASTC) (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASTC Settlement Rules. The Company operates an electronic issuer-sponsored sub register and an electronic CHESS sub register. The two sub registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Applicants. Instead, the Company will provide Applicants with a holding statement (which is similar to a bank account statement) that sets out the number of Shares allotted to that Applicant under this Prospectus.

This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub register or Security Holder Reference Number (SRN) in the case of a holding on the issuer-sponsored sub register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time, however, a charge may be incurred for additional statements.

4.17 VALUATION

No valuation has been undertaken as to the Company's interests in the Projects or as to the value of the Shares of the Company. The Directors regard the Company, its assets and prospects speculative in nature.

5. CAPITAL STRUCTURE

5.1 PRO-FORMA SHARE CAPITAL STRUCTURE

The pro-forma capital structure of the Company is set out below to reflect the issued and paid-up capital structure of the Company assuming the completion of the Share issues approved at the Company's AGM (see section 8 of the Prospectus for further information), the completion of the 1 for 3 Share Conversion and varying levels of applications received under this Prospectus.

Pro-Formal Share Capital

	Minimum Subscription \$1,300,000 No. of Shares	Full Subscription \$1,500,000 No. of Shares	With Oversubscriptions \$2,000,000 No. of Shares
Amount Raised			
Total issued share capital (prior to Share Conversion)	104,849,095	104,849,095	104,849,095
Shares to be issued prior to Share Conversion Record Date:			
Issue under \$971,000 Share Placement	9,710,000	9,710,000	9,710,000
Issue under UOG Agreement	350,000	350,000	350,000
sub-total post AGM and pre Share Conversion	114,909,095	114,909,095	114,909,095
After 1 for 3 Share Conversion	38,303,032	38,303,032	38,303,032
Issue of Shares under this Prospectus Share Offer	6,500,000	7,500,000	10,000,000
Issue of Shares under Hume Agreement	1,666,667	1,666,667	1,666,667
Issue of Shares to Sinarco for introduction of the Kalimantan Coal Project	500,000	500,000	500,000
sub-total post AGM, Share Conversion and Prospectus Share Offer	46,969,699	47,969,699	50,469,699

5.2 OPTIONS

There are currently no options on issue in the Company.

Hume has agreed to subscribe for the following number of options:

- (1) 1,833,333 options, each to acquire one Share in the Company at an exercise price of 20 cents with each such option expiring 5 years from the date of its issue, and
- (2) 1,666,667 options, each to acquire one Share in the Company at an exercise price of 30 cents with each such option expiring 5 years from the date of its issue.

Please refer to Section 13.1.2 of this Prospectus for further details.

In addition, all Shareholders registered on the share register of the Company at the Options Record Date (being one month after the date of re-admission of the Company's securities to Quotation) will be entitled to participate in a proposed non-renounceable rights issue of Options on the basis of 1 Option for every 2 Shares then held. The Options are to be issued at one (1) cent each with an exercise price of 20 cents and an expiry date of 30 June 2008. The Company will apply for the Options to be granted Quotation on ASX.

5. CAPITAL STRUCTURE

5.3 ESCROW PROVISIONS

ASX has advised that the following securities will be subject to the restricted securities provisions of the ASX Listing Rules as follows:

Name of holder	No. of the Company's Securities	Escrow Period
Hume Mining NL	1,666,667 Shares	at least a term of 12 months from their issue
Hume Mining NL	1,833,333 options, each to acquire one Share in the Company at an exercise price of 20 cents with each such option expiring 5 years from the date of its issue	at least a term of 12 months from their issue
Hume Mining NL	1,666,667 options, each to acquire one Share in the Company at an exercise price of 30 cents with each such option expiring 5 years from the date of its issue	at least a term of 12 months from their issue
Uranium Oil and Gas Limited	116,667 Shares	at least a term of 12 months from their issue
Sinarco Resources Pte Ltd	500,000 Shares	Potentially a term of 12 months from their issue

The Shares referred to above are on a post Share Conversion basis.

Restricted securities may not be transferred, assigned or otherwise disposed of during the relevant escrow period. Restriction agreements will be entered into between the Company and the holder of the relevant securities in accordance with the ASX Listing Rules.

6. PROJECTS OVERVIEW

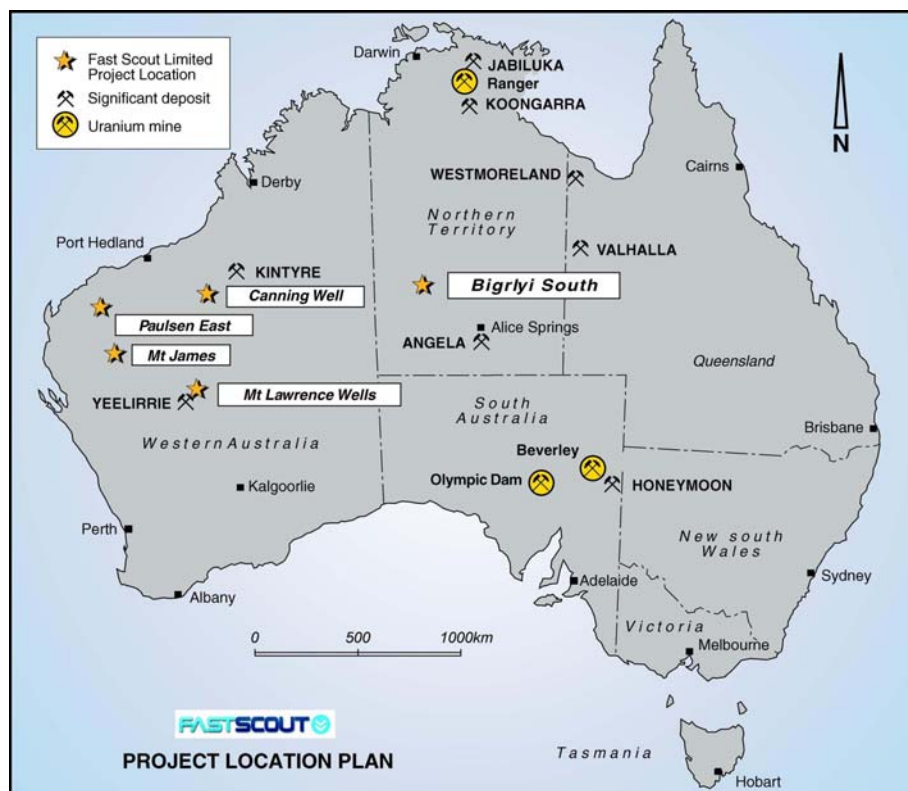


Figure 1

6.1 NORTHERN TERRITORY PROJECT

6.1.1 Bigrlyi South

Under the Hume Agreement, the Company has contracted to acquire from Hume a 75% interest in a suite of exploration tenement applications (lodged by Hume) located principally in the northern part of the Ngalia Basin in the Northern Territory. These tenement applications are as follows:-

Project	Application No	Area (Blocks)	Area (Approx) (km ²)	Location / Property Name	State
Northern Ngalia Basin	ELA 24879	82	260	Mount Doreen	NT
	ELA 24927	338	999	Haasts Bluff	NT
	ELA 24928	15	35	Mount Doreen	NT
	ELA 24929	26	56	Mount Doreen	NT
	ELA 24930	99	314	Mount Doreen	NT

These Northern Territory tenement applications, having a total area of approximately 1,666 square kilometres, are adjacent to tenements surrounding the Bigrlyi Uranium Deposit (held by recent uranium float, Energy Metals Limited – ASX Code: “EME”).

In particular, Exploration Licence Application ELA 24879 lies 5 km south of the Bigrlyi Uranium Deposit and is regarded as a key tenement by the Company. As outlined below, Fast Scout's initial examination of the geology of such tenement indicates that it may contain a similar geological environment as that hosting the Bigrlyi Uranium Deposit and has a potential for economic uranium mineralisation. The Bigrlyi Uranium Deposit occurs in arkosic sandstones in the lower part of the late Devonian-late Carboniferous Mt Eclipse Sandstone which is host to 20 regional uranium prospects and radiometric anomalies principally in the northern margin of the Ngalia basin.

6. PROJECTS OVERVIEW

The Bigirlyi Uranium Deposit is regarded as a typical “modified roll front deposit” where uranium bearing oxidizing fluids meet with reducing conditions in layers of predominantly carbonaceous matter in a permeable formation.

The fluid formation regime at the time of formation of the Bigirlyi deposit and other prospects in the area appear to occur from north to south.

Regional geological setting indicates these uraniferous fluids probably have originated from granites of the underlying Arunta complex, and migrated southwards. Here, reaction with the reductant lithologies led to the precipitation of uranium mineralisation in the rocks of the Mount Eclipse Sandstone.

The Company considers that this regional uranium-bearing formation continues into ELA 24879.

All tenements under application by Hume which contain the lower Mt Eclipse Sandstone can be regarded as prospective for economic uranium mineralisation.

In particular the twin conditions of a pre-existing north to south flow regime (with ELA 24879 lying in the path of the movement of these fluids and to the south) and the nature of permeable strata interlayered with carbonaceous matter may occur in ELA 24879.

Further, low angle thrust faults are postulated as additional primary fluid conduits into the Mt Eclipse Sandstone.

These matters support the view that ELA 24879 has potential to host economic uranium mineralisation.

It is anticipated that upon the grant of the Northern Territory tenements, exploration would advance to drilling as soon as possible.

6.2 WESTERN AUSTRALIA PROJECTS

6.2.1 Mt James (Gascoyne Region)

Under the Hume Agreement, the Company has contracted to acquire from Hume a 75% interest in Mt James Exploration Licence application ELA 09/1253 in the Gascoyne region.

Under the UOG Agreement, the Company has contracted to acquire from UOG a 70% interest in Rubberoid Well Exploration Licence application ELA 09/1245 in the Gascoyne region adjacent to ELA 09/1253.

The Company has also applied for Injinu Hills Exploration Licence application ELA 09/1257 and Mortimer Hills Exploration Licence application ELA 09/1258

ELA 09/1253 and ELA 09/1245 cover ground previously explored by AGIP Nucleare (Australia) Pty Ltd (**AGIP**), (a subsidiary of Italian multi-national energy group ENI) where 0.14% U or equivalent of 0.17% U_3O_8 as uraninite in a diamond drill hole was discovered by AGIP in the 1970s.

It has been determined by the Company that AGIP conducted significant exploration activity for uranium in the Gascoyne region in the 1970s.

This activity included an airborne radiometric survey which identified a number of radiometric anomalies leading to drilling occurring on a number of those anomalies.

Temporary Reserve TR 5963H was applied for by AGIP and appears to have been the main focus of AGIP's exploration activities in the Gascoyne region during the 1970s.

The Company has secured rights to a large portion of the area previously comprising TR 5963H including areas where AGIP conducted trenching and drilling for uranium and where AGIP's reports show that it intersected carnotite mineralisation in shallow trenches and up to 1400 ppm over 0.2m from 69.45 metres in hole MJD3 (0.14% U or equivalent of 0.17% U_3O_8) as uraninite in a diamond drill hole in ELA 09/1245. Lower grade uraninite mineralisation was also intersected in percussion drill holes nearby.

6. PROJECTS OVERVIEW

A summary of the diamond drilling results in 2 of the better holes referred to above are as follows:

Hole	From (m)	To (m)	U ppm	%U	Equivalent of %U ₃ O ₈
MJD 3	69.1	69.25	100	0.0100%	0.0118%
MJD 3	69.25	69.45	520	0.0520%	0.0613%
MJD 3	69.45	69.65	1,450	0.1450%	0.1709%
MJD 3	69.65	70	24	0.0024%	0.0028%
MJD 3	89.3	89.5	105	0.0105%	0.0124%
MJD 3	90.6	90.8	260	0.0260%	0.0306%
MJD 3	91.8	92.1	430	0.0430%	0.0507%
MJD 2	108.3	108.6	10	0.0010%	0.0012%
MJD 2	108.6	108.9	1,200	0.1200%	0.1414%
MJD 2	108.9	109.25	75	0.0075%	0.0088%
MJD 2	109.25	109.55	220	0.0220%	0.0259%
MJD 2	109.55	109.9	140	0.0140%	0.0165%

Note: 32.5 (ppm) U = Equivalent 38.3 (ppm) U₃O₈

The presence of primary uraninite mineralisation in drill holes in this area (coupled with untested anomalies and with a broader pattern of a large number of uranium occurrences in the duricrust in the district) demonstrates the potential of the Company's interest in ELA 09/1253 and ELA 09/1245 as being prospective for vein type high-grade mineralisation associated with pegmatites and granitic rocks.

Available records show that AGIP investigated only a handful of the identified radiometric anomalies. The Company's initial investigations reveal that in the Mt James ELA 09/1253 alone, eight significant radiometric anomalies remain untested.

The Company's other tenement interests in the area, Exploration Licence applications ELA 09/1257 and ELA 09/1258 in the Injinu Hills and the Mortimer Hills areas, southwest and west respectively from ELA 09/1253 are covered with large areas of duricrust and known to host near surface uranium mineralisation as carnotite within an adjacent ground. No detailed follow up work was done in these areas.

The Company proposes, upon grant of these tenements, to explore for uranium mineralisation using detailed structural analysis and modern exploration methods. In the first instance the focus will be around the known drill intersections that encountered uranium mineralisation and the known but untested anomalies identified by AGIP. The Company will also review the possibility of mineable resources of carnotite at shallow depth in the deeply weathered saprolite zone in the duricrust.

On the basis of data available from previous work done, the number of radiometric anomalies, drill intersections within the said tenements and the general geological setting and potential for uranium mineralisation, the Company believes these Gascoyne tenements will upon their grant become a key focus of its uranium exploration activities in Western Australia.

It should be noted that although the eastern 45 percent of ELA 09/1253 forms part of Crown Reserve 39182 (Use and Benefit of Aboriginal inhabitants, which must be excised from the tenement prior to its granting) that none of the drill holes or the anomalies reported herein are located in the reserve portion of that tenement.

6. PROJECTS OVERVIEW

6.2.2 Canning Well (Pilbara Region)

Under the Hume Agreement, the Company has also contracted to acquire from Hume a 75% interest in granted Canning Well Exploration Licence EL 46/629 and Little Sandy Desert Exploration Licence application ELA 46/585 (in the later case, to acquire 75% of Hume's 85% interest therein, excluding manganese mineral rights which are retained by Giralia Resources NL) in the East Pilbara region.

The Company's initial due diligence has indicated that uranium anomalies of up to 11 times the background were recorded in the project area in lag samples by previous explorers but were never followed up.

The project area is located approximately 80km west of the Kintyre uranium deposit and covers approximately 20km of the Canning Fault and associated splay and intersecting faults which bring together rocks of the Archaean Fortescue Group in juxtaposition with Proterozoic rocks of the Manganese Groups, the Tacunyah Group, the Yeneena Supergroup and the Savory Group.

Several major unconformities including Archaean to Proterozoic and within the Proterozoic rocks occur in close physical proximity to each other. The sandy facies of the Proterozoic rocks, which are wide-spread have been previously explored for copper and unconformity type uranium mineralisation in the area of these two tenements.

Factors including significant uranium anomalies, the nature of unconformities in the Middle Proterozoic, the presence of sandy and carbonaceous rocks, suitable source basement rocks and the presence of regional faults are favourable for unconformity type uranium mineralisation.

6.2.3 Mt Lawrence Wells (East Murchison Region)

Under the Adelaide Prospecting Agreement, the Company has contracted to acquire from Adelaide Prospecting an 85% interest in granted Exploration Licence EL 53/1115 (Dawsons Well). The Company has also lodged an application for Exploration Licence ELA 53/1203 (Mt Wilkinson) located approximately 2 km west of the Dawsons Well tenement.

These exploration licences are located 25 km south of Wiluna and north of a palaeo drainage that hosts the Hinkler Well, Centipede and Millipede uranium prospects.

The alluvial wash discharging into the palaeo drainage extends upstream into the Dawsons Well and Mt Wilkinson tenements for several kilometres. The nearby Lake Way uranium prospect consisting of carnotite as coatings and in bedding plain partings of rock fragments in alluvial gravels contains 3.77m tonne ore at 0.98% U308 or 3,695 tonnes of uranium.

6.2.4 Paulsen East (West Pilbara Region)

Under the Hume Agreement, the Company has contracted to acquire from Hume a 75% interest in exploration licence application ELA 47/1328 and prospecting licence application PLA 47/1170.

A 2500m long ridge of Hematite conglomerate with widths of up to 6m exposed at surface and grading up to 65% Fe and better in hand specimens crops out in PLA 47/1170.

A north north east tectonic basement fault crosses through the middle of ELA 47/1328. There is potential for epithermal gold mineralisation similar to the Paulsens Gold Mine 10 km to the west, in the vicinity of this fault.

6. PROJECTS OVERVIEW

6.3 KALIMANTAN COAL PROJECT (INDONESIA)

Pursuant to the Kalimantan Coal Agreement, the Company has secured an interest in two thermal coal prospects of approximately 5000ha (**Concession 1** or **KP1**) and 7363ha (**Concession 2** or **KP2**) in the East Kalimantan Province of Indonesia.

Concession 1 is located approximately 150km north of Balikpapan along a tributary of the Mahakam River and northwest of Samarindha, a major coal barging port. The Concession abuts a lease currently being developed by PT Aditya Kirana Mandiri.

A report prepared by PT Aditya Kirana Mandiri indicates that there are four coal seams in the area. The seams dip at between 3 and 9 degrees and two of the thicker seams vary in thickness between 5.2m and 12.6m on the lease. Drill holes visited by Mr Shanker Madan a geologist and director of Fast Scout in a nearby concession 3 to 5km north of the lease and 5km northwest of Concession 1 have intersected seams of similar thickness.

Fast Scout will be targeting a thermal coal resource of 30 to 50Mt on Concession 1 (In this regard investors should note that the potential quantity and quality is conceptual in nature; there has been insufficient exploration to define a JORC compliant Mineral Resource; it remains to be ascertained if exploration will result in the determination of a Mineral Resource).

Concession 2 is located 65km southwest of Balikpapan, the capital city of Kalimantan along a bitumen road and a ferry connection to the capital. It is conveniently located 7 to 15 km from two potential barging points along the oceanfront. KJM has reported to the local mining Regency a resource of 50Mt in the concession. This prospect has 30 mapped outcrops of coal seams, several of which were inspected by Mr Shanker Madan, prior to the signing of the MOU forming the basis of the Kalimantan Coal Agreement.

The Company is of the view that there is potential for an open cut resource of thermal coal on the concession. The Company proposes to conduct due diligence drilling on Concession 1 during the next 3 months to target an open cut thermal coal resource of 15 to 20Mt (In this regard investors should note that the potential quantity and quality is conceptual in nature; there has been insufficient exploration to define a JORC compliant Mineral Resource; it remains to be ascertained if exploration will result in the determination of a Mineral Resource).

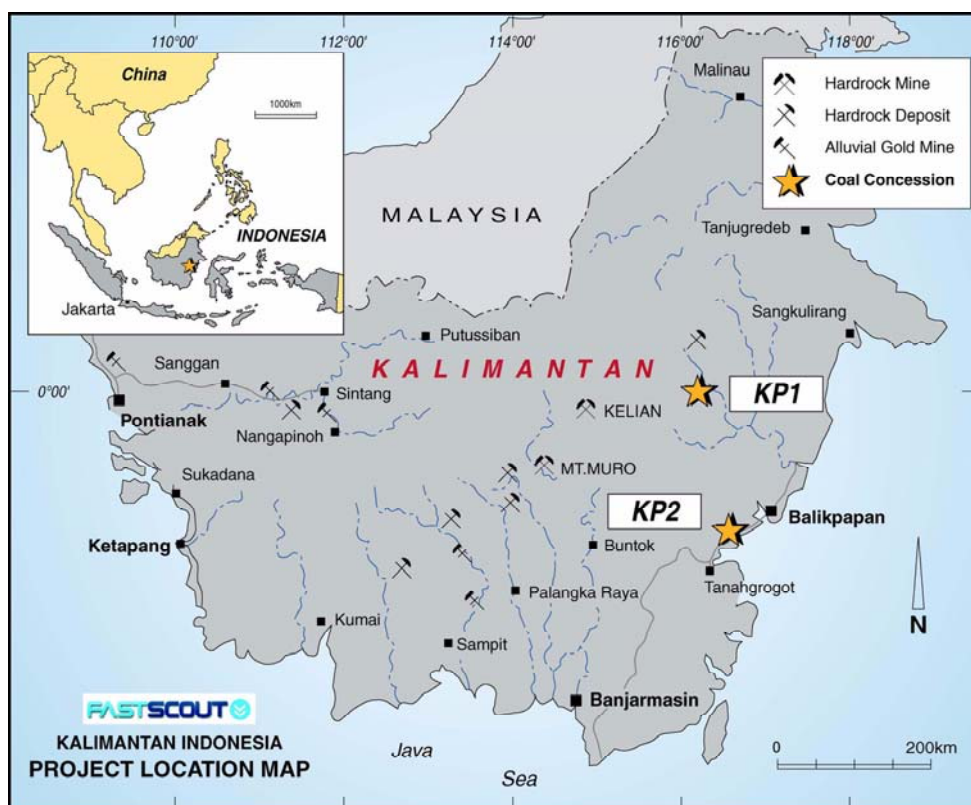


Figure 8

6. PROJECTS OVERVIEW

6.4 SUMMARY OF INDICATIVE EXPLORATION EXPENDITURE

The Company proposes to fund its intended exploration programmes as outlined in the table below from the proceeds of the Issue and existing cash reserves:

PROJECTS	With Minimum and Full Subscriptions	With Oversubscriptions
	YEAR 1	YEAR 1
Bigryli South (NT)	\$165,000	\$300,000
Mt James (WA)	\$125,000	\$180,000
Canning Well (WA)	\$140,000	\$210,000
Mt Lawrence Wells (WA)	\$65,000	\$90,000
Paulsen East (WA)	\$30,000	\$40,000
Kalimantan (Indonesia)	\$435,000	\$570,000
TOTAL	\$960,000	\$1,390,000

The work programmes and fund allocations in relation to the Australia Projects are described in the Independent Geological Report at Section 10 of this Prospectus.

The above exploration programme expenditures are subject to change and are contingent on circumstances, results and other opportunities which may arise. Accordingly, expenditure may be reallocated amongst the existing projects or to new projects or to general working capital.

Expenditure allocated to those projects with tenements in application (as indicated in sections 6.1 to 6.2) is based on the expectation that those tenement applications will be granted. If any of the tenement applications are not granted, the expenditure allocated to those affected Projects will be reallocated to other Projects or to find and establish new exploration projects for the Company.

7. ABOUT THE COMPANY

7.1 COMPANY HISTORY

The Company was incorporated in Western Australia as a public company limited by shares on 3 September 1999.

The Company was admitted to the Official List of ASX and commenced Quotation on 7 March 2000 with activities in the Internet technology sector.

DBS is currently the holder of 50,026,700 Shares, comprising 47.7% of FSL's current total issued share capital of 104,849,095 Shares.

The settlement sum of \$142,189 owing by the Company to DBS remains outstanding at the date of this Prospectus (accruing interest at 7% per annum). It is expected that this amount will be repaid from the proceeds of the Issue.

7.2 CURRENT OPERATIONS

Until such time as the proposed change of activities and recapitalisation of the Company is completed (see section 8 of this Prospectus for further information), the Company is continuing its principal activities being the sale and marketing and on-going development of its various Internet technologies and other activities as outlined in its 2005 Annual Report.

A copy of the Company's 2005 Annual Report can be viewed and downloaded from the Company's website: www.fastscout.com. A hard copy can be mailed by request to the Company.

7.3 LITIGATION

The Company is not involved in any litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

7.4 PORTAL CLASSIFICATION AGREEMENT SETTLEMENT

On 19 August 2005, the Company issued 20,965,814 new shares to Data Base Systems Limited (**DBS**) and reduced a cash liability owed to DBS from \$189,586 to \$142,189, pursuant to shareholder approval on 22 July 2005 of the termination and settlement of the Portal Classification Agreement between DBS and Fast Scout dated 29 December 1999.

Further information concerning this matter is contained in the 22 July 2005 meeting documents and the Company's 2005 Annual Report, copies of which may be viewed and downloaded from the Company's website: www.fastscout.com. A hard copy of such documents can be mailed by request to the Company.

Prior to the issue of such Shares to DBS, DBS was the holder of 50,226,700 Shares (61.56% of FSL's then total issued share capital of 81,593,281 Shares). After the issue of the said Shares to DBS, DBS's shareholding in FSL increased to 71,192,514 Shares, comprising 69.42% of FSL's expanded total issued share capital of 102,559,095 Shares.

8. SHAREHOLDER APPROVALS

At the Company's AGM on 22 December 2005, the following Shareholder approvals were obtained:

1. **Resolution 1** - Shareholders granted approval for the Company to make a significant change to the nature and scale of its activities by becoming a mineral exploration and development company.
2. **Resolution 2** - Shareholders:
 - 2.1. Ratified and approved the Hume Agreement; and
 - 2.2. Approved the issue of a total of 1,666,667 Shares (on a post Share Conversion basis) to Hume on completion of the Hume Agreement.
3. **Resolution 3** - Shareholders:
 - 3.1. Ratified and approved the UOG Agreement; and
 - 3.2. Approved the issue of a total of 116,667 Shares (on a post Share Conversion basis) to UOG on completion of the UOG Agreement.
4. **Resolution 4** - Shareholders authorised and ratified the Company (or an Indonesian incorporated company in which the Company shall hold a 100% beneficial interest) to negotiate the terms of and enter into a binding agreement substantially in accordance with the terms of the non-binding MOU relating to the Kalimantan Coal Project between the Company and the vendors of the Kalimantan Coal Project (the Kalimantan Coal Agreement), provided always that the final terms of the Kalimantan Coal Agreement and the determination to enter into the same by the Company shall be at the sole and absolute discretion of the Board of the Company.
5. **Resolution 5** - Shareholders granted approval for the issue of a total of 500,000 Shares (on a post Share Conversion basis) to Sinarco as part consideration for the introduction of the Kalimantan Coal Project to the Company. (Sinarco will receive consideration for the introduction of the Kalimantan Coal Project to the Company upon there being a formal binding and unconditional Kalimantan Coal Agreement in place).
6. **Resolution 6** - Shareholders ratified the issue by the Company on 18 October 2005 of a total of 2,290,000 Shares at an issue price of 10 cents each (raising \$229,000 gross) to professional and sophisticated investors entitled to accept offers of securities under section 708 of the Corporations Act (the \$229,000 Share Placement).
7. **Resolution 7** - Shareholders granted approval for the issue of 9,710,000 Shares at an issue price of 10 cents per share (raising \$971,000 gross) to sophisticated and professional investors entitled to accept offers of securities under section 708 of the Corporations Act (the \$971,000 Share Placement) (the \$971,000 Placement Shares had not been issued by the Company before the AGM).
8. **Resolution 8** - Shareholders granted approval for the Company to undertake this Prospectus Share Offer, and the Prospectus Option Offer (upon the basis that such Options will be issued within 4 months of the date of the AGM).
9. **Resolution 9** - Shareholders granted approval for the Company to undertake the following option issues to Hume.
 - 9.1. 1,833,333 options (on a post Share Conversion basis), each to acquire one Share in the Company at an exercise price of 20 cents with each such option expiring 5 years from the date of its issue, and
 - 9.2. 1,666,667 options (on a post Share Conversion basis), each to acquire one Share in the Company at an exercise price of 30 cents with each such option expiring 5 years from the date of its issue.
10. **Resolution 10** - Shareholders granted approval for the Company to convert, with effect on 3 January 2006, all of its Shares on a one (1) for three (3) basis - such that every three (3) Shares held in the Company shall be converted into one (1) Share.
11. **Special Resolution 11** - Shareholders granted approval:
 - 11.1. for the Company to change its name from "Fast Scout Limited" to "Strike Resources Limited"; and
 - 11.2. for the Company's constitution to be modified by replacing all references therein to "Fast Scout Limited" with references to "Strike Resources Limited".
12. **Resolution 12** - Mr Hem Shanker Madan was re-elected as a Director of the Company.
13. **Resolution 13** - Dr John Francis Stephenson was re-elected as a Director of the Company.

8. SHAREHOLDER APPROVALS

14. **Resolution 14** - Mr Victor Poh Hong Ho was re-elected as a Director of the Company.
15. Advisory non-binding **Resolution 15** - The Remuneration Report as detailed in the Directors' Report for the year ended 30 June 2005 was adopted.

A copy of the Notice and Explanatory Statement for the AGM can be viewed and downloaded from the Company's website: www.fastscout.com. A hard copy can be mailed by request to the Company.

9. BOARD OF DIRECTORS

9.1 BOARD OF DIRECTORS

Dr John Stephenson — Chairman

Appointed — Appointed by the Board on 26 October 2005

Qualifications — BSc (Honours) in Geology from the University of London through the former University College of Rhodesia and a PhD in Geology from the University of Manitoba, Canada.

Experience — Dr Stephenson is a highly experienced geologist with over 35 years experience in the mining sector. He has held senior positions in large mining companies, most recently as Exploration Director for Rio Tinto Australasia where he led Rio Tinto's exploration activities for five and a half years based in Perth.

Dr Stephenson has also during his career led and managed exploration teams for both junior and major mining companies in several parts of the world, mainly in Southern and East Africa, North America and Australia exploring for gold, uranium, diamonds and base metals. He has also been involved with projects in Europe, South America and India. He led teams responsible for the discovery of a world class diamond deposit, the Diavik diamond mine in Canada's Northwest Territories and a high grade gold deposit, the former Golden Patricia gold mine in Ontario.

Dr Stephenson has particular experience in the uranium sector having in the early to mid 1970's led reconnaissance airborne and ground surveys for uranium in Canada. Between 1978-1981, Dr Stephenson headed the ground follow-up of a country-wide airborne radiometric and magnetic survey for uranium and other minerals in Tanzania. In the early 90's Dr Stephenson led exploration for a subsidiary of Rio Tinto exploring for uranium and base metals in eastern Canada. Dr Stephenson also led Rio Tinto's exploration activities in Australia in the late 90's which included the search for uranium.

Relevant interest in shares — None

Special Responsibilities — Non-Executive Chairman of the Board

Other current directorships in listed entities — None

Former directorships in other listed entities in past 3 years — Orion Equities Limited – from 12 July to 26 November 2002

H. Shanker Madan — Director

Appointed — Appointed by the Board on 26 September 2005

Qualifications — Honours and Masters Science degrees in Applied Geology. Member of the Australasian Institute of Mining and Metallurgy.

Experience — Mr Madan has had world-wide experience in the exploration and evaluation of mineral deposits for various commodities. Mr Madan has been a Manager with Hamersley Iron, Group Leader with BHP Minerals, Chief Geologist with Hancock and Wright Prospecting and a Senior Geological Consultant to the Rio Tinto Group.

Mr Madan has managed a range of mineral evaluation studies in Iran, Brazil and Western Australia for BHP, Rio Tinto and Hamersley Iron. He has also acted as a consultant to Rio Tinto, Ashton Mining and others on mineral projects in Brazil, South Africa, India, the Philippines, Fiji and United States, working on a range of iron ore, diamonds, gold, copper and chromite deposits.

He has been involved in the discovery of 3 world class iron deposits in Western Australia for TexasGulf and BHP Minerals. From 1997 to 2001, Mr Madan managed the evaluation of resource projects for Hamersley Iron and more recently completed a resources due diligence study of the billion-dollar West Angelas project in the Pilbara region of Western Australia.

Relevant interest in shares — 1,000,000 Shares

Special Responsibilities — Managing Director

Other current directorships in listed entities — None

Former directorships in other listed entities in past 3 years — Orion Equities Limited – from 12 July to 26 November 2002

9. BOARD OF DIRECTORS

Farooq Khan — **Director**

- Appointed* — 9 September 1999
- Qualifications* — BJuris , LLB. (*Western Australia*)
- Experience* — Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and particularly capital raisings, mergers and acquisitions and investments. Mr Khan has also led the executive management of a number of ASX listed companies through their establishment and growth
- Relevant interest in shares* — 1,000,020 Shares
- Special Responsibilities* — Executive Director
- Other current directorships in listed entities* — Current Chairman and Managing Director of:
- (1) Queste Communications Limited (since 10 March 1998);
- Current Chairman of:
- (2) Bentley International Limited (director since 2 December 2003).
 - (3) Scarborough Equities Limited (since 29 November 2004)
- Former directorships in other listed entities in past 3 years* — Formerly Chairman and Managing Director of:
- (4) Altera Capital Limited (26 November 2001 to 18 October 2005);
 - (5) Sofcom Limited (3 July 2002 to 18 October 2005);
 - (6) Orion Equities Limited (4 October 1999 to 4 July 2003).
-

Victor P. H. Ho — **Director and Company Secretary**

- Appointed* — Secretary since 9 March 2000 and Director since 12 October 2000
- Qualifications* — BCom, LLB (*Western Australia*)
- Experience* — Mr Ho has been in company secretarial/executive roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, capital raisings and capital management matters and has extensive experience in public company administration, corporations law and stock exchange compliance and shareholder relations.
- Relevant interest in shares* — 50,000 Shares
- Special Responsibilities* — Executive Director and Company Secretary
- Other positions held in listed entities* — Current Executive Director and Company Secretary of:
- (1) Altera Capital Limited (26 November 2001);
 - (2) Orion Equities Limited (Secretary since 2 August 2000 and Director since 4 July 2003);
 - (3) Sofcom Limited (Director since 3 July 2002 and Secretary since 23 July 2003).
- Current Company Secretary of:
- (4) Queste Communications Limited (since 30 August 2000);
 - (5) Bentley International Limited (since 5 February 2004);
 - (6) Scarborough Equities Limited (since 29 November 2004).
- Former directorships in other listed entities in past 3 years* — None
-

9. BOARD OF DIRECTORS

9.2 DIRECTORS' INTERESTS IN SECURITIES

At the date of this Prospectus the relevant interests of each of the Directors in the Shares of the Company are as follows:

Director	No. of Shares
John Stephenson	-
H. Shanker Madan	1,000,000
Farooq Khan	1,000,020
Victor Ho	50,000

There are currently no Options on issue in the Company.

Nothing in this Prospectus will be taken to preclude Directors, officers or employees of the Company from applying for Shares under this Prospectus.

9.3 DIRECTORS' REMUNERATION

The Constitution of the Company provides that the non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the Directors agree. Non-executive directors' fees not exceeding an aggregate of \$75,000 per annum have been approved by the Company in general meeting.

Subject to any contract with the Company and to the Corporations Act, the Board may fix the remuneration of each Executive Director. That remuneration may consist of salary, bonuses, participation in profits of the Company or of any other company in which the Company is interested, a percentage of any increase in the market capitalisation of the Company or by any or all of those modes but may not be by way of commission on or percentage of operating revenue of the Company.

As at the date of this Prospectus, the Directors are remunerated on the basis of annual salaries/fees as follows:

Name of Director	Office	Salaries/Fees \$
John Stephenson	Non-Executive Chairman	24,000
H. Shanker Madan	Managing Director	120,000
Farooq Khan	Executive Director	60,000
Victor Ho	Executive Director and Company Secretary	30,000

In addition to the remuneration outlined above:

- the Company is required to pay Directors employer superannuation contributions of an amount necessary to meet the minimum level of superannuation contributions required under any applicable legislation.
- The Company may also pay the Directors' travelling and other expenses that they properly incur in attending Directors' meetings or any meetings of committees of Directors, in attending any general meetings of the Company, and in connection with the Company's business;
- If a Director, at the request of the Board and for the purposes of the Company, performs extra services or undertakes any executive or other work for the Company beyond his or her general duties, the Company may pay that Director a fixed sum or salary set by the Board. Such remuneration may be either in addition to or in substitution for any remuneration to which that Director is entitled as described above.

The Company does not presently have any equity (shares or options) based remuneration arrangements pursuant to any executive or employee share or option plan or otherwise.

The Company does not presently provide retirement benefits or incentive/performance based benefits to Directors. The Company intends to investigate the implementation of such arrangements in the future which will be put to shareholders for approval at that time.

The Company does not presently have formal service agreements or employment contracts with the Directors.

Under the Company's Constitution:

- A Director of the Company may be or become a director, officer, employee or member of any company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and is not accountable for any reasonable benefits received as a director, officer, employee or member of the other company.
- A Managing Director of the Company may, with the prior approval of the other Directors (such approval not to be unreasonably withheld), act as a managing director of another company.

9. BOARD OF DIRECTORS

9.4 OFFICERS' INDEMNITY AND INSURANCE

The Company's Constitution provides that to the extent permitted by the Corporations Act:

- (i) the Company may indemnify:
 - (a) every person who is or has been an officer of the Company; and
 - (b) where the Board considers it appropriate to do so, any person who is or has been an officer of a related body corporate of the Company;

against any liability incurred by that person in his or her capacity as an officer of the Company or of the related body corporate (as the case may be).

- (ii) The Company may pay a premium in respect of a contract insuring a person who is or has been an officer of the Company or a related body corporate of the Company against any liability incurred by the person as an officer of the Company or a related body corporate except a liability (other than one for legal costs) arising out of conduct involving a wilful breach of duty in relation to the Company or a contravention of section 182 or 183 of the Corporations Act.

The Company does not currently have but intends to investigate obtaining a directors' and officers' liability insurance policy which covers all Directors and officers of the Company and its wholly-owned subsidiaries.

9.5 DIRECTORS' DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act), the Company has also entered into a deed with each of the Directors to regulate certain matters between the Company and each Director, both during the time the Director holds office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries). By the Deeds:-

1. The Company is to retain, and the Director is granted access to, Board papers and company books (subject to confidentiality and privilege) both while the Director is a director of the Company and after the Director ceases to hold office, for the purposes expressly permitted by the deed.
2. The Company is required (to the extent permitted by the Act) to indemnify the Director against:
 - 2.1 any liability incurred by the Director (before or after the date of entry into the Deed) as an officer of the

Company or as an officer of a Relevant Entity (ie, a wholly owned subsidiary of the Company);

- 2.2 legal costs which the Director pays or becomes liable to pay in defending or resisting legal proceedings for a liability incurred as an officer of the Company or as an officer of a Relevant Entity or in seeking relief from such a liability under the Act; and

- 2.3 legal costs which the Director pays or becomes liable to pay in connection with any legal proceeding of an official person relating to the Company or a Relevant Entity which involves the Director because of his present or former capacity as an officer of the Company or Relevant Entity;

3. The Company must (subject to the Act) use its best efforts to ensure that, so far as practical (having regard to the cost of coverage and its availability), the Director is insured under a directors' and officers' insurance policy against liability incurred as an officer of the Company or of a Relevant Entity ("**D & O Policy**") for the period that each Director is a director of the Company and for 2 years after that Director ceases to hold office, and to pay the insurance premiums on that D & O Policy.

4. Subject to the terms of the deed and the Corporations Act, the Company may, at the request of the Director and on such terms as it thinks fit, advance monies to the Director to meet any costs or expenses of the Director incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of a legal proceeding. The Company cannot make such an advance to a Director in respect of legal costs incurred in a legal proceeding initiated by the Company against the Director. Advances must be repaid by the Director once the outcome of the legal proceeding is known, but may be set-off by indemnities from the Company (where permitted by the deed and the Corporations Act);

5. The Company must reimburse the Director for the reasonable expense of obtaining independent professional advice to assist the director in the proper exercise of powers and discharge of duties as a director of the Company; and

9. BOARD OF DIRECTORS

6. The Company's and the Director's rights and obligations in respect of confidential information, legal proceedings against the Director, disclosure of Director's benefits and notifiable interests and related party benefits.

9.6 OTHER INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Prospectus:

- (a) no Director or proposed Director of the Company, and no firm in which a Director or proposed Director of the Company is a partner, holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:
 - (i) the formation or promotion of the Company;
 - (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares under this Prospectus;
 - (iii) the offer of Shares under this Prospectus,
- (b) no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or proposed Director of the Company:
 - (i) to induce them to become, or to qualify them as, a Director; or
 - (ii) for services rendered by them in connection with the formation or promotion of the Company.

Mr H. Shanker Madan has received approximately \$16,500 (excluding disbursements) in respect of consulting services provided to the Company during the past year, prior to his appointment as a Director on 26 September 2005.

9.7 CORPORATE GOVERNANCE

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (**Council**). The Company's practices are largely consistent with the Council's guidelines - the Board considers that the

implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of Shareholders as a whole.

The Company's Corporate Governance Statement is reported in its current 2005 Annual Report, which can be viewed and downloaded from the Company's website: www.fastscout.com. A hard copy can be mailed by request to the Company.

9.8 OTHER MATTERS

The Company notes that Director, Mr Farooq Khan, is also a director of ASX listed Queste Communications Limited (**QUE**), a 48% shareholder of ASX listed Orion Equities Limited (**OEQ**) (formerly Central Exchange Limited). OEQ is the 100% shareholder of Hume Mining NL, the other party to the Hume Agreement with the Company.

The Company notes that Director and Company Secretary, Mr Victor Ho, is also director and company secretary of Hume and OEQ and the company secretary of QUE.

10. INDEPENDENT GEOLOGICAL REPORT

AL MAYNARD & ASSOCIATES

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Australian & International Exploration & Evaluation of Mineral Properties

The Directors
Fast Scout Limited
Level 14, The Forrest Centre
221 St Georges Terrace
Perth WA 6000

22nd December, 2005

Dear Sirs,

INDEPENDENT GEOLOGICAL REPORT FOR FAST SCOUT LIMITED

PREAMBLE

At the request of the Directors of Fast Scout Limited A.B.N. 94 088 488 724 (**“Fast Scout”**), we have prepared this Independent Geological Report (**“Report”**) on six mineral exploration properties in which the company holds an interest. The six properties are prospective for a variety of mineral commodities including uranium, coal, gold and base metals. Five of these are located in Australia and the sixth in Indonesia (refer Figures 1 and 2).

This Report has been prepared for inclusion in a prospectus (the **“Prospectus”**), which the Directors of Fast Scout have advised will be lodged with the Australian Securities and Investments Commission (**“ASIC”**) on or about 22 December 2005, offering for subscription up to 7,500,000 fully paid ordinary shares at an issue price of 20 cents each to raise up to \$1.5 million, with a minimum subscription of \$1.3 million (6,500,000 shares) and allowance for oversubscriptions of up to a further \$0.5 million (2,500,000 shares). This Report has been prepared in accordance with the relevant requirements of the Listing Rules of the Australian Stock Exchange Limited, ASIC Practice Notes 42 and 43.

Al Maynard & Associates (**“Maynard”**) is an independent geological and exploration consultancy established 25 years ago, which has operated continuously since then. Maynard has been responsible for the preparation of a considerable number of geological reports and valuations for prospectuses and other purposes relating to mineral project areas Australia-wide and overseas. Mr Allen J. Maynard, the author of this report, is a Member of the Australian Institute of Geoscientists (**“AIG”**) and a Corporate Member of the Australasian Institute of Mining & Metallurgy (**“AusIMM”**). He has the relevant experience and competence to be considered **“Expert”** under the definitions provided by ASIC Practice Notes 42 and 43.

Maynard has no material interest either direct, indirect or contingent neither in Fast Scout, nor in any of the mineral properties included in this Report nor in any other asset nor has any such interest existed in the past.

10. INDEPENDENT GEOLOGICAL REPORT

Maynard has had no input into the formulation of any of the mineral tenements under review. This Report has been prepared by Maynard strictly in the role of an independent expert. Fast Scout has warranted to Maynard that full disclosure has been made of all material in its possession and that information is complete, accurate and true. None of the information provided by Fast Scout has been specified as being confidential and not to be disclosed in our Report.

Legal status of the tenements, including Native Title considerations, are the subject of a separate Independent Exploration Titles Report which appears elsewhere in the Prospectus, and this matter has not been independently verified by Maynard. However, Maynard has conducted informal tenement searches of the electronic database of the Department of Industry and Resources (“**DoIR**”) of the Western Australian State Government. For reporting purposes it is assumed that the Fast Scout tenements and agreements are and will remain in good standing for the required time-frame.

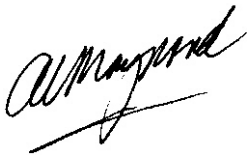
Heritage and environmental and other non-geological issues that may impinge on the status of any of the Fast Scout project areas are outside the scope and expertise of this Report and readers are advised to refer to the Independent Exploration Titles Report which appears elsewhere in the Prospectus.

Fees for the preparation of this Report are being charged at commercial rates whilst expenses are being reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions neither of this document nor on the outcome of the Prospectus.

Site visits were not conducted specifically for this report as the author has visited the WA and NT project areas in the past and no new details would be revealed by a subsequent visit. One of our Associates has worked in the general Kalimantan area several times over the last five years and has reviewed the available information. Data used in the preparation of this Report has been derived from technical information provided by Fast Scout and other publicly available data.

For the purpose of Sections 731 to 733 of the Corporations Act 2001, Maynard the author was involved in the preparation of the Independent Geological Report included in the Prospectus and has authorised or caused the issue of this part of the Prospectus only. Maynard has given consent in writing to the issue of the Prospectus with this Independent Geological Report in the form and context in which it is included and has not withdrawn its consent before the lodgement of the Prospectus with ASIC.

Yours faithfully,



Allen J. Maynard BAppSc (Geol). MAusIMM, MAIG

10. INDEPENDENT GEOLOGICAL REPORT

TABLE OF CONTENTS

1.0	BIGRLYI SOUTH	27
1.1	SUMMARY	27
1.2	INTRODUCTION.....	27
1.3	REGIONAL GEOLOGY	29
1.4	GEOLOGY AND MINERALISATION.....	30
1.5	DISCUSSION	31
1.6	PROPOSED EXPLORATION	31
2.0	Mt JAMES URANIUM PROJECT.....	32
2.1	SUMMARY	32
2.2	INTRODUCTION.....	32
2.3	REGIONAL GEOLOGY	33
2.4	EXPLORATION HISTORY.....	34
2.6	PROPOSED EXPLORATION	35
3.0	CANNING WELL PROJECT	36
3.1	SUMMARY	36
3.2	INTRODUCTION.....	36
3.3	EXPLORATION HISTORY.....	36
3.4	GEOLOGY AND MINERALISATION.....	39
3.5	DISCUSSION	40
3.6	PROPOSED EXPLORATION	40
4.0	MT LAWRENCE WELLS URANIUM PROJECT	41
4.1	SUMMARY	41
4.2	INTRODUCTION.....	41
4.3	GEOLOGY AND MINERALISATION.....	42
4.4	DISCUSSION	42
4.5	PROPOSED EXPLORATION	43
5.0	PAULSENS EAST	43
5.1	SUMMARY	43
5.2	INTRODUCTION.....	43
5.3	EXPLORATION HISTORY.....	44
5.4	PROJECT GEOLOGY AND MINERALISATION	44
5.5	PROPOSED EXPLORATION	45
6.0	KALIMANTAN COAL.....	46
6.1	INTRODUCTION.....	46
6.2	EXPLORATION HISTORY.....	46
6.3	GEOLOGY AND MINERALISATION.....	47
6.4	DISCUSSION	50
6.5	PROPOSED EXPLORATION	50
7.0	SELECTED BIBLIOGRAPHY	52
8.0	GLOSSARY OF TECHNICAL TERMS	54

10. INDEPENDENT GEOLOGICAL REPORT

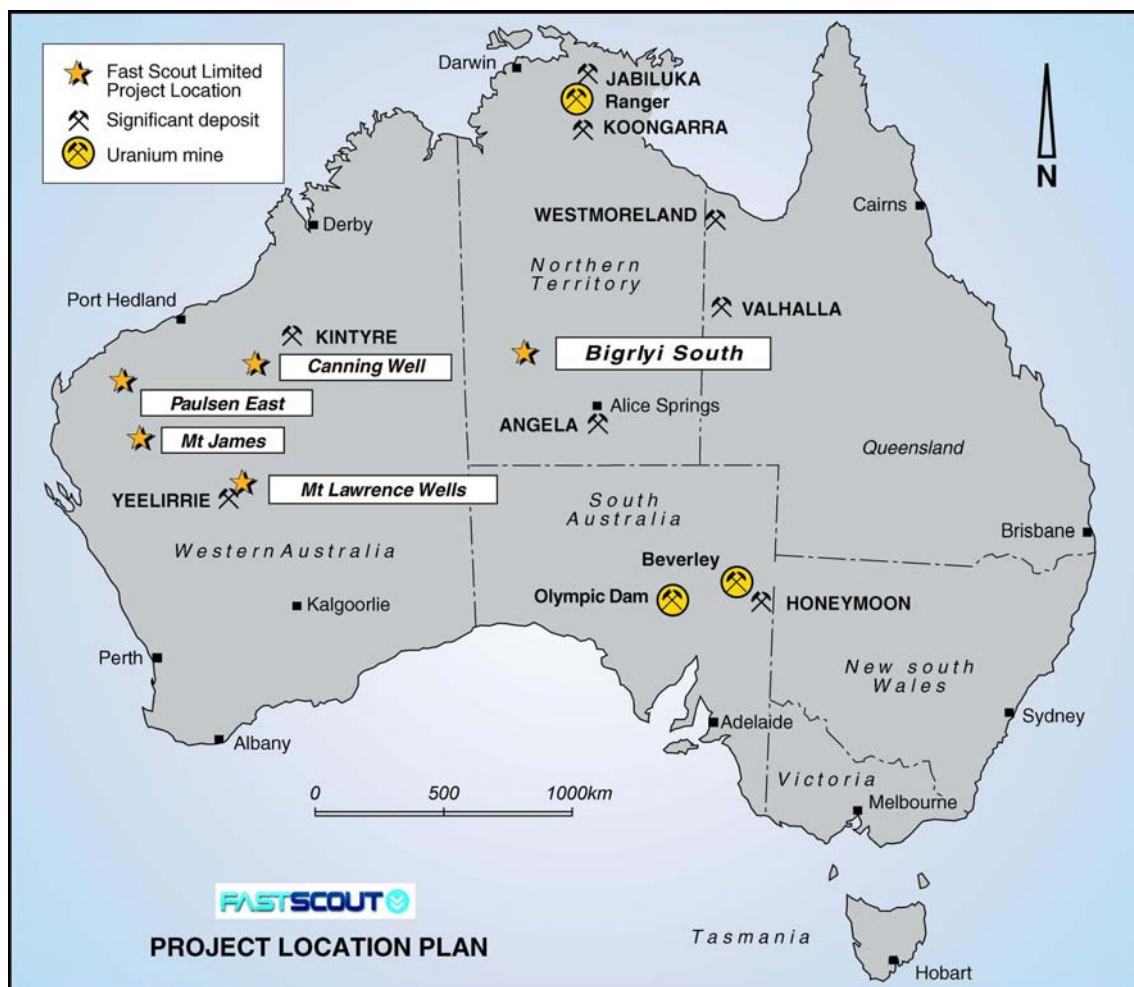


Figure 1

1.0 BIGRLYI SOUTH

1.1 SUMMARY

- 5 km south of Bigrlyi uranium deposit.
- 4 radioactive anomalies in the Mt Eclipse Sandstone, the host to the Bigrlyi deposit, within the tenements.
- A major low angle thrust fault, potential channel way for uranium bearing fluids and host to uranium deposits straddles across the entire length of E 24879

1.2 INTRODUCTION

The Bigrlyi South Project comprises five Exploration Licence Applications (“ELAs”), numbered EL 24879, 24927, 24928, 24929 and 24930 located approximately 390 km to the northwest of Alice Springs in the Northern Territory. The tenements cover an area of approximately 1664 sq km in the Ngalia Basin, an intracratonic basin host to several uranium occurrences and a prominent deposit at Bigrlyi. Fast Scout is acquiring 75% of the mineral rights in the project area. (Refer to Figures 1 & 2).

10. INDEPENDENT GEOLOGICAL REPORT

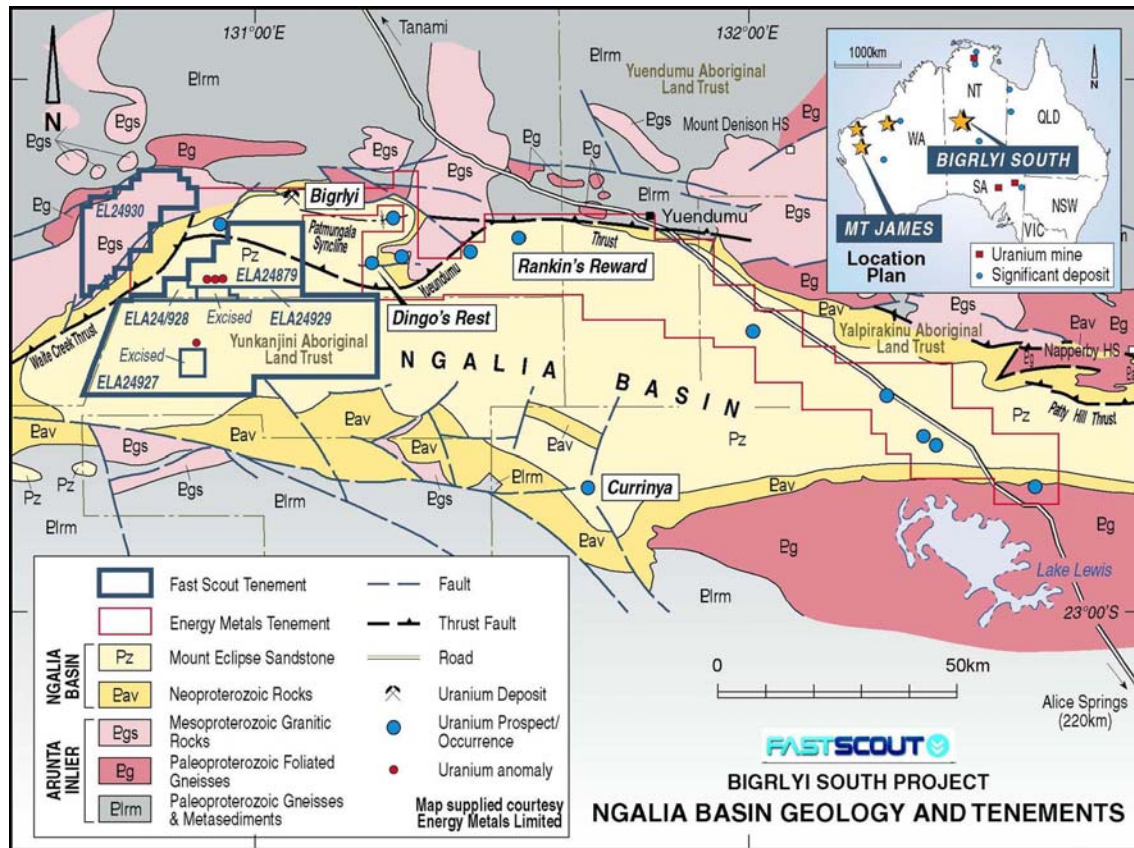


Figure 2

Table 1 - Bigrlyi South Tenements

Project	Application No	Area (Blocks)	Area (Approx km ²)	Location Name	State
Bigrlyi South Project	ELA 24879	82	260	Mount Doreen	NT
	ELA 24927	338	999	Haasts Bluff	NT
	ELA 24928	15	35	Mount Doreen	NT
	ELA 24929	26	56	Mount Doreen	NT
	ELA 24930	99	314	Mount Doreen	NT

Of the five Bigrlyi South Project tenement applications, ELA 24879 (that is five kilometres south of the Bigrlyi deposit) is regarded as the most prospective for economic mineralisation of uranium. It is adjacent and south of the Energy Metals Limited tenements that surrounds the Bigrlyi deposit; it covers the same stratigraphic unit as the host to the Bigrlyi deposit. In addition, a major low angle thrust fault, a potential channel way and host for the uranium bearing fluids, straddles this tenement. It is known that the Bigrlyi deposit is folded and faulted and other uranium anomalies in the area are associated with thrust faults.

Three of Fast Scout's other tenements are located adjacent and nearby and also cover the same unit, the late Devonian to late Carboniferous Mt Eclipse Sandstone. ELA 24930 covers a pegmatitic granite unit in the basement rocks believed to be the source of the uranium bearing fluids.

10. INDEPENDENT GEOLOGICAL REPORT

1.3 REGIONAL GEOLOGY

The Ngalia Basin is a Neoproterozoic to Palaeozoic intracratonic basin approximately 300km long and 70 km wide within the Northern Arunta Province of the Arunta Inlier, in the central-south of the Northern Territory. The Ngalia Basin is an asymmetric syncline with a steep tectonised northern boundary and a shallow northerly dipping unconformity forming the southern basin boundary. The northern boundary is defined in the east by low angle thrust faults over the Arunta Inlier and in the west by high-angle reverse faults that have thrust the basement rocks several kilometres over the sediments.

The region has been tectonically active since before 1880 Ma with several tectonic events and phases of granitic intrusions up to 1000 Ma. Granites have provided the source material for subsequent sedimentation.

The younger post-tectonic granites, particularly the Southwark Granite Suite dated at 1567 Ma are believed to be the origin of the uranium for the known uranium mineralisation in the region. Whole-rock chemical analysis of 18 samples from these late granites are recorded as having uranium contents varying from 1.5 parts per million (ppm) to 22.5 ppm, thorium ranged from 3ppm to 175ppm and vanadium typically from 3 to 57ppm. In contrast, 8 samples from the older granites ranged in uranium content from 1.5 to 10ppm and vanadium from 20 to 90 ppm. In general the geochemistry of these late granites is consistent with other high-heat production group (ie. radiogenic) granites of the Arunta Inlier. ***Fast Scout's ELA 24930 covers a large proportion of the Southwark Granite Suite west of the Bigrlyi deposit.***

The Cambrian to Devonian sedimentary sequences of the Ngalia Basin range in age from 850 Ma to 350 Ma and rest unconformably over the Arunta Inlier. The sediments of the Neoproterozoic are dominantly fluvial to shallow marine quartz sandstones, shales, mudstones, conglomerates, dolomites and tillites. These sequences total between 2,000 and 3,000m in thickness.

The transition from the Neoproterozoic to the Cambrian occurs within the 700m thick Yuendumu Formation of sandstone and arkosic sandstone formed in shallow marine conditions. Three further sequences of shallow marine to fluvial sediments, each unconformable upon the underlying sediments, were deposited during the Cambrian, Ordovician and Devonian periods.

The youngest and thickest Palaeoproterozoic sedimentary sequence is the thick Devonian to Carboniferous Mount Eclipse Sandstone, up to 3,000m thick that is deposited disconformably on all underlying Ngalia Basin units. In the region around the Bigrlyi uranium deposits the Mount Eclipse Sandstone overlies the Neoproterozoic age Vaughan Springs Quartzite, the oldest unit in the Ngalia Basin overlying the rocks of the Arunta Inlier.

Uplift and erosion of the Arunta Inlier rocks to the north of the Ngalia Basin between 350 and 370 Ma initiated the deposition of the Mount Eclipse Sandstone. This deposition was terminated at the peak of the Alice Springs Orogeny, possibly about 300 to 320Ma. At this time the Yuendumu, Waite Creek, Patty Hill, Napperby and Hann Range thrust faults were active, thrusting the Arunta Inlier rocks southward over the Ngalia Basin rocks. This overthrusting is associated with the asymmetric folding of the Mount Eclipse Sandstone sequence with east to west axes and steep north-facing limbs. A major anticline to the west of the ELA 24879 suggests the continuation of the basal carbonaceous units of the Mount Eclipse Sandstone into the Fast Scout project tenements to the south of the Bigrlyi deposit.

10. INDEPENDENT GEOLOGICAL REPORT

The Mount Eclipse Sandstone consists of arkoses, conglomeratic sandstones, greywacke and minor conglomerates deposited in piedmont to subaerial-fluvial environments. The sequence contains a significant carbonaceous component with plant fossils.

Uranium mineralisation of the Ngalia Basin is hosted in sedimentary channels, piedmont-style, of carbonaceous arkoses located towards the base of the Mount Eclipse Sandstone. The primary source of the uranium is inferred to be the younger granites of the Arunta Inlier.

Since the end of the Alice Springs Orogen, the Ngalia Basin has been part of the stable Australian Craton with terrestrial sedimentation of sands, silts, aeolian sand, calcrete, silcrete, lateritic ironstones and playa lake sediments. The unconsolidated sediments obscure parts of the prospective Mount Eclipse Sandstone in the Fast Scout tenement block.

The Bigrlyi Uranium Deposit itself occurs in arkosic sandstones in the lower part of the late Devonian-late Carboniferous Mt Eclipse Sandstone which is host to 20 regional uranium prospects and radiometric anomalous zones.

The deposit is regarded as a typical “modified roll front deposit” where uranium bearing oxidizing fluids meet with the reducing conditions in layers of predominantly carbonaceous matter in a permeable formation.

The regional geological setting indicates that uraniferous fluids probably originated from granites of the underlying Arunta complex, and migrated southwards. Here, reaction with the reductant lithologies led to the precipitation of uranium mineralisation in the rocks of the Mount Eclipse Sandstone.

The location of a uranium prospect at Currinya along the southern margin of the Ngalia Basin suggests that movement of uranium bearing fluids extended over considerable distances and was predominantly from the north to south.

1.4 GEOLOGY AND MINERALISATION

Shallow, south-dipping, small scattered outcrops of Mt Eclipse Sandstone cover approximately 5-10% of the Bigrlyi South Project area. The rest is covered by a thin cover of Recent to Quaternary sands, silts, calcrete, silcrete, lateritic ironstones and playa lake sediments.

A curvilinear low angle thrust known as the Yuendumu Thrust has been interpreted to straddle the entire length of ELA 24879 (Figure 2). It extends for a total of 100 km either side of the tenement and joins up with another major northeast thrust fault west of ELA 24879. Another small thrust fault locally known as the Cusacks Bore Thrust has been mapped for about five kilometres and is located three kilometres to the north of the Yuendumu Thrust and five kilometres east of ELA 24879. Two uranium prospects outside the Fast Scout tenements have been mapped and drilled on or around this thrust fault.

The projection of the axis of the major asymmetric regional anticline in the northern part of the Ngalia Basin passes through ELA 24879. The tenements, particularly ELA 24879, are located in an area that has undergone intense folding and faulting.

10. INDEPENDENT GEOLOGICAL REPORT

The shallow cover of Recent to Quaternary sediments obscures much of the geology and also inhibits any radiometric response from the area. The asymmetric folding and the extensive thrust faulting, (and the fact that the Bigrlyi deposit is faulted) suggests that carbonaceous horizons within the Mount Eclipse Sandstone, considered favourable for hosting the uranium mineralisation, may be repeated more than once within the tenements. Furthermore the faults would have provided excellent channel ways for the movement of uranium bearing oxidizing fluids.

In spite of the shallow cover inhibiting radiometric response, a number of radiometric uranium anomalies are noted from the published radiometric data of the Northern Territory Geological Survey in the area.

1.5 DISCUSSION

The four tenements ELA 24879, ELA 24927, ELA 24928 and ELA 24929 being acquired by Fast Scout from Hume Mining which contain the lower Mt Eclipse Sandstone are regarded as prospective for economic roll front type uranium mineralisation similar to that at Bigrlyi for the following reasons.

- proximity to known mineralisation at Bigrlyi
- a pre-existing north to south flow regime,
- permeable strata interlayered with carbonaceous matter repeated in the tenement block due to folding and thrust faulting, and
- one or more low angle thrust faults postulated to straddle across the tenement, particularly ELA 24879 as additional primary fluid conduits into the Mt Eclipse Sandstone.

The fifth tenement ELA 24930 located in the pegmatitic granites high in background uranium is regarded as having potential for vein type uranium mineralisation.

1.6 PROPOSED EXPLORATION

All tenements other than ELA 24927, in the Bigrlyi South Project are situated on the Mount Doreen Perpetual Pastoral Lease. ELA 24927 is situated to the south of these Exploration Licence Applications on Aboriginal Freehold land which is registered to the Yunkanjini Aboriginal Land Trust (“YALT”). Access to this tenement will be negotiated with YALT.

However, the most prospective tenements ELA 24879 with the 3 known radiometric anomalies and ELA 24928 and ELA 24929 covering the Mt Eclipse Sandstone are located on the Mount Doreen Pastoral Lease.

Upon granting of the exploration licences Fast Scout will focus its initial exploration effort on the known radiometric anomalies and the tenement in which these are located. This tenement ELA 24879, is also the closest to the Bigrlyi deposit and is host to the Yuendumu Thrust fault. In addition the company will conduct new aerial and ground radiometric surveys designed to locate further anomalies in this and the other tenements.

10. INDEPENDENT GEOLOGICAL REPORT

Bigrlyi South Project Proposed Expenditure:

Activity	Minimum to Full	With Oversubscriptions
	Subscriptions	
	Year 1	Year 1
Data compilation	\$10,000	\$20,000
Geophysics & surveying	\$30,000	\$50,000
RAB RC or Aircore drilling	\$60,000	\$120,000
Sample Analyses	\$20,000	\$40,000
Field and staff costs	\$25,000	\$50,000
Aboriginal heritage	\$20,000	\$20,000
Totals	\$165,000	\$300,000

2.0 Mt JAMES URANIUM PROJECT

2.1 SUMMARY

- Up to **0.14% U or equivalent of 0.17% U₃O₈ over 0.2m from 69.5m** as uraninite in diamond drill holes in metamorphosed schistose and gneissic rocks.
- Uranium mineralisation as carnotite exposed in shallow trenches in the deeply weathered Tertiary regolith on drainage divides between creek systems with potential for the discovery of shallow secondary mineralisation over large areas.
- Twelve untested radiometric uranium anomalies.

2.2 INTRODUCTION

The Mt James Uranium Project is located in the Mount Phillips 1:250,000 sheet area in Western Australia, approximately 900 km north-northeast of Perth. (Refer to Figures. 1 & 3). It covers four tenements in which the company has 100% interest or is earning between 70% or 75% interest as shown in Table 2 below.

2.3 REGIONAL GEOLOGY

The tenements are located in a region of metamorphosed and migmatized rocks of the Gascoyne Province, consisting of granitic rocks, chloritic and micaceous schists, quartzites, gneisses and calc-silicate rocks. These rocks are of Early Proterozoic age and are collectively referred to as the Morrissey Metamorphic Suite. Tertiary laterites and minor calcareous fluvial sediments overlie these rocks. Quaternary colluvium occupies a significant portion of the tenements, especially adjacent to drainages.

10. INDEPENDENT GEOLOGICAL REPORT

Table 2 - Mt James Uranium Project Tenements – Western Australia

Tenement ID	Status	Area (Blocks)	Area (Approx x km ²)	Location/ Property Name	Fast Scout's Interest
ELA 09/1253	Application	49	147	Mt James	75% interest acquired under agreement with Hume Mining NL
ELA 09/1245	Application	35	105	Rubberoid Well	70% interest acquired under agreement with Helen Mary Ansell and Uranium Oil and Gas Limited
ELA 09/1257	Application	27	81	Injinu Hills	100% - applied by Fast Scout
ELA 09/1258	Application	26	78	Mortimer Hills	100% - applied by Fast Scout

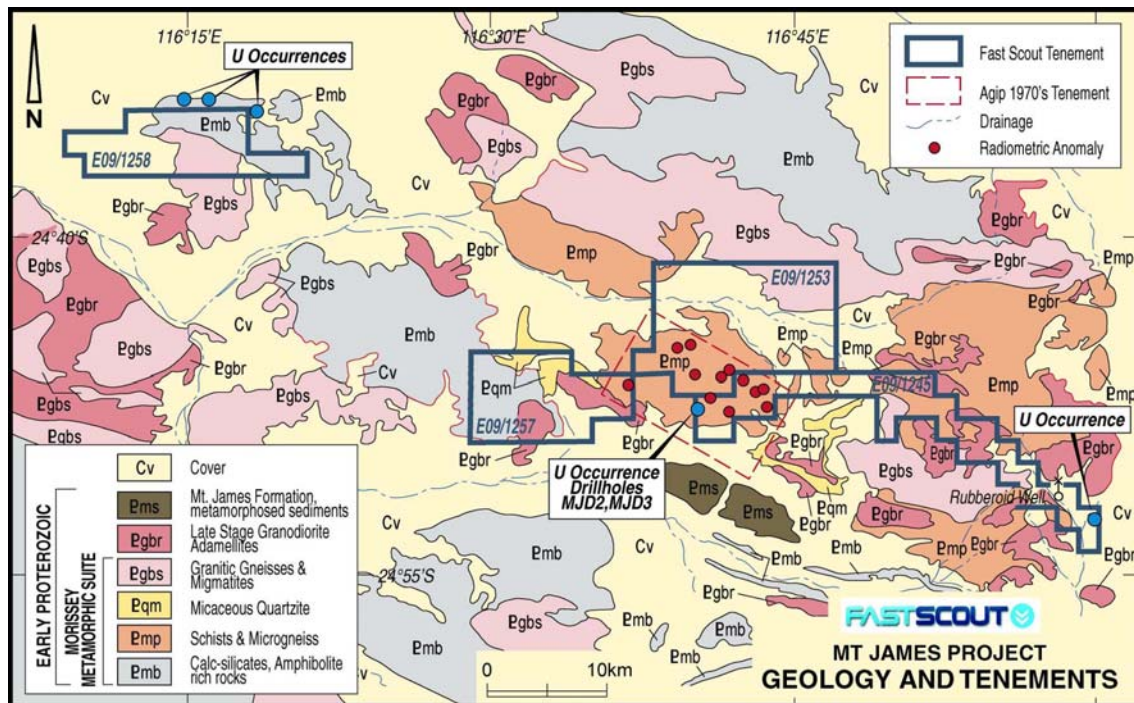


Figure 3

Intrusion of late stage Proterozoic granitoids into the Morrissey Metamorphic Suite caused widespread secondary deformation. These rocks were subsequently overlain unconformably by Mount James Formation sedimentary rocks followed by a low to moderate grade regional deformation and regional metamorphism. Folding and cleavage development in the Mount James Formation post-dates the main deformation in the Morrissey Metamorphic Suite.

The region was subsequently uplifted, eroded and progressively submerged with the deposition of the middle Proterozoic Bangemall Group sediments which are relatively undeformed and unmetamorphosed. There are no Bangemall Group rocks in the Fast Scout tenements.

Uranium in the area occurs as:

- Secondary, yellow or olive green carnotite in calcrete and weathered bedrock in the saprolite zone, and as
- Primary uranium oxides mainly as pitchblende and uraninite in discrete pods.

10. INDEPENDENT GEOLOGICAL REPORT

2.4 EXPLORATION HISTORY

Exploration since the early 1970s has led to the discovery of 45 separate uranium occurrences in the Mount Phillip 1:250,000 sheet area. AGIP Nucleare (“AGIP”) geologists were the first to map the entire Mount Phillip sheet and discovered a large number of these occurrences. Before withdrawing from the area in late 1970s AGIP progressively reduced its land holding to Temporary Reserve (TR) 5963H and later to just a single Mineral Claim (MC) 09/1922. This mineral claim was also subsequently dropped in the late 1970s when AGIP withdrew from the region altogether.

A large proportion of the erstwhile TR 5963H and approximately 90% of the area of MC09/1922 is now covered by ELA 40/1245 and ELA 09/1253. ELA 09/1245, also covers another uranium occurrence four kilometres southeast of Rubberoid Well in the southeast corner of the tenement.

AGIP conducted an airborne regional radiometric survey, followed by detailed ground scintillometer surveys and excavation of numerous trenches in TR 5963H plus percussion holes and diamond drill holes in the area. Most of the drill holes are located outside of the Fast Scout tenements.

In MC09/1922, its last remaining tenement, AGIP excavated 6 trenches for an aggregate of 404m, drilled 545m in 7 angled percussion holes followed by 4 diamond drill holes for a total of 503m.

AGIP’s work resulted in the discovery of secondary carnotite mineralisation in shallow trenches and primary uraninite mineralisation in the pegmatitic granitic to schistose rocks at depth. A summary of some the diamond drilling results is shown in the next section.

2.5 GEOLOGY AND MINERALISATION

The project area encompasses high-grade metamorphic rocks and microgneiss as well as quartzites (metamorphosed arkoses and quartz rich rocks) on ELA 09/1253 and ELA 09/1257 and the western half of ELA 09/1245. High-grade amphibolites and calc-silicate rocks occur on ELA 09/1258. Late stage medium grained adamellite and granite intrude into metamorphosed schists and microgneiss (metamorphosed greywacke) in the eastern half of ELA 09/1245. Steep cleavages from 45° to 85° are pervasive in the schistose rocks. These rocks are covered by a variable thickness of deeply weathered Tertiary duri crust indicating deep weathering.

The eastern tenements ELAs 09/1245, 09/1253 and 09/1257 are located along the drainage divide between James Creek to the south and tributaries of the Thomas River to the north. Mortimer Hill ELA 09/1258 is located on a drainage divide between Thomas Creek and Thirty Three River.

The deeply weathered Tertiary surface offers a good target for shallow carnotite mineralisation in the saprolite zone. ELA 09/1253 has 12 untested uranium anomalies and in addition carnotite mineralisation has been exposed in 6 trenches and several drill holes in ELA 09/1245. A uranium occurrence in the eastern-most corner of ELA 09/1245 four kilometres southeast of Rubberoid Well has been listed as an opencast mine in the Geoscience Australia minerals database. It is more likely an exploration deep trench located on it. Initial exploration by Fast Scout will focus on these areas.

10. INDEPENDENT GEOLOGICAL REPORT

The Mortimer Hills tenement ELA 09/1258 is surrounded by 3 known occurrences of uranium mineralisation along its northern border. This area is located on a drainage divide and therefore is likely to have a deep weathering profile and a saprolite zone with potential for secondary uranium mineralisation.

Large areas of the tenements except for ELA 09/1257 offer specific targets for near surface secondary uranium mineralisation. The tenements will be mapped in detail with special attention paid to pegmatitic zones and structural discontinuities. Follow-up drilling will probe for deep primary uraninite mineralisation such as that intersected by AGIP in drill holes MJD 2 and MJD 3 on MC 09/1922 and now located in ELA 09/1245 as shown in the table below.

Table 3. Summary of two AGIP Diamond Drilling Intercepts.

Hole	From (m)	To (m)	U ppm	U %	Equivalent % U ₃ O ₈
MJD 3	69.10	69.25	100	0.01	0.0118
MJD 3	69.25	69.45	520	0.05	0.0613
MJD 3	69.45	69.65	1,450	0.145	0.171
MJD 3	69.65	70.00	24	0.0024	0.0028
MJD 3	89.30	89.50	105	0.0105	0.0124
MJD 3	90.60	90.80	260	0.026	0.0306
MJD 3	91.80	92.10	430	0.043	0.0507
MJD 2	108.3	108.60	10	0.0010	0.0012
MJD 2	108.60	108.90	1,200	0.12	0.1414
MJD 2	108.90	109.25	75	0.0075	0.0088
MJD 2	109.25	109.55	220	0.022	0.0259
MJD 2	109.55	109.90	140	0.0140	0.0165

The primary uranium mineralisation occurs as discrete pods and blebs and may be classified as vein type mineralisation. The number and spread of secondary mineralisation occurrences in deeply weathered Tertiary duricrust rather than calcrete channels indicates the potential for the discovery of discrete pods of primary uraninite mineralisation associated with pegmatite zones in the subsurface. On the basis of data available from previous work, the number of radiometric anomalies, drill intersections within the tenements and the general geological setting and potential for uranium, the Company believes that these Gascoyne tenements will upon grant become a key focus of its uranium search in Western Australia for both the secondary mineralisation in the saprolite zone as well as deeper primary vein type mineralisation in the pegmatite zones in the schistose and calc-silicate rocks. .

2.6 PROPOSED EXPLORATION

Upon granting of the exploration licences Fast Scout will explore for uranium using detailed structural analysis and modern exploration methods. In the first instance the focus will be around the known drill intersections that encountered uranium mineralisation and the untested anomalies identified by AGIP. In addition to testing for primary mineralisation at depth the Company will also review the potential for mineable deposits of carnotite at shallow depths in the deeply weathered saprolite zone in the duricrust.

10. INDEPENDENT GEOLOGICAL REPORT

Mt James Project Proposed Expenditure:

Activity	Minimum to Full	With Oversubscriptions
	Subscriptions Year 1	Year 1
Data compilation	\$5,000	\$15,000
Geophysics & surveying	\$10,000	\$30,000
RAB, RC or Aircore drilling	\$65,000	\$70,000
Sample Analyses	\$15,000	\$20,000
Field and staff costs	\$20,000	\$30,000
Aboriginal heritage	\$10,000	\$15,000
Totals	\$125,000	\$180,000

3.0 CANNING WELL PROJECT

3.1 SUMMARY

- Two licences, EL 46/629 (granted) and ELA 46/585 (application) located 110km southwest of Telfer and 80km west of Kintyre offer uranium, gold and base metal targets along a major fault system in the Lower to Middle Proterozoic rocks.
- Four stream-sediment and soil gold anomalies of up to 560 ppb Au in sandstones and shales and uranium anomalies of up to 11ppm against a background of less than 1ppm in dolomitic sandstones in two separate areas along the same regional fault offer Telfer style gold and unconformity type uranium mineralisation targets respectively.
- Several untested GEOTEM conductors provide additional base metal and gold targets.

3.2 INTRODUCTION

The Canning Well project comprises two exploration licences covering approximately 279 km² located 110km southwest of Telfer and 80km west of Kintyre in the Balfour Downs 1:250,000 sheet area (SF51-9) in Western Australia. (Refer to Figures. 1 & 4). Fast Scout is earning 75% interest from Hume Mining NL in both tenements.

3.3 EXPLORATION HISTORY

GH Low, a government geologist recorded copper mineralisation near Enacheddong Waterhole in 1963. Modern exploration in the area began with a search for base metals by Metramar Minerals NL in 1970, followed by Panoz Ventures Ltd (“**Panoz**”) during 1983. Dominion Mining Ltd (“**Dominion**”) in joint venture with Panoz in 1984, Wright Prospecting Pty Ltd (“**WP**”) from 1984 to 1989, CRA Exploration Pty Ltd (“**CRAE**”) from 1990-94 and Giralia Resources NL from 2000 -2002.

The first reported work is by Panoz that consisted of a literature review, geological mapping and geochemical sampling. Dominion drilled 19 RAB holes for a total of 378 metres at the Enacheddong copper occurrence. Results indicated low grade (0.12%-0.15% Cu) secondary copper mineralisation at shallow depth over a strike distance of 580 metres.

10. INDEPENDENT GEOLOGICAL REPORT

Hancock and Wright (“**H&W**”) on behalf of WP conducted stream sediment, auger soil and lag geochemical surveys, rock chip sampling, an aeromagnetic and radiometric survey and also drilled 19 percussion holes into an eight kilometre long anomalous magnetic high zone in the northern part of the current tenement block. Thick (40–50m) intervals of approximately 10% pyrite and pyrrhotite were intersected with consistent but weakly anomalous copper (maximum 481ppm Cu) values. The lag samples were analysed for various elements including uranium and returned up to 11ppm uranium against a background less than 1ppm.

H&W analysed a few of the anomalous arsenic stream sediment samples for gold, some of which yielded highly anomalous geochemical results (up to 560ppb Au). Follow-up, limited rock chip sampling identified four separate areas with anomalous gold (30 to 229ppb Au). In addition, several areas anomalous in arsenic (up to 1,410ppm As) were identified against a background of two parts per million Arsenic. The anomalies are associated with outcrops of limonitic shale, chert, chert breccia and ferruginous sandstone interbedded with dolomite. Systematic rock chip sampling in one of the areas confirmed anomalous gold but there is no known record of further follow-up ground work or drilling in this or any of the other areas identified by H&W as anomalous in arsenic and gold.

CRAE drilled 18 RC holes (1,927m) and one diamond drill hole (45m) in the vicinity of the Enacheddong copper occurrence with the best result of 12m at 0.75% Cu and 5.6 g/t Ag from a depth of 11m in hole 93ENRC004. CRAE continued exploring the region for base metals with lag, rock chip and stream sediment sampling, geophysical surveys including 2351 line kilometres of GEOTEM and airborne magnetic survey, 17.3 line kilometres of SIROTEM and 39 line kilometres of ground magnetic surveys. This was followed by 2,834m of RAB (74 holes), 3,114m of RC (34 holes) and 673m of diamond drilling (3 holes). Several of the GEOTEM conductors outlined remain untested. Further work was recommended but all tenements were subsequently dropped. The drilling results and GEOTEM conductors are summarised in Figures 4 & 5 respectively.

10. INDEPENDENT GEOLOGICAL REPORT

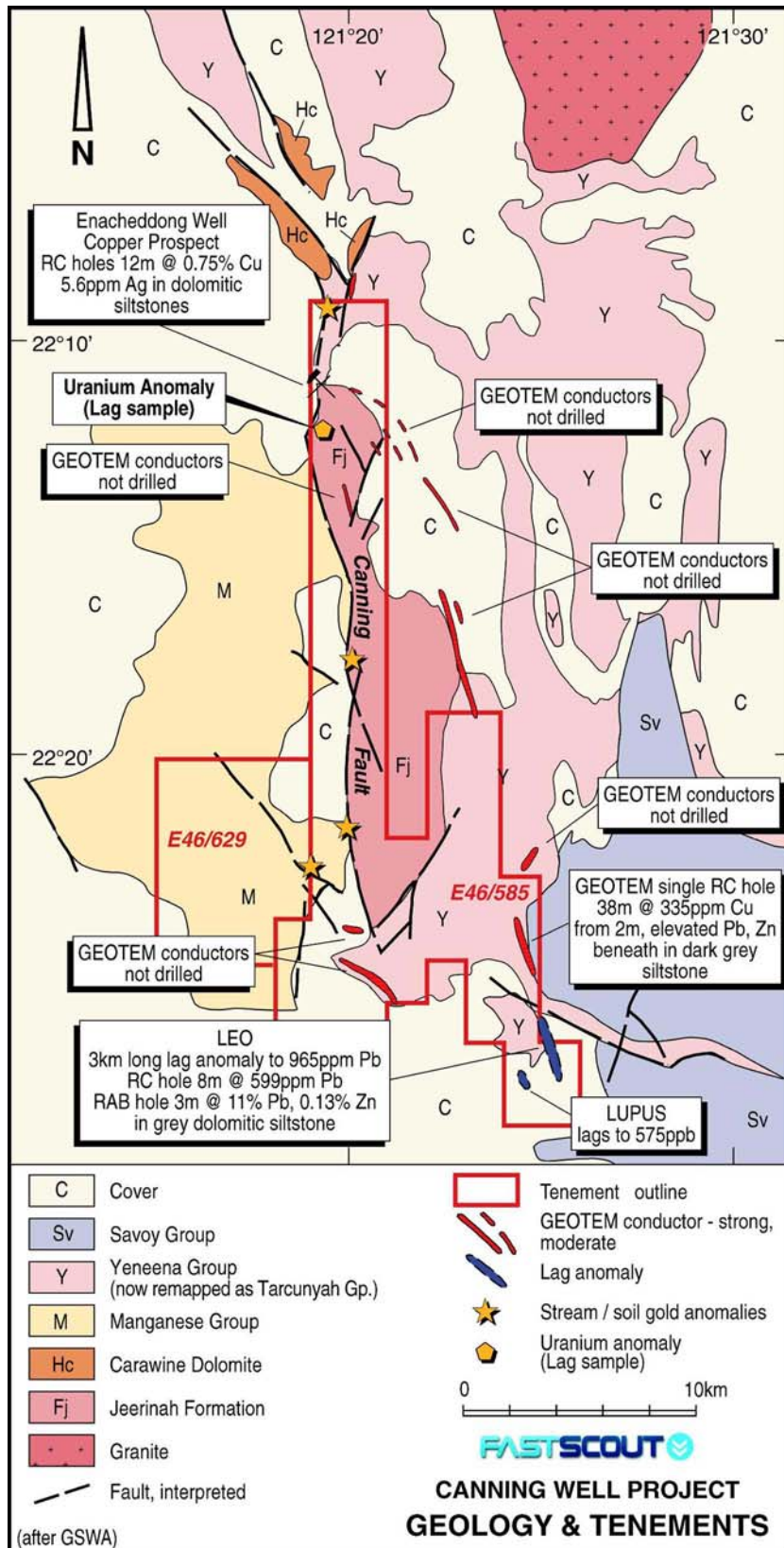


Figure 4

10. INDEPENDENT GEOLOGICAL REPORT

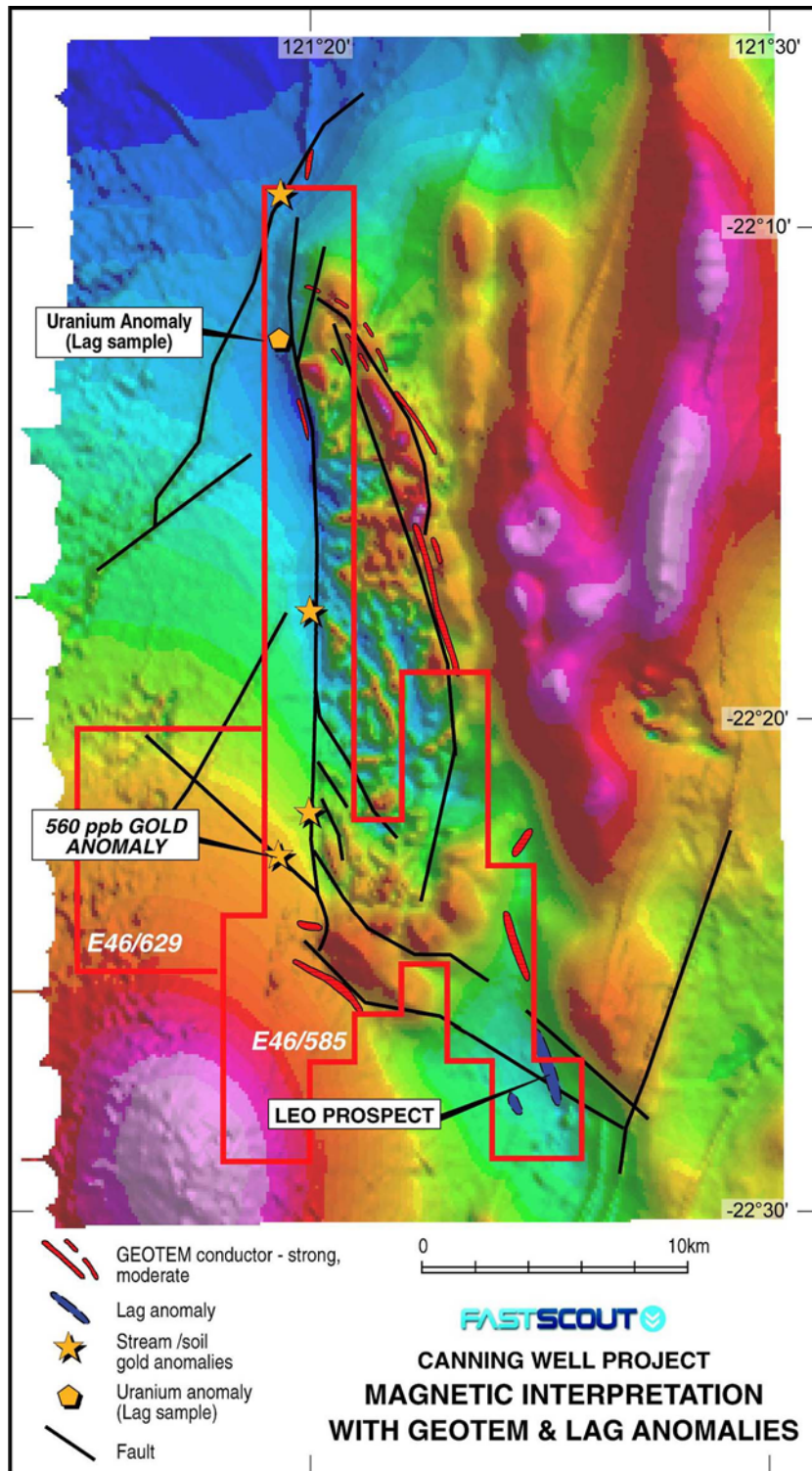


Figure 5

3.4 GEOLOGY AND MINERALISATION

The two tenements cover a complex juxtaposition of rocks of the Archaean Fortescue Group and Proterozoic rocks of the Manganese Group, the Tarcunyah Group, Yeneena Supergroup and the Savory Group. The tenements cover approximately 20km of strike of the Canning Fault and associated splay and intersecting faults (refer to Figure. 4).

10. INDEPENDENT GEOLOGICAL REPORT

The Canning Fault brings together the basal Fortescue Group basalts against numerous younger potential host rocks in a structurally complex setting of steep reverse faults and strike-slip faults. Several major unconformities including Archaean to Proterozoic and within the Proterozoic occur in close proximity to each other.

The black pyritic dolomitic shale intersected in several CRAE drill holes (at the Leo prospect) is believed to be a stratigraphic equivalent of the Broadhurst Formation which hosts the Nifty and Maroochydore copper deposits in the same basin further to the northeast and east.

In addition, the sandy facies of the Proterozoic rocks near Enacheddong Well (northern part of ELA 46/585) which are wide spread have been previously explored for copper and unconformity type uranium mineralisation.

The major Telfer gold mine, located 110km to the northeast of the Canning Well tenements is the only known gold deposit in the region. It occurs in interbedded siltstone, shales and quartzite and is believed to be Neo-Proterozoic in age (600-700 Ma). A major system of west-northwest to north-west trending faults of similar age transects the Canning Fault near Canning Well in the southern part of the tenement block (refer to Figure 4). Two of the four gold and arsenic anomalies identified during previous exploration are located in the vicinity of the intersection of these two fault systems.

3.5 DISCUSSION

Several factors illustrate the potential for the discovery of uranium and gold mineralisation within the Canning Well project area. These factors include :-

1. The presence of up to 11ppm uranium in lag samples in the sandstone and dolomitic sandstones in the Enacheddong area in the Middle Proterozoic with multiple unconformities in close proximity to the Fortescue Group and the Archaean rocks.
2. Characteristic pathfinder-element association of anomalous arsenic with highly anomalous gold (60 to 560ppb Au) in stream sediment samples in the Canning Well area.
3. Up to 229ppb Au assays in randomly collected rock chip samples in the Canning Well area.
4. Identified gold targets.

The above factors provide immediate targets for exploration.

The occurrence of copper in a fault zone at Enacheddong (RC intersections to up to 12m at 0.75% Cu) and a number of untested EM (GEOTEM) anomalies coincident with lag geochemical anomalies (refer to Figure 5) provide additional targets for gold and base metals in this area.

3.6 PROPOSED EXPLORATION

It is proposed to conduct a detailed review of the past data. Detailed geological and systematic geochemical sampling in and around the known gold and other stream sediment arsenic anomalies will aim to define drilling targets for gold in the area.

10. INDEPENDENT GEOLOGICAL REPORT

The aeromagnetic data will be scanned for radiometric anomalies and where necessary, detailed ground radiometric surveys will be designed to define targets for uranium mineralisation in the area. Prior to drilling, geological and structural mapping, further geochemical sampling and ground magnetic surveys will also be conducted around the GEOTEM targets. Targets thus defined for gold and uranium will then be tested by drilling in Phase 1 of exploration in the area.

Widely-spaced grid drilling in areas of any economic grade drill intercepts will be undertaken to define and quantify the resource target in Phase 2. Expenditure in the first year is proposed to be as follows.

Canning Well Project Proposed Expenditure:

Activity	With Minimum to Full Subscriptions Year 1	With Oversubscriptions Year 1
Data compilation	\$10,000	\$15,000
Geophysics & surveying	\$30,000	\$40,000
RC or RAB drilling	\$60,000	\$90,000
Sample Analyses	\$10,000	\$20,000
Field and staff costs	\$20,000	\$30,000
Aboriginal heritage	\$10,000	\$15,000
Totals	\$140,000	\$210,000

4.0 MT LAWRENCE WELLS URANIUM PROJECT

4.1 SUMMARY

The alluvial wash discharging into the palaeo drainage that hosts Hinkler Well, Centipede and Millipede uranium prospects south of the Fast Scout tenements near Wiluna extends upstream deep into the Fast Scout tenements for several kilometres. The nearby Lake Way uranium mineralisation consists of carnotite as coatings and in bedding plane partings of rock fragments in alluvial gravels contains 3.77 Mt ore at 0.98% U₃O₈ or 3,695 tonnes of uranium.

4.2 INTRODUCTION

The Mt Lawrence Wells Uranium Project comprises one granted exploration licence EL 53/1115 and an application ELA 53/1203 together covering approximately 65km², located 25km south southwest of Wiluna in the East Murchison province of Western Australia. Fast Scout is earning 85% interest in EL 53/1115 from Adelaide Prospecting Pty Ltd and owns the other tenement 100% in its own right. (Refer to Figures. 1 & 6).

10. INDEPENDENT GEOLOGICAL REPORT

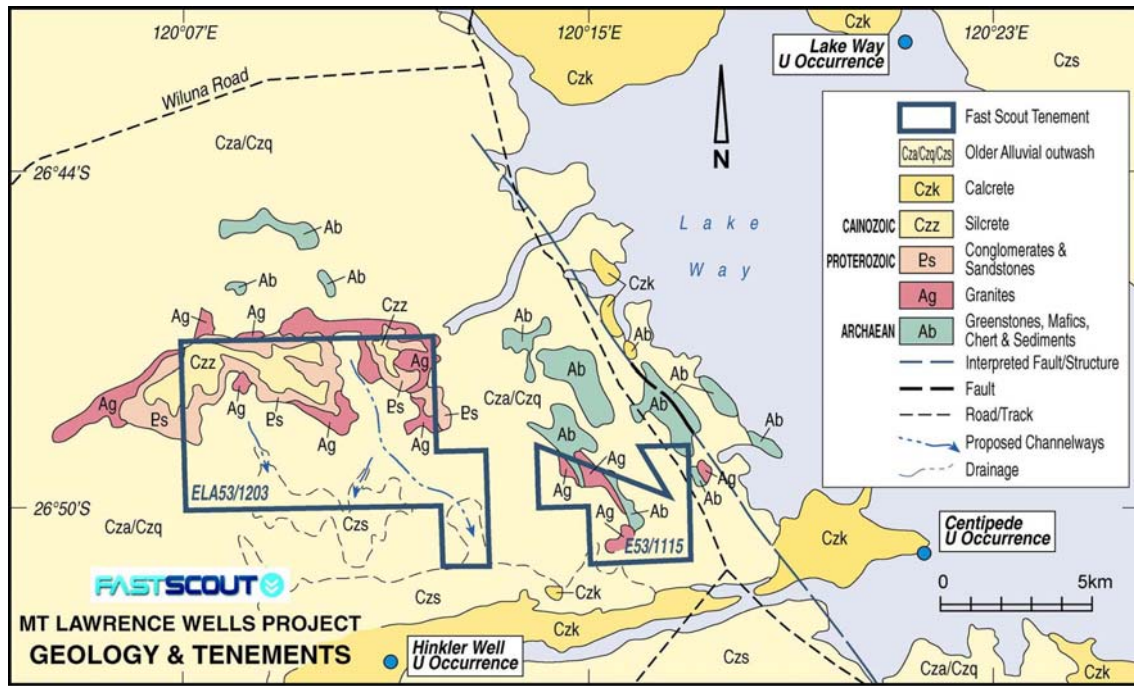


Figure 6

4.3 GEOLOGY AND MINERALISATION

The western tenement ELA 53/1203 comprises a 10km long and from one to three kilometres wide ridge of undivided Archaean granitic rocks covered by flat lying silicified Proterozoic conglomerates and sandstones. The rest of the tenement area is covered by alluvial wash from a long ridge that mostly drains into an east-west trending palaeo-drainage that hosts the Hinkler Well, Centipede and Millipede uranium prospects to the south. The palaeo drainage itself discharges into the larger body of Lake Way.

Two kilometres west of ELA 53/1203, Archaean rocks comprising a layered sequence of metamorphosed and foliated mafic and sedimentary units, striking northwest and intruded by foliated granitic rocks, underlie about 30% of EL 53/1115. The rest of the tenement area is covered by alluvium and colluvium draining into the palaeo drainage.

Nearby at Lake Way on the north shore of the larger area into which the palaeo drainage discharges, a uranium prospect ("Lake Way") has been identified with a published resource of 3,695 tonnes of contained uranium metal. Uranium occurs as carnotite in calcrete and coating bedding planes of rock fragments in alluvial gravels.

4.4 DISCUSSION

The source of uranium mineralisation in the east-west palaeo drainage is uncertain. Uranium may have been derived from the nearby granites or alternatively from possible unconformity related, roll-front deposits in carbonaceous sediments in the Proterozoic conglomerates and sandstones. Although no such deposits are recorded in the region both the Lake Way and the Hinkler Well/Centipede systems drain large areas of Proterozoic rocks in the western part of the Wiluna 1:250,000 sheet area. Regardless of the source, the Hinkler Well palaeo drainage would have derived most of its water and alluvial wash from the granite and the Proterozoic rocks on

10. INDEPENDENT GEOLOGICAL REPORT

the ridge at Mount Wilkinson in ELA 53/1203. The upstream portion of the drainage that feeds into this palaeo drainage extends for about 10km into ELA 53/1203.

This drainage and the entire southern flank of the 10km long ridge are considered prospective for uranium mineralisation similar to that at Lake Way. Likewise the palaeo drainage may extend deep upstream into EL 53/1115.

4.5 PROPOSED EXPLORATION

The main focus of work will be to determine whether the Hinkler Well type mineralisation extends up stream from the palaeo drainage into the high hills in EL 53/1115 and ELA 53/1203. Ground radiometric surveys, followed by shallow trenches, and RAB drilling of any anomalies will be carried out. The proposed exploration expenditure for the first year is as follows:

Mt Lawrence Wells Project Proposed Expenditure:

Activity	With Minimum to Full Subscriptions	With Oversubscriptions
	Year 1	Year 1
Data compilation	\$5,000	\$5,000
Geophysics & surveying	\$10,000	\$12,000
Trenching or RAB drilling	\$30,000	\$50,000
Sample Analyses	\$6,000	\$8,000
Field and staff costs	\$10,000	\$10,000
Aboriginal heritage	\$4,000	\$5,000
Totals	\$65,000	\$90,000

5.0 PAULSENS EAST

5.1 SUMMARY

- A 2,500m long ridge of hematite conglomerate with widths of up to 6m and grading up to 65% Fe and better in hand samples, crops out in the tenement. The mineralisation is likely to continue at depth.
- There is potential for epithermal gold in the Wyloo Group rocks along a major north-northeast basement fault which was tectonically active during the Early to Middle Proterozoic.

5.2 INTRODUCTION

Two tenements, Prospecting Licence Application PLA 47/1170 and Exploration Licence Application ELA 47/1328, together cover a total area of 19.64km² along the northern margin of the Wyloo Anticline in the Wyloo 1:250,000 sheet area. The tenements are located 140km west of Tom Price and eight kilometres east-northeast of the Paulsens Gold Mine in the northwest of Western Australia. (Refer to Figures 1 & 7).

10. INDEPENDENT GEOLOGICAL REPORT

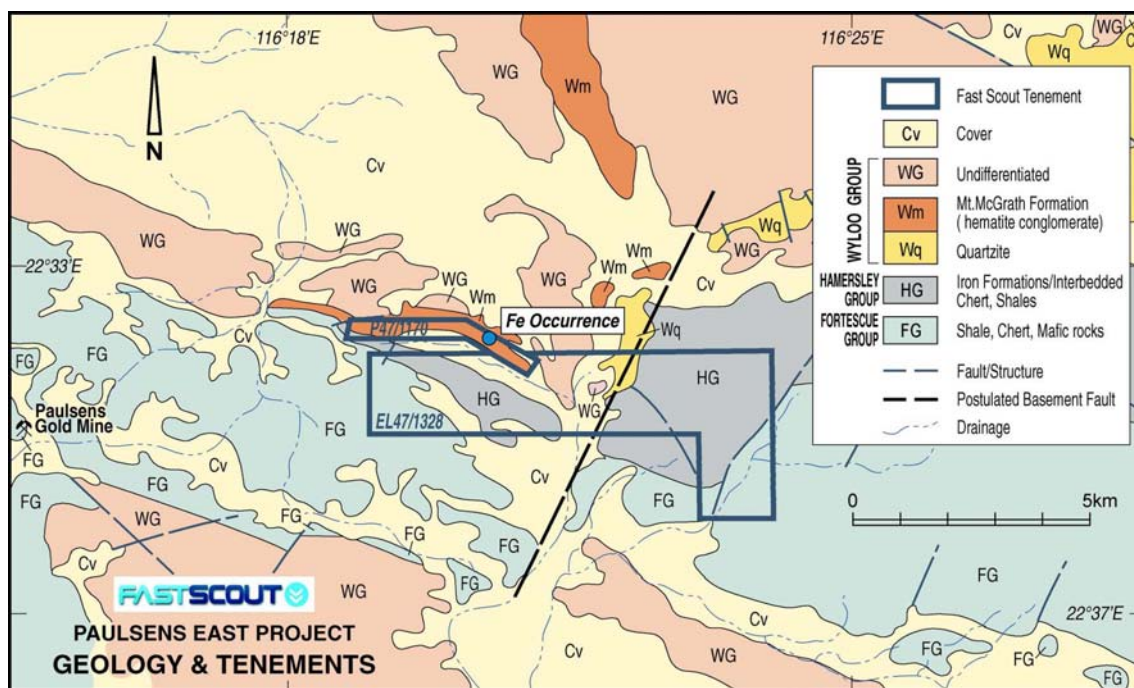


Figure 7

5.3 EXPLORATION HISTORY

Hamersley Iron Pty Limited and other Rio Tinto Limited group companies held the mineralised hematite conglomerate body in the Mt McGrath Formation in PLA 47/1170 as a mining lease from the early 1970s. The hematite conglomerate outcrop was sampled near the surface and the nearby area was drilled for concealed Tom Price-type mineralisation. However, no proper delineation or formal resource estimation was undertaken for the high-grade hematite conglomerate resource in McGrath Formation. More recently the surrounding areas have become the focus of gold exploration along deep basement faults that define the northern margin of the Wyloo Anticline.

5.4 PROJECT GEOLOGY AND MINERALISATION

The two tenements are primarily covered by the Archaean Fortescue Group to Early Proterozoic Hamersley Group and the Middle Proterozoic Wyloo Group rocks. A sharp decrease in the thickness of the various units in the Hamersley Group rocks along a north-northeast divide through the centre of ELA 47/1328 suggests a deep basement fault. The Wyloo Group rocks range from continental Beasley River Quartzite to red beds of the Mt McGrath Formation followed by shallow marine Duck Creek Dolomite, all within a small pile of sediments within the tenement block.

The number of unconformities within the Wyloo Group sediments suggests large movements and deep erosion along the basement fault and also a period of quiescence when the haematitic red beds of the Mt McGrath Formation were deposited.

Iron ore mineralisation in the tenements as hematite conglomerate in the Mt McGrath Formation stands out as a serrated ridge up to 20m high, 6m wide and 2500m long. Grab sample analyses reported in published literature suggest very high-grade low phosphorous mineralisation with iron grades of up to and greater than 65% Fe. The conglomerate consists of hematite pebbles in a hematite rich matrix and cement. Exploration has been conducted in the nearby areas to look

10. INDEPENDENT GEOLOGICAL REPORT

for the source of hematite pebbles without success. However, no formal delineation or a resource estimate of this iron ore deposit has been made by previous explorers.

In addition, there is a distinct possibility of epithermal gold mineralisation within the Mt McGrath and The Fortescue Group rocks. A 620,000 ounce gold resource within the Fortescue Group rocks is presently under development at the Paulsens Gold Mine 10km west-southwest of the tenements.

5.5 PROPOSED EXPLORATION

It is proposed to conduct a detailed review of all previous work and map the geology of the area with a view to determining the possibility of defining the source of the high-grade hematite pebbles. The review and mapping will be followed by grid-pattern geochemical soil sampling for gold mineralisation. Percussion drilling of selected geochemically anomalous areas will follow in Phase 2 of proposed exploration. Any mineralisation thus discovered will be tested along strike and at depth.

Paulsens East Project Proposed Expenditure:

Activity	With Minimum to Full Subscriptions Year 1	With Oversubscriptions Year 1
Data compilation and Mapping	\$15,000	\$5,000
RC or RAB drilling	-	\$15,000
Sample Analyses	\$8,000	\$5,000
Field and staff costs	\$5,000	\$7,000
Aboriginal heritage	\$2,000	\$3,000
Totals	\$30,000	\$40,000

10. INDEPENDENT GEOLOGICAL REPORT

6.0 KALIMANTAN COAL

6.1 INTRODUCTION

The Kalimantan Coal Project in Indonesia comprises two granted coal exploration concessions (“**Concessions**” or “**KPs**”). Refer to figures 8, 9 & 10.

- (1) KP 1 covering 49.86km² located approximately 150km from Balikpapan on barging access to Samarinda, the barging port on the Mahakam River north northeast of Balikpapan.
- (2) KP 2 covering 76.36km² located at Babulu near Penajam approximately 65km by ferry and road from Balikpapan, the capital city of Kalimantan and conveniently located 7 to 15km from potential barging ports along the ocean front;

6.2 EXPLORATION HISTORY

KP1 Concession - The inland concession, KP 1, held by PT Kaltim Jaya Coal (“**KJC**”), has no documented report. However, two written reports, one on an adjacent concession prepared in English for the concession holder (Reference: PT Aditya Kirana Mandiri 2005) (“**AKM Concession**”) and another report on a concession approximately 5km to the northwest prepared in Indonesian language with assays, co-ordinates and a map in English were made available to the author. These reports show survey details of the concessions, drilling results and coordinates of drill holes. Both of these reports are dated 2005.

KP2 Concession - The concession holder of KP 2, PT Kaltim Jaya Mineral (“**KJM**”), prepared a report (Reference: PT Kaltim Jaya Mineral, October 2005) on the concession in 2005. It shows a geological interpretation map, coal seam outcrops and their correlations. The map also shows dips and strikes of coal seams as observed in outcrops, stratigraphic succession, broad structure and folds and faults (refer to Figures 8 & 10).

Here the coal seams were sampled in outcrop and the samples were analysed for Inherent Moisture, Total Moisture, Ash content, Volatile Matter, Fixed Carbon, Total Sulphur and Calorific Value.

The report on KP2 also includes resource estimates for the various seams based on seam correlations and projections into the subsurface. The report prepared in Indonesian language is dated 2005. A portion of this report was recently translated into English.

The Company and the author have sighted the reports for the Concessions in the vicinity of KP1 and also the report on KP2 but no independent verification of the results therein has occurred. The due diligence examination proposed by Fast Scout will seek to verify such results in both these Concessions.

10. INDEPENDENT GEOLOGICAL REPORT

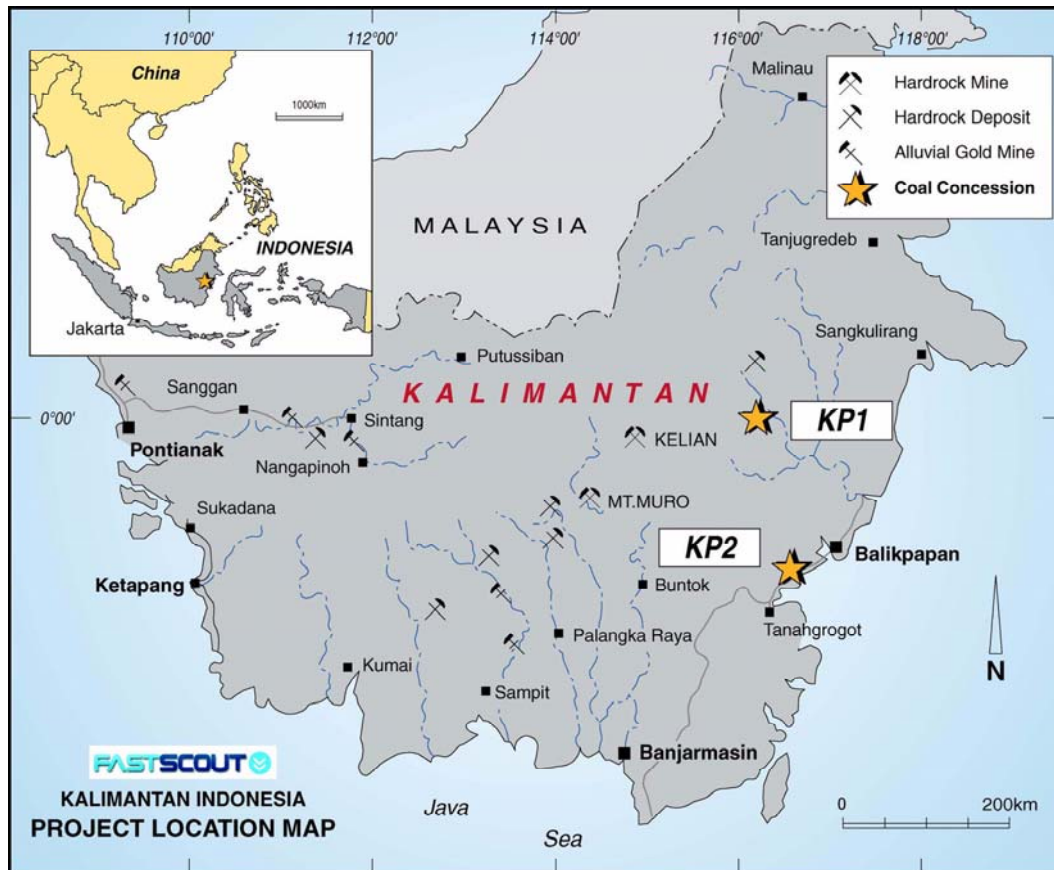


Figure 8

6.3 GEOLOGY AND MINERALISATION

The stratigraphic succession in the region is as follows:

- Alluvium Quaternary
- Balikpapan Formation – Miocene, Tertiary
- Pulau Balang Formation
- Babulu Formation
- Pamaluan Formation – Oligocene, Tertiary

KP1 Concession - KP 1 is located in the Kembang Janggut district. The coal bearing rock formation in the area is mainly the Miocene Balikpapan Formation. Other formations described from the region are Kampung Baru andesite volcanic rocks, dykes and the Quaternary alluvial deposits. KP 1 is covered by low to moderately high rolling hills where the full sequence of the Balikpapan Formation may be expected.

KP 1 is located approximately 15km from a barging port on the Belayan River, a tributary of the Mahakam River. There is no geological map or drilling data available for the Concession area. However, projections of the drilling data from the AKM Concession show that two to four coal seams may occur at shallow depths in the Balikpapan Formation in KP1 (refer to Figure 8 and 9).

10. INDEPENDENT GEOLOGICAL REPORT

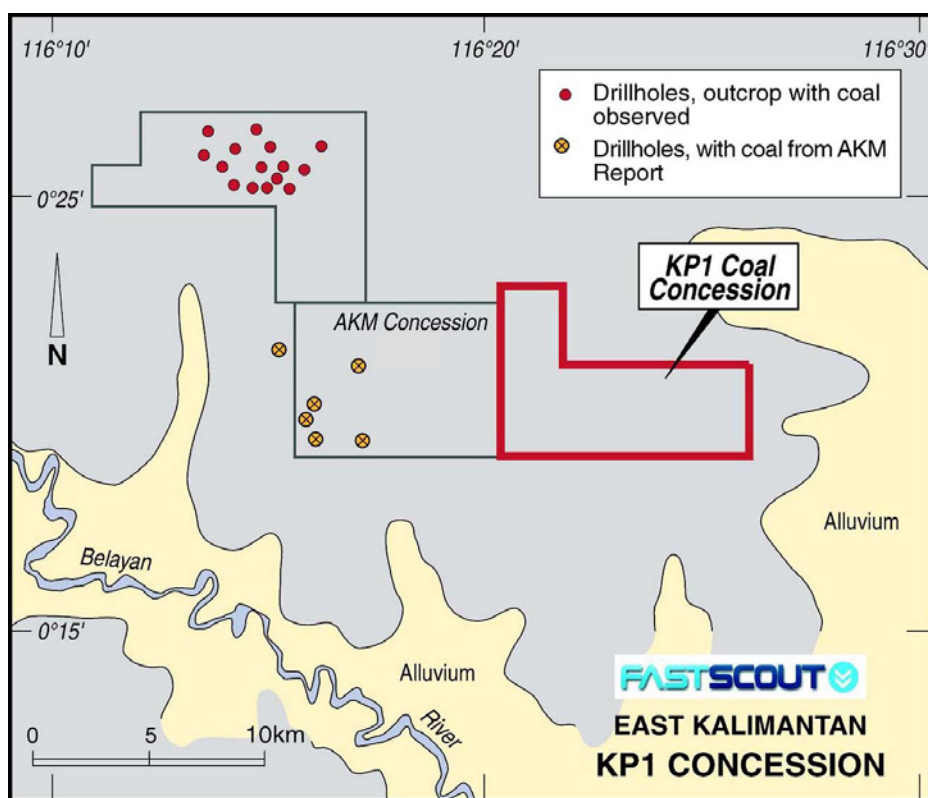


Figure 9

Coal seams in the adjoining AKM Concession vary in dip from 3° to 9° and two of the thicker seams vary in thickness between 5.2m and 12.6m. An Inferred Resource of 70.7 million tonnes (Reference: PT Aditya Kirana Mandiri 2005) is estimated for a portion of this adjoining concession. In addition, based on the available drilling, the author estimates an Inferred Resource of greater than 100 million tonnes in a concession that adjoins (to the north) the AKM Concession containing the estimated 70.7 million tonnes Inferred Resource.

The coal seams in the Balikpapan Formation in the vicinity of KP 1 based on the 18 drill holes visited or reported in the AKM and the adjoining concessions (refer to Figures 8 and 9) are generally low in ash (less than 5%) and high in Inherent Moisture (14 to 18%) on an air-dried basis. The sulphur content is also generally low at below 1% and the calorific value of the coal varies from 5000 Kcal/kg to 5500 Kcal/kg.

On the basis of drill hole information from the nearby concessions and assuming continuity, it is reasonable to suggest that KP 1 has potential for thick coal seams in the Balikpapan Formation of similar quality as in the adjoining and the nearby concessions. However, Fast Scout's target of 30 to 50 million tonnes on KP 1 is conceptual as to quantity and quality and there has been insufficient exploration to define a JORC-compliant Mineral Resource. It remains to be ascertained whether exploration will result in the determination of a Mineral Resource in KP1.

KP2 Concession - Based on the unverified report on KP2, coal seams in KP2 occur in the both the Pulau Balang and the Balikpapan Formations (refer to Figures 8 and 10). The coal seams in this concession range in calorific value from 5042 to 6111 kcal/kg, are low in ash from 1.58 to 4.88%. Sulphur content varies from 0.34 to 2.65% and Inherent Moisture from 11.85 to 17.78%. The seams in the older Pulau Balang Formation are generally higher in calorific value. Seam thickness ranges from 0.20 to 2.70m and the dips range from 10 to 50 degrees. The coal is dull, banded and sub-bituminous and may be described as low to medium quality thermal coal. The

10. INDEPENDENT GEOLOGICAL REPORT

following table of analyses (Table 4) for the seams is an extract from the report on KP 2 (Reference: PT Kaltan Jaya Mineral, October 2005):

Table 4. Coal Seam Analyses for KP 2

Seam	IM% (adb)*	TM% (ar)#	Ash % (adb)	VM % (adb)	FC % (adb)	TS (adb)	CV Kcal/kg (adb)
5	17.78	19.86	3.39	37.72	41.11	1.51	6069
5	13.16	24.48	3.29	40.9	42.65	2	5773
4	13.68	28.33	2.68	45.95	37.69	2.43	6111
4	11.85	31.53	2.08	41.33	44.74	2.05	5949
3	15.32	45.69	1.58	41.96	41.14	0.34	5470
3	16.8	46.98	4.16	40.7	38.34	2.65	5176
2	14.84	47.11	2.42	42.53	40.21	0.45	5421
2	16.94	47.13	3.46	39.97	39.69	0.45	5233
2	15.06	45.68	2.28	42.00	40.66	0.78	5042
1	17.19	46.51	4.88	39.75	38.18	0.32	5045

*adb – Air dried basis; # ar – As received; IM-Inherent Moisture; TM-Total Moisture; VM-Volatile Matter; FC-Fixed Carbon; TS-Total Sulphur; CV-Calorific Value.

The geology report also gives details of resource estimates in Seams 1, 2 and 3 in the Balikpapan Formation and in Seams 1 and 2 in the Pulau Balang Formation. For each outcrop the resource estimates are based on a seam projection along strike of 1000m (500m in either direction) from outcrop and a maximum projection of 500m down dip at the outcrop decreasing along a semicircular arc to 0m at the extremity of the strike projection. A specific gravity of 1.3 has been assumed for coal. Estimates of 26.8 million tonnes of coal in the Balikpapan Formation and 25.5 million tonnes for the Pulau Balang Formation with a grand total of 52.4 million tonnes are given in the report (Reference: PT Kaltan Jaya Mineral, October 2005).

Total reported estimates for the various seams vary from 3.5 million tonnes in Seam 3 of the Balikpapan Formation to 15 million tonnes in Seam 2 in the Pulau Balang Formation. In the absence of cross sections or contour plans, it is impossible to estimate how much of the projected resource may be able to be mined by open cut means or if part of the resource is eroded in the valleys. Conversely the coal seams generally are continuous and the Concession area is large relative to seam projections. Therefore, assuming a factor of +/-50% the exploration potential of the KP 2 Concession area ranges from 25 to 70 million tonnes. Only a portion of this resource may be available for open cut mining. Therefore, a target of 15 to 20 million tonnes for an open cut resource in KP2 is conceptual in quantity and quality by nature. There has been insufficient exploration to define a JORC compliant Mineral Resource. It remains to be ascertained if exploration will result in the determination of a Mineral Resource in the Concession area.

10. INDEPENDENT GEOLOGICAL REPORT

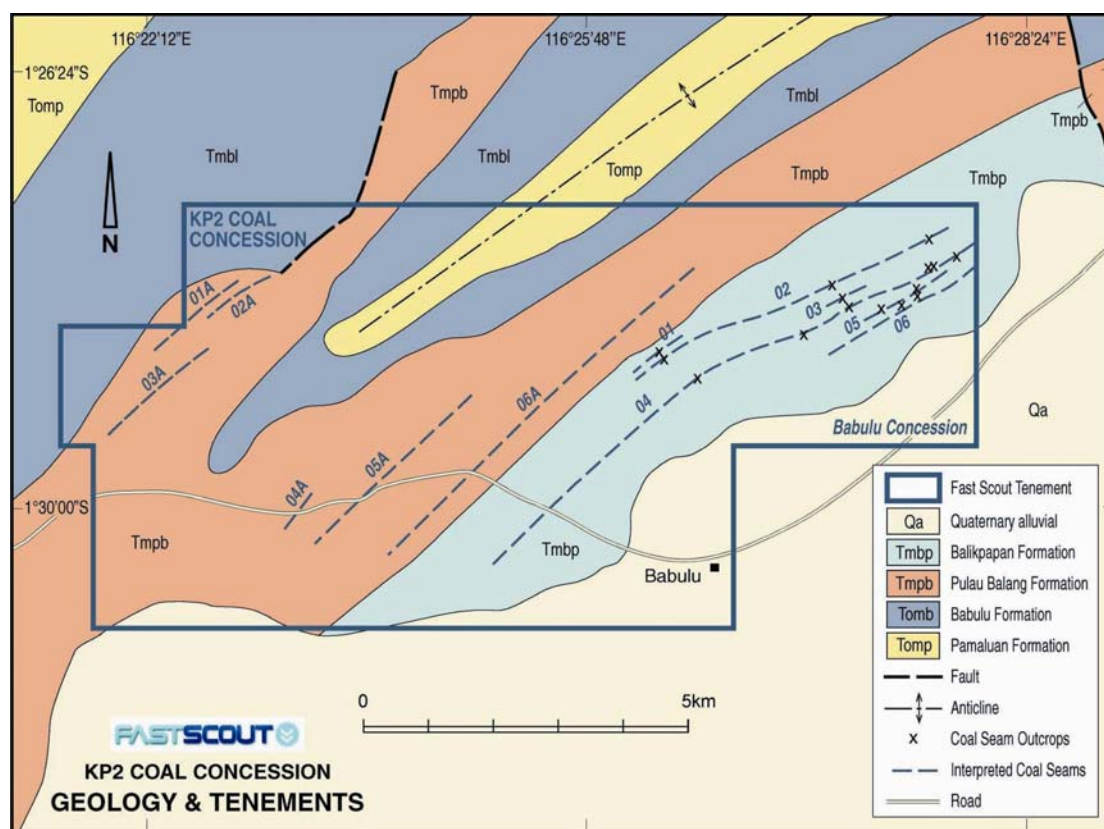


Figure 10

6.4 DISCUSSION

Fast Scout has acquired rights to explore and mine low to moderate quality thermal coal in East Kalimantan in Indonesia on two exploration Concessions - KP 1 of 49.86km² and KP 2 of 76.36km² in area.

KP 1 is close to a barging port 70-80km inland and potentially offers sufficient tonnages to support a moderate size operation to produce and sell low quality thermal coal from thick shallow and flat lying coal seams. Because of the thickness of the coal seams the mining costs should be relatively low, but transport and handling costs from this concession are likely to be relatively high.

On KP2, thirty outcrops of coal seams have been mapped. Here the coal seams vary in thickness from 0.2 to 2.7m. This area is located from 7 to 15km from potential barging locations on the oceanfront. If shown to be economically viable the KP2 Concession offers an opportunity to produce a blended coal product from two different formations with moderate sulphur and moderate calorific value.

10. INDEPENDENT GEOLOGICAL REPORT

6.5 PROPOSED EXPLORATION

Exploration will commence with mapping of the outcropping coal seams in the two Concessions. Phased drilling to determine the extent and quality of the coal that may be available to mine by open cut method will follow. Market studies to determine buyer's interest in the coal and a pre-feasibility study will commence in parallel with the drilling.

Kalimantan Coal Project Proposed Expenditure

Activity	With Minimum to Full Subscriptions	With Oversubscriptions
	Year 1	Year 1
Geological Mapping / Surveying	50,000	60,000
NQ Core Drilling, Supervision and Analyses	300,000	410,000
Marketing / Environmental Studies	40,000	50,000
Pre-feasibility / Feasibility	45,000	50,000
Total	435,000	570,000

*Note the above projected expenditures are based on the assumption that the Company will acquire only one of the two Concessions after the completion of the due diligence period on the 3rd March 2006.

10. INDEPENDENT GEOLOGICAL REPORT

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10. INDEPENDENT GEOLOGICAL REPORT

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8790: “Woblegun copper/manganese” 1995-1996, Kara Gold NL.

7415: “Bocrabee base metals ” 1992-1994, CRAE.

7524: “Enacheddong copper ” 1990-1993, CRAE, Kriston Pty Ltd.

4157: “Enacheddong copper”, 1983-1987, Panoz Ventures Pty Ltd.

4112: “Desert Copper base metals”, 1984-1989, Hancock & Wright Prospecting Pty Ltd.

602: “Final Report TR 5963H, MC09/2046 & MC09/2047” Agip Nucleare Australia Pty Ltd, 1978.

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10. INDEPENDENT GEOLOGICAL REPORT

8.0 GLOSSARY OF TECHNICAL TERMS

Aeromagnetic Survey	A survey made from the air for the purpose of recording magnetic characteristics of rocks.
Alteration	Rock –forming minerals which have been changed.
Anomaly	Value higher or lower than the expected or norm.
Anomalous	Outlining a zone of potential exploration interest but not necessarily of commercial significance.
Archaean	The oldest rocks of the Precambrian Era, prior to 2500 million years.
Arsenic	A mineral ,the native element, occurring in grey masses.
Auger sampling	A sampling technique utilising a screw-like tool to obtain shallow samples.
Auriferous	Gold- bearing
Banded Iron Formation	A chemical sedimentary rock composed of silica and iron oxide rich layers. Abbreviation = (BIF)
Basalt	A fine-grained volcanic rock composed primarily of plagioclase feldspar and mafic minerals.
Basement	Usually synonymous with Archaean and Proterozoic terrain.
Base metal	Generally a metal inferior in value to the precious metals, eg. copper, lead, zinc, nickel.
Bed	Individual sedimentary layer
Bedding	A rock surface parallel to the surface of deposition.
Bedrock	Any solid rock underlying unconsolidated material.
Breccia	Rock consisting of angular fragments in a finer grained matrix, distinct from conglomerate.
Cambrian	A time period from 600 to 510 million years ago.
Carboniferous	A time period from 345 million to 280 million years ago.
Channel Sample	A sample of material taken continuously across a rock face.
Chert	A compacted, siliceous rock of organic or precipitated origin.
Clastic	A sedimentary rock composed of broken fragments of pre-existing rocks.
Complex	An assemblage of rocks or minerals intricately mixed or folded together.

10. INDEPENDENT GEOLOGICAL REPORT

Conglomerate	Sedimentary rock formed by the cementing together of rounded water- worn pebbles, distinct from breccia.
Craton	A relatively immobile part of the earth, generally of large size.
Devonian	Timespan from 415 Ma to 360 Ma
Diamond drill	Rotary drilling using diamond-impregnated bits, to produce a solid continuous core sample of the rock.
Dip	The angle at which a rock layer, fault or any other planar structure is inclined from the horizontal.
Dolerite	A medium grained intrusive rock mainly composed of feldspar and pyroxene.
EM Survey	Electro-magnetic survey to measure physical properties of the earth.
Epithermal	Deposit formed in and along cracks and fissures in rocks by deposition at shallow depths of ascending hot solutions.
Fault	A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture.
Felsic	Descriptive of an igneous rock which is predominantly of light-coloured minerals (antonym of mafic).
Fine Ounce	Equal to 31.1035 grams of gold.
Float	Pieces of rock, separated from their parent strata, scattered over the surface .
Fold	A bend in the rock strata or planar structure.
Foliation	The laminated structure resulting from the parallel arrangement of different minerals.
Geochemical survey	The systematic study of the variation of chemical elements in rocks and soil.
Geophysical survey	A systematic study of the variation of physical properties in rocks and soils.
GEOTEM Survey	A type of airborne transient electromagnetic geophysical surveying method
Gneiss	A metamorphic rock with compositional banding of light and dark minerals often of granitic composition.
Grab sample	Sample of rock or sediment taken more or less indiscriminately at any place.
Granite	A coarse grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase.
Greenstone	Elongate belts in Precambrian terrain characterised by major

10. INDEPENDENT GEOLOGICAL REPORT

belt	zones of altered or metamorphosed basic igneous rocks.
Greywacke	A consolidated rock in which sand-sized grains of feldspar, rock fragments and quartz are set in a matrix of clay material.
Hematite	A common oxide of iron.
Igneous	Formed by solidification from a molten or partly molten state.
Inferred Resource	A resource inferred from geoscientific evidence, drill holes, underground openings or other sampling procedures where lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.
Indicated Resource	A resource sampled by drill holes, underground openings, other sampling procedures at locations too widely spaced to ensure continuity and where geoscientific data are known with a reasonable level of reliability.
Intercept	The length of rock or mineralisation traversed by a drill hole.
Intracratonic	Between Cratons
Intrusive	Having, while fluid, been injected into the earth's crust and solidifying before reaching the surface.
Ironstone	A concretionary, often pebbly, weathering product composed mainly of iron oxides.
JORC	Joint Ore Reserves Committee- Australasian Code for Reporting of Identified Resources and Ore Reserves.
Lag	A residual accumulation of coarser material from which finer particles have been removed.
Lag sampling	A name for a type of surface soil sampling.
LandSat	An unmanned satellite designed to provide multi-spectral imagery of the earth's surface.
Laterite	A red, residual soil, cemented in place, containing iron and aluminium oxides but leached of quartz.
Lineament	A naturally occurring major linear feature in the earth's crust, often associated with mineral deposits.
Lithological	Pertaining to the physical characteristics of a rock.
Ma	1.0 million years ago.
Mafic	A loosely used group-name for silicate minerals that are rich in iron and magnesium, and for rocks in which these minerals are abundant.
Magnetic Survey	Systematic collection of readings of the earth's magnetic field.

10. INDEPENDENT GEOLOGICAL REPORT

Measured Resource	A resource intersected by drill holes, underground openings or other sampling procedures at locations which are spaced closely enough to confirm continuity and where geoscientific data are reliably known.
Metamorphism	The mineralogical, structural and chemical changes induced within solid rocks through the actions of heat, pressure or the introduction of new chemicals. Rocks so altered are prefixed "meta" as in "metabasalt".
Metasediment	Sedimentary rocks that have been recrystallised by metamorphism.
Mineral Resource	A tonnage or volume of rock or mineralisation of economic interest.
Mineralisation	In economic geology, the introduction of valuable elements into a rock body.
Opencut	Descriptive of a mine worked open from the surface.
Ore	A mixture of minerals, host rock and waste material which is expected to be mineable at a profit.
Ore body	A continuous, well-defined mass of ore.
Outcrop	The surface expression of a rock layer (verb: to crop out).
Oxidation	Near surface decomposition by exposure to the atmosphere and ground water.
Palaeozoic	Era from 42 Ma to 250 Ma.
Pegmatite	A very coarse-grained igneous rock formed at a late stage of magmatic differentiation.
Percussion Drilling	Drilling carried out by the hammering action of a pneumatically driven drill bit against rock.
Plagioclase	A common feldspar mineral.
Primary mineralisation	Mineralisation which has not been affected by near-surface oxidising process.
Proterozoic	The geological age after Archaean, approximately 570 to 2400 million years ago.
Pyrite	A mineral compound of iron and sulphur, FeS ₂ "Fools Gold"
Quartz	A very common mineral composed of silicon dioxide-SiO ₂ .
Quaternary	Timespan from 1.8 Ma to 0.01 Ma
RAB	Rotary Air Blast (as related to drilling)—A drilling technique in which the sample is returned to the surface outside the rod string by compressed air.

10. INDEPENDENT GEOLOGICAL REPORT

RC	Reverse Circulation (as relating to drilling)—A drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination.
Recent	Geological age from about 20,000 years ago to present (synonym: Holocene).
Regolith	The mantle or mantle of loose, incoherent rock material, of whatever origin, that nearly everywhere forms the surface of the land and rests on the hard or “bed” rocks.
Remote Sensing Imagery	Geophysical data obtained by satellites processed and presented as photographic images in real or false colours.
Sandstone	A cemented or otherwise compacted detrital sediment composed predominantly of quartz grains.
Saprolite	Weathered rock in which the original rock textures are still recognisable
Sediment	Rocks formed by the deposition of solids from water.
Shale	A laminated sediment in which the constituent particles are predominantly clay sized (smaller than 0.0039mm in diameter).
Shear (zone)	A zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated.
Silicified	Containing a high proportion of silicon dioxide.
Sill	A sheet-like body of igneous rock that is conformable with the layers it intrudes.
Slate	A finely foliated metamorphic rock that results from the metamorphism of rocks such as shale under stress.
Stratigraphy	The succession of superimposition of rock strata. Composition, sequence and correlation of stratified rock in the earth’s crust.
Strike	The direction or bearing of the outcrop of an inclined bed or structure on a level surface.
Surficial	Superficial. Characteristic of, pertaining to, formed on, situated at, or occurring on the earth’s surface.
Syncline	A fold where the rock strata dip inwards towards the axis (antonym: anticline).
Synform	A fold where the rock strata close downwards.
Tectonic	Relating to structural features.
Tenor	Grade.
Ultramafic rocks	Igneous rocks with very high magnesium and iron content containing less than 45% silicon dioxide.

10. INDEPENDENT GEOLOGICAL REPORT

Unconformable	Descriptive of rocks on either side of an unconformity.
Vein	A narrow intrusive mineral body.
Volcanic	Relating to the eruption of a volcano.
Volcanogenic	Derived from volcanic activity.
Weathering	A process of change to rocks brought about by their exposure to oxygen and water.

CHEMICAL SYMBOLS

Ag	Silver
As	Arsenic
Au	Gold
Co	Cobalt
Cr	Chromium
Fe	Iron
Mg	Magnesium
Mn	Manganese
Mo	Molybdenum
Ni	Nickel
Pb	Lead
U	Uranium
Zn	Zinc

ABBREVIATIONS

g	gram
kg	kilogram
km	kilometre
km ²	square kilometre
m	metre
m ²	square metre
m ³	cubic metre
Ma	Mega-annum, equivalent to 10 ⁶ years (1,000,000 years)
mm	millimetre
Moz	Million troy ounces
oz	troy ounce, equivalent to 31.1035g.
t	metric tonne

UNITS OF CONCENTRATION

ppb	parts per billion	(1.0 ppm = 1,000 ppb).
ppm	parts per million	(1.0 ppm = 1.0 g/t).

11. INDEPENDENT EXPLORATION TITLES REPORT

Hetherington

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FAST SCOUT LTD

INDEPENDENT EXPLORATION TITLES REPORT

1. INTRODUCTION

1.1 *Scope of Instructions*

The following report has been prepared independently and in compliance with the Valmin Code.

Hetherington Exploration & Mining Title Services Pty Ltd ("HEMTS") has been instructed by Fast Scout Ltd ("the Company") to conduct searches of and outline the rights conferred by the exploration titles and applications for such titles in Northern Territory and Western Australia in which the Company has an interest (collectively referred to as "the Tenements"), as set out in the attached schedule ("the Schedule").

1.2 *Qualifications*

Russell Hetherington has approximately 29 years experience in exploration and mining tenement management across Australia. Russell Hetherington is a member of the Australian Mining and Petroleum Law Association and a member of the Business Law Section of the Law Council of Australia.

1.3 *Independence*

HEMTS is independent from the Company within the meaning of the Valmin Code. HEMTS's costs of preparing this report have been calculated at its normal charge out rate.

2. COMMENTARY ON THE TENEMENTS

For the purpose of this report the commentary on the Tenements is separated into sections according to the different jurisdictions in which they are located, that is, Northern Territory and Western Australia.

2.1 *NORTHERN TERRITORY APPLICATIONS*

The following information was obtained from searches and enquiries made with the Northern Territory Department of Primary Industry, Fisheries and Mines ("DPIFM") and the National Native Title Tribunal ("NNTT").

2.1.1 *General*

Exploration Licence Applications No's 24879, 24927, 24928, 24929 and 24930 ("ELA 24879", "ELA 24927", "ELA 24928", "ELA 24929" and "ELA 24930" respectively, or collectively referred to as "the Northern Territory Applications") are in the name of Hume Mining NL.

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11. INDEPENDENT EXPLORATION TITLES REPORT

The Northern Territory Applications have been lodged in respect to all minerals including uranium and vanadium.

Other than ELA 24927, the Northern Territory Applications are situated on Perpetual Pastoral Lease land which is Native Title claimable for the purposes of the Native Title Act 1993 (Cth) ("NTA").

ELA 24927 is situated on Aboriginal Freehold land subject to the terms of the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) ("ALRA").

A discussion of the requirements of the NTA and the ALRA which must be complied with before the applications for Exploration Licences within such land are granted in the Northern Territory is contained within Section 2.1.5 below.

Basic details of the Northern Territory Applications are contained in the Schedule.

2.1.2 *Encumbrances*

The Company advises that it has the right to earn a 75% interest in the Northern Territory Applications pursuant to a letter agreement between Hume Mining NL and the Company dated 15 September 2005 (as amended by subsequent letter agreements between those parties dated 19 September 2005, 27 October 2005, 7 November 2005 and 10 November 2005).

Searches of the Northern Territory Applications which were obtained from the DPIFM's Register do not record the Company's aforementioned interest (either legal or equitable). In fact, no interest has been recorded against any of the Northern Territory Applications.

Pursuant to Section 173 of the Mining Act 1980 (NT), a legal or equitable interest in or affecting a tenement is not capable of being created, assigned or dealt with except by an instrument in writing (signed by the person creating, assigning or otherwise dealing with the interest) lodged for registration with the DPIFM in accordance with that Section. Section 173 of the Mining Act 1980 precludes the registration of an interest in respect to an application for a tenement until the relevant tenement is granted. Accordingly, an application for a tenement is not capable of being transferred until the relevant tenement is granted.

2.1.3 *Overlapping Tenements, Applications and Exclusions*

The Northern Territory Applications are unaffected by any other tenements or applications for tenements.

2.1.4 *Objections*

As soon as practicable after an application for an Exploration Licence is lodged, the DPIFM must cause to be published in a newspaper printed and circulating in the Northern Territory a notice containing certain particulars of the application for the Exploration Licence. The notice must contain a statement to the effect that:

- An owner or occupier of land affected by the relevant application may, not later than two months after the date specified in the notice, lodge in writing with the DPIFM an objection to the grant of that application; and
- Any other person may, not later than two months after the date specified in the notice, lodge in writing with the DPIFM comments on the grant of that application (Section 163(1) Mining Act 1980).

Objections and comments may then be lodged in response to such a notice in accordance with the abovementioned statements (Section 163(2) Mining Act 1980). The Applicant for an Exploration Licence in respect to the grant of which an objection or comment has been lodged is to be advised of

11. INDEPENDENT EXPLORATION TITLES REPORT

the objection or comment and is afforded the opportunity to submit an answer to that objection or comment (Sections 163(4) and (5) Mining Act 1980). The Northern Territory Minister for Mines and Energy (“the Northern Territory Minister”) must not grant an Exploration Licence until he or she has considered all objections, comments and answers (if any) in respect to the application for that Exploration Licence (Section 20 Mining Act 1980).

Notices of the Northern Territory Applications have yet to be published in accordance with Section 163(1) of the Mining Act 1980. It is expected that such notices will be published in the near future although the DPIFM has advised that a date for publication has yet to be set.

2.1.5 *Aboriginal Land*

Native Title Act 1993 (Cth) (“NTA”)

The land subject to the Northern Territory Applications other than ELA 24927 is land designated as Perpetual Pastoral Lease. Based on “general” advice given by the DPIFM, it is most likely that the DPIFM will consider that the proposed activities to be conducted on such land pursuant to the Northern Territory Applications other than ELA 24927 will attract the expedited procedure for the purposes of the NTA.

It is anticipated that the DPIFM will advertise the Northern Territory Applications other than ELA 24927 pursuant to Section 29 of the NTA. In this situation, pursuant to Section 32(3) of the NTA, a “Native Title party” will have a total period of four months from the date of the advertisement in which to lodge an objection to the (anticipated) statements that the grant of the Northern Territory Applications other than ELA 24927 are acts which attract the expedited procedure.

A “Native Title party” includes:

- Any registered Native Title claimant, being a person whose name appears on the Register of Native Title Claims as an applicant in relation to a claim to hold Native Title (Sections 253 and 29(2)(b) NTA); and
- Any person who, four months from the date of the advertisement, becomes a registered Native Title claimant (as defined in the preceding paragraph), provided the application containing the claim to hold Native Title was filed with the Federal Court within three months from the date of the advertisement (Sections 253 and 30(1) NTA).

Any objection lodged in accordance with Section 32(3) of the NTA must be resolved before the relevant Exploration Licence can be granted. Resolution can be by:

- Withdrawal of the objection by the Native Title party (usually following negotiations between the Native Title party and the applicant for the Exploration Licence);
- Acceptance by the DPIFM that the grant of the relevant Exploration Licence is not an act that attracts the expedited procedure; or
- Determination by the NNTT as to whether or not the grant of the relevant Exploration Licence is not an act that attracts the expedited procedure.

Where the DPIFM concedes, or the NNTT determines, that the grant of the relevant Exploration Licence is not an act that attracts the expedited procedure, that Exploration Licence will only be granted following compliance with the Right to Negotiate process prescribed by the NTA.

However, if no objection is lodged by a Native Title party before the expiry of the four-month objection period, or an objection that was lodged is subsequently withdrawn by the Native Title party, then the relevant Exploration Licence can be granted.

11. INDEPENDENT EXPLORATION TITLES REPORT

Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) ("ALRA")

ELA 24927 is situated entirely on Aboriginal Freehold land.

Following initial receipt and processing in accordance with the Mining Act 1980, an Exploration Licence Application on Aboriginal Freehold land is subsequently processed in accordance with the requirements of the ALRA.

However, before an Exploration Licence Application can be processed under the provisions of the ALRA, the Northern Territory Minister must first give consent to the Applicant to enter into negotiations with the relevant Land Council for its consent to the grant of the relevant Exploration Licence ("consent to negotiate") (Section 137(1)(b) Mining Act 1980).

It is anticipated that consent to negotiate will be given to Hume Mining NL in respect to ELA 24927 once a notice of this Exploration Licence Application has been published (pursuant to Section 163(1) of the Mining Act 1980) and any objections or comments lodged (pursuant to Section 163(2) of the Mining Act 1980) have been resolved.

Then, pursuant to Section 41 of the ALRA, within a period of three months from the date on which consent to negotiate was given, Hume Mining NL must submit to the Central Land Council ("CLC") a detailed written application for its consent to the grant of ELA 24927.

Once Hume Mining NL has submitted to the CLC the required written application for consent to the grant of ELA 24927, that company and the CLC must then reach an agreement for exploration and development within 12 months of the date of lodgement of the application for the CLC's consent (or within further periods, each of 12 months, as mutually agreed between the parties and approved by the Federal Minister for Immigration and Multicultural and Indigenous Affairs). If agreement cannot be reached, or an application for consent is refused, the area subject to ELA 24927 becomes subject to a moratorium preventing lodgement of any further Exploration Licence Application in respect to that land for five years.

Should Hume Mining NL fail to submit to the CLC the required application for consent within three months from the date on which consent to negotiate is given, then such consent will be deemed withdrawn. In this situation, Hume Mining NL will not be permitted to enter into negotiations with the CLC in respect to the grant of ELA 24927 until such time as consent to negotiate is given again under Section 137(1)(b) of the Mining Act 1980.

Historically, the CLC excluded uranium from any agreement it may have entered into with applicants for Exploration Licences. Whilst the DPIFM advised that it has previously taken the view that such exclusion would not prevent it from issuing an Exploration Licence for all minerals in accordance with the Mining Act 1980, exploration for uranium authorised by a tenement granted under that Act, where a precondition to grant requires consent from the Aboriginal traditional owners, raises complex legal issues.

2.1.6 Aboriginal Sacred Sites

It is an offence under Part IV of the Northern Territory Aboriginal Sacred Sites Act 1989 (NT) ("the NTASS Act") to enter onto, work on or desecrate a sacred site.

"Sacred site" is defined as "a site that is sacred to Aboriginals or is otherwise of significance according to Aboriginal tradition". This definition includes, but is not limited to:

- sites which have been entered on the Register of Sacred Sites maintained by the Aboriginal Areas Protection Authority ("the AAPA"), known as "registered sacred sites"; and
- sites which have not yet been evaluated or entered on the Register of Sacred Sites but there is sufficient information indicating that they are nonetheless significant according to Aboriginal

11. INDEPENDENT EXPLORATION TITLES REPORT

tradition, known as “recorded sacred sites”.

The protection of sacred sites under the NTASS Act applies whether or not those sites are registered or recorded sacred sites.

It is a valid defence to a charge under the NTASS Act if the defendant carried out work in accordance with an Authority Certificate issued by the AAPA.

A search of the records maintained by the AAPA has revealed numerous recorded sacred sites within the boundaries of the Northern Territory Applications other than ELA 24928. A registered sacred site is also located near the northern boundary of ELA 24930.

ELA 24928 appears to contain no recorded or registered sacred sites within its boundaries.

It should be emphasised that the issue of Aboriginal sacred sites is entirely separate to that of Native Title or the issues related to ALRA.

2.1.7 Access and Compensation on Perpetual Pastoral Lease Land

As previously mentioned, the Northern Territory Applications other than ELA 24927 are situated on Perpetual Pastoral Lease land. The grant of an Exploration Licence automatically entitles the holder to access the relevant land (Section 23 Mining Act 1980 respectively). Accordingly, an access arrangement with the affected Pastoral Lessee is not required.

That said, Hume Mining NL must obtain the consent of the Pastoral Lessee before interfering with land used as a yard, garden or orchard, or on which substantial improvements exist (Section 166 Mining Act 1980).

If and when the Northern Territory Applications other than ELA 24927 are granted, Hume Mining NL must pay to the Pastoral Lessee compensation in accordance with Section 184 of the Mining Act 1980. That provision requires compensation for deprivation of the use or damage to the surface of the land, deprivation of the use of improvements on the land, severance of the land and any other damage.

Compensation may also be payable to the Pastoral Lessee for any exploration or mining related infrastructure (Section 183 Mining Act 1980).

The amount of such compensation is as agreed or, in default of agreement, as determined by a Mining Warden.

2.1.8 Exploration Licence Conditions

The conditions of any Exploration Licences granted pursuant to the Northern Territory Applications will be prescribed by legislation and are likely to relate to the conduct of exploration, environmental management of exploration, reporting requirements, expenditure commitments, rehabilitation of disturbed land and lodgement of security deposits.

In addition, where any Exploration Licences are granted in accordance with the terms of an agreement reached pursuant to the NTA or the ALRA, such agreement would likely set out requirements for site clearances, etc, which would need to be complied with prior to the commencement of any exploration activities.

2.1.9 Site Authorisations

Pursuant to Section 35(1) of the Mining Management Act 2001 (NT), the operator of a mining site must not carry out mining activities on the site unless the Northern Territory Minister has granted the operator an Authorisation. “Mining site” and “mining activities” are interpreted broadly in the Mining

11. INDEPENDENT EXPLORATION TITLES REPORT

Management Act 2001 to include exploration and mining on an Exploration Licence. The only exception to this is exploration not involving “substantial disturbance” (Section 35(1) Mining Management Act 2001), as discussed below.

Before granting an Authorisation pursuant to Section 35(1), the Northern Territory Minister must be satisfied that the management system to be implemented on the site will promote the protection of the safety and health of persons and of the environment on the site and that the management of the mineral resources on the site will be in accordance with good mining practice (Section 36(2) Mining Management Act 2001). A Mining Management Plan must be lodged with the Minister in order for an Authorisation to be issued.

If and when the Northern Territory Applications are granted, the conditions of grant are likely to include a requirement to obtain an Authorisation under the Mining Management Act 2001 before carrying out exploration involving substantial disturbance (Section 166(1A) Mining Act 1980).

“Substantial disturbance” is defined by the DPIFM to include most forms of exploration which entails surface disturbance, including seismic lines, drill pads, vacuum, auger and RAB drill holes, grids, tracks, costeans and camp establishment.

2.1.10 *Expenditure Commitments and Exploration Reporting Requirements*

Expenditure commitments and exploration reporting requirements will be imposed on Exploration Licences granted in satisfaction of the Northern Territory Applications.

The holder of a granted Exploration Licence is required to submit an annual report at the end of each twelve-month period of that Exploration Licence detailing, amongst other things, the expenditure incurred on exploration operations conducted during that period. In the event that there is a shortfall in actual expenditure (when compared with the expenditure commitment of the granted Exploration Licence), there is a requirement to apply for a variation of the conditions of that Exploration Licence.

Compliance with the expenditure commitments and reporting requirements of a granted Exploration Licence is important because those matters are considered by the DPIFM when determining whether or not to renew the Exploration Licence. Furthermore, compliance with such commitments and requirements may also affect the DPIFM's decision to renew a granted Exploration Licence in full, or to require a reduction in the area of the Exploration Licence.

2.1.11 *Heritage*

It is an offence under Sections 33, 34 and 39 of the Heritage Conservation Act 1991 (NT) to carry out work on or damage a heritage place or heritage object, or place or object subject to an interim conservation order including archaeological places and objects (collectively referred to as “archaeological sites”), without consent.

“Heritage places” and “heritage objects” are places and objects that have been declared to be such pursuant to Section 26 of the Heritage Conservation Act 1991. Broadly, an “archaeological place” includes a place pertaining to the past occupation by Aboriginal or Macassan people that has been modified by the activity of such people and in or on which the evidence of such activity exists (Section 4 Heritage Conservation Act 1991). An “archaeological object” generally includes a relic pertaining to the past occupation by Aboriginal or Macassan people of any part of Australia which is now in the Northern Territory (Section 4 Heritage Conservation Act 1991).

A search of the Northern Territory Register maintained by the Northern Territory Heritage Advisory Council (“the NTHAC”) has revealed the following:

- There are no nominated, proposed or declared heritage places or objects within the boundaries of the Northern Territory Applications; and

11. INDEPENDENT EXPLORATION TITLES REPORT

- There are two archaeological sites within ELA 24879, six archaeological sites within ELA 24930 and no (recorded) archaeological sites within the remaining Northern Territory Applications. The eight archaeological sites within ELA 24879 and ELA 24930 are likely to be grinding hollows or stone artefacts.

Further searches of the Register maintained by the NTHAC and archaeological surveys of the land subject to the Northern Territory Applications should be conducted prior to the commencement of exploration operations to ensure that no breaches of the Heritage Conservation Act 1991 occur.

2.1.12 Rent

There is no rent payable in respect to the Northern Territory Applications.

The amount of rent payable in respect to a granted Exploration Licence varies depending upon the “age” of the granted Exploration Licence. Currently, rent for the first two years of a granted Exploration Licence is charged at the rate of \$11 per block, inclusive of Goods and Services Tax (“GST”). The amount is then doubled for each year after that (that is, \$22 per block in the third year, \$44 per block in the fourth year, etc, up to a maximum of \$352 per block in the seventh and eighth years).

2.1.13 Securities

Securities are not required in respect to the Northern Territory Applications.

2.2 WESTERN AUSTRALIA TENEMENTS

The following information was obtained from searches and enquiries made with the Western Australia Department of Industry and Resources (“DoIR”) and the NNTT.

2.2.1 General

Exploration Licence No 46/629 (“E46/629”) and Exploration Licence Application No 09/1253 (“E09/1253”) are in the name of Hume Mining NL.

Exploration Licence Application No 09/1245 (“E09/1245”) is in the name of Helen Mary Ansell. Exploration Licence Applications No’s 09/1257 (“E09/1257”), 09/1258 (“E09/1258”) and 53/1203 (“E53/1203”) are in the name of the Company.

Exploration Licence No 53/1115 (“E53/1115”) and Exploration Licence Application No 46/585 (“E46/585”) are in the name of Adelaide Prospecting Pty Ltd.

Exploration Licence Application No 47/1328 (“E47/1328”) and Prospecting Licence Application No 47/1170 (“P47/1170”) are in the name of Central Exchange Limited.

E09/1245, E09/1253, E09/1257, E09/1258, E46/585, E46/629, E47/1328, E53/1115, E53/1203 and P47/1170 (collectively referred to as “the Western Australia Tenements”) were applied for in accordance with Sections 41 and 58 of the Mining Act 1978 and Regulations 64, 64A and 64B of the Mining Regulations 1981 (as amended).

Individual Securities (Forms 32) of \$5,000 for E09/1245, E09/1253, E09/1257, E09/1258, E46/585, E46/629, E47/1328, E53/1115 and E53/1203 and \$500 for P47/1170 were each lodged in accordance with Sections 52 and 60 of the Mining Act 1978, within 28 days of the application dates.

E53/1115 was granted on 6 October 2004 for a term of five years, expiring 5 October 2009.

E46/629 was granted on 2 August 2005 for a term of five years, expiring 1 August 2010.

11. INDEPENDENT EXPLORATION TITLES REPORT

E09/1245, E46/585 and E47/1328 have been recommended for grant by the Mining Warden, indicating that the Applicants have complied with all statutory requirements of the Mining Act 1978 and Mining Regulations 1981 (as amended). It is anticipated that E09/1253, E09/1257, E09/1258, E53/1203 and P47/1170 will be recommended for grant by the Warden in due course.

No objections were lodged against the Western Australia Tenements. However, since E53/1203 was applied for on 1 November 2005, the objection period does not close until 6 December 2005. As at the date of this report, no objections were lodged against E53/1203.

Basic details of the Western Australia Tenements are contained in the Schedule.

2.2.2 *Encumbrances*

The Company advises the following:

- It has the right to earn 75% of the interest held by Hume Mining NL in E09/1253, E46/629, E46/585, E47/1328 and P47/1170 pursuant to a letter agreement between Hume Mining NL and the Company dated 15 September 2005 (as amended by subsequent letter agreements between those parties dated 19 September 2005, 27 October 2005, 7 November 2005 and 10 November 2005);
- Hume Mining NL acquired an 85% interest in E46/585 (excluding manganese mineral rights) pursuant to a letter agreement between Giralda Resources NL, Adelaide Prospecting Pty Ltd and Hume Mining NL dated 12 November 2004;
- Hume Mining NL has beneficial ownership of all interest in E47/1328 and P47/1170 pursuant to a letter dated 30 September 2005 from Central Exchange Limited;
- It has the right to earn a 70% interest in E09/1245 pursuant to a letter agreement between Helen Mary Ansell, Uranium Oil and Gas Limited and the Company dated 3 October 2005; and
- It will have the right to earn an 85% interest in E53/1115 pursuant to a letter agreement between Adelaide Prospecting Pty Ltd and the Company dated 28 October 2005.

Searches of the Western Australia Tenements which were obtained from the DoIR's Register do not record the Company's aforementioned interests (either legal or equitable). In fact, no interest has been recorded against any of the Western Australia Tenements.

Pursuant to Section 119(2) of the Mining Act 1978, a legal or equitable interest in or affecting a mining tenement is not capable of being created, assigned or dealt with whether directly or indirectly except by an instrument in writing which has been signed by the person creating, assigning or otherwise dealing with the interest. In accordance with Regulation 110 of the Mining Regulations 1981 (as amended), all dealings affecting a mining tenement shall be lodged for registration with the prescribed fee, at the office of the Mining Registrar or the Department at Perth. The registration of all dealings shall be effected at the Department by an officer acting with the authority of the Minister for State Development ("the Western Australia Minister"). No dealings shall be made to pass any estate or interest in a mining tenement or in any way to charge or encumber a mining tenement until registered.

Pursuant to Section 64(1)(b) of the Mining Act 1978, during the first year of the term for which an Exploration Licence is granted, a legal or equitable interest in or affecting an Exploration Licence shall not be transferred or otherwise dealt with, whether directly or indirectly, unless prior written consent to the dealing is given by the Western Australia Minister or an officer of the DoIR acting with the authority of the Western Australia Minister.

11. INDEPENDENT EXPLORATION TITLES REPORT

Furthermore, an application for an Exploration Licence is not transferable. There is no specific provision restricting sale of an application for an Exploration Licence however, once the application is granted, Ministerial consent to the transfer will be required.

2.2.3 *Overlapping Titles and Applications*

E09/1245 encroaches upon granted Exploration Licence No 09/974, registered to Giralia Resources Ltd.

E47/1328 encroaches upon granted Exploration Licences No's 08/665, 47/977 and Mining Lease Applications No's 08/293 and 47/522, registered to Nustar Mining Corporation Ltd. E47/1328 also affects P47/1170.

E53/1115 encroaches upon granted Exploration Licence No 53/912, registered to Newmont Yandal Operations Pty Ltd and Application for Miscellaneous Licence No 53/89, registered to Outokumpu Mining Australia Pty Ltd.

E53/1203 encroaches upon Application for Miscellaneous Licence No 53/89, registered to Outokumpu Mining Australia Pty Ltd.

P47/1170 encroaches upon No E47/1328.

E09/1253, E09/1257, E09/1258, E46/585 and E46/629 do not encroach upon any underlying tenure.

2.2.4 *Exclusions*

If and when E09/1253, E09/1245, E09/1257, E09/1258, E46/585, E47/1328, E53/1203 and P47/1170 are granted, it is expected that they will exclude the following:

- E09/1245 is likely to exclude an approximate area of 0.02% which is the area of land subject to Exploration Licence No 09/974;
- Approximately 44.6% of E09/1253 encroaches upon Crown Reserve 39182 (Use and Benefit of Aboriginal Inhabitants). The current State Government operates under a "no mining in reserves" policy. As such, E09/1253 will not be processed unless the Applicant formally requests the excision of Crown Reserve 39182 from the grant of E09/1253;
- E46/585 is likely to exclude an approximate area of 11.48 hectares, which is the area of land subject to the determined Native Title claim lodged by the Martu Native Title Claimant Group (WC96/78) (refer to Section 2.2.6 below);
- E47/1328 will likely exclude an approximate area of 6.6%, being the area of land subject to granted Exploration Licences No's 08/665 and 47/997. An approximate area of 4%, which is the area of land the subject to prior "first in time" Applications for Mining Leases No's 08/293, 47/552 and P47/1170 may be excised at the DoIR's request (with the Applicant's consent), which would allow "second in time" E47/1328 to be processed expeditiously. Current DoIR policy is to seek the applicant's consent to excise any land the subject of prior "first in time" applications, if the encroachment affects less than 50% of the area of the "second in time" application. Should the Applicant not consent to the excision, E47/1328 would not be processed further until "first in time" Applications for Mining Leases No's 08/293, 47/552 and P47/1170 were determined; and
- P47/1170 will likely exclude an approximate area of 15.1%, which is the area of land subject to E47/1328 (refer to above comments).

E09/1257, E09/1258 and E53/1203 are not likely to have exclusions, however the Applicant for Miscellaneous Licence No 53/89 may lodge an objection against E53/1203 before 6 December 2005

11. INDEPENDENT EXPLORATION TITLES REPORT

(refer to Section 2.2.1) on the basis that exploration may disrupt the search for groundwater. This may be resolved by way of an Access Agreement.

The area of land subject to Exploration Licence No 53/912 and Mining Leases No's 53/41, 53/52, 53/54 and 53/188 were excluded from the grant of E53/1115.

E46/629 has no exclusions.

2.2.5 Exploration Licence Conditions

It is anticipated that, upon grant of the Western Australia Tenements, other than E46/629 and E53/1115, standard endorsements and conditions will be imposed pertaining to the environment, Aboriginal Heritage and exploration requirements.

E09/1258 encroaches upon Crown Reserve 3615 (Road Reserve) and E46/585 encroaches upon Crown Reserves 12297 (Rabbit Proof Fence) and 4274 (Road Reserve). Special conditions will be imposed restricting exploration activities in respect to these Reserves.

2.2.6 Native Title

The Western Australia Tenements are affected by the following Native Title claims:

Licence / Application	Native Title Claims	Section 29 Objections Close	Objections Lodged
E09/1245	Wajarri Elders Combined (WC01/003) Nharnuwangga Wajarri and Ngarlawangga (WC99/13)*	19 February 2006	No Objections
E09/1253	Wajarri Elders Combined (WC01/003)	Not advertised	N/A
E09/1257	Wajarri Elders Combined (WC01/003)	Not advertised	N/A
E09/1258	Wajarri Elders Combined (WC01/003) Gnulli (WC97/028)	Not advertised	N/A
E46/585	*Martu (WC96/78) Niyaparli (WC99/4) Njamal (WC99/8)	Not advertised	N/A
E46/629	Niyaparli (WC99/4) Njamal (WC99/8)	9 March 2005	No Objections
E47/1328	Puutu Kunti Kurrama and Pinikura (WC01/5)	Not advertised	N/A
P47/1170	Puutu Kunti Kurrama and Pinikura (WC01/5)	2 March 2006	No Objections
E53/1115	Deregistered Sir Samuel 2 (WC95/82)	19 April 2004	No Objections
E53/1203	Deregistered Sir Samuel 2 (WC95/82)	Not advertised	N/A

* Determined Claim

The State Government is currently adopting a policy whereby the intended grant of an Exploration Licence is nominated as an act that attracts the expedited procedure under the NTA, subject to the

11. INDEPENDENT EXPLORATION TITLES REPORT

applicants formally agreeing with the Native Title Party to identify and protect Aboriginal Heritage sites within the boundaries of the tenements when granted.

A number of claimant groups have agreed to the terms of a Regional Standard Heritage Agreement (RSHA), which have been prepared by the respective Claimant Representative groups. However, many claimants prefer to operate under an individual (alternate) Heritage Agreement.

Current DoIR policy requires an applicant to provide evidence by way of a Statutory Declaration that it has already entered into a Heritage Agreement (alternate or RSHA) with one of the affected claimants in respect of that application. Once evidence is provided, the DoIR will commence processing in accordance with the expedited procedure.

Advice from DoIR is that the respective Applicants for E09/1253, E09/1257, E09/1258 and E47/1328 have lodged the necessary Statutory Declarations as evidence of compliance with the abovementioned policy. However, as at the date of this report, no such Statutory Declaration for E53/1203 had been lodged.

The DoIR advised that the Applicant for E46/585 has requested the excision of the land subject to the determined Native Title claim lodged by the Martu Native Title Claimant Group (WC96/78). The Applicant is still required to submit evidence of having entered into a RSHA (or alternative) with one of the other affected Native Title Claimant groups prior to processing E46/585 in accordance with the expedited procedure.

In respect to E09/1245 and P47/1170, the expedited procedure objection periods close on 19 February 2006 and 2 March 2006 respectively. As at the date of this report, advice from the DoIR is that no objections have been lodged against E09/1245 and P47/1170. Should no objections be lodged prior to the objection close dates, E09/1245 and P47/1170 should be granted following the DoIR's receipt of formal clearance from the NNTT which are likely to take approximately 14 to 21 days.

2.2.7 Future Obligations

Rent is payable on an Exploration Licence at a rate per graticular block. The current rate is \$101.42 per graticular block, which includes GST.

Rent is payable on a Prospecting Licence at a rate per hectare. The current rate is \$1.87 per hectare (minimum \$18.70), which includes GST.

Rent (excluding GST) for the first year of tenure is paid upon application. Prior to grant, the DoIR requests payment of the GST component of rent paid upon application.

The aggregate rent and expenditure commitment for the Western Australia Tenements, once granted (noting that E46/629 and E53/1115 have already been granted) are listed in the Schedule.



RUSSELL HETHERINGTON
24 November 2005

11. INDEPENDENT EXPLORATION TITLES REPORT

FAST SCOUT LTD – SCHEDULE

NORTHERN TERRITORY

APPLICATION NO	NAME	APPLICANT	STATUS	APPLICATION DATE	AREA	PROPOSED ANNUAL RENT INCL 10% GST (IF OR WHEN GRANTED)	PROPOSED ANNUAL EXPENDITURE COMMITMENT (FIRST YEAR OF GRANT)	SECURITY	RECORDED / REGISTERED ENCUMBRANCES
ELA 24879	MOUNT DOREEN	HUME MINING NL	APPLICATION	29/08/2005	82 BLOCKS	\$902.00	\$45,000	NIL	NIL
ELA 24927	HAASTS BLUFF	HUME MINING NL	APPLICATION	12/09/2005	338 BLOCKS	\$3,718.00	\$45,000	NIL	NIL
ELA 24928	MOUNT DOREEN	HUME MINING NL	APPLICATION	09/09/2005	15 BLOCKS	\$165.00	\$25,000	NIL	NIL
ELA 24929	MOUNT DOREEN	HUME MINING NL	APPLICATION	09/09/2005	26 BLOCKS	\$286.00	\$25,000	NIL	NIL
ELA 24930	MOUNT DOREEN	HUME MINING NL	APPLICATION	09/09/2005	99 BLOCKS	\$1,089.00	\$25,000	NIL	NIL

11. INDEPENDENT EXPLORATION TITLES REPORT

WESTERN AUSTRALIA

APPLICATION / TENEMENT NO	NAME	APPLICANT / HOLDER	STATUS	GRANT / APPLICATION DATE	EXPIRY DATE	AREA	ANNUAL RENT INCL 10% GST	MINIMUM EXPENDITURE COMMITMENT	SECURITY	RECORDED / REGISTERED ENCUMBRANCES
E09/1245	RUBBEROID WELL	HELEN MARY ANSELL	PENDING	22/07/2005	N/A	35 BLOCKS	\$3,549.70 (PROPOSED)	\$31,500 (PROPOSED)	\$5,000	NIL
E09/1253	MT JAMES	HUME MINING NL	PENDING	30/08/2005	N/A	49 BLOCKS	\$4,969.58 (PROPOSED)	\$44,100 (PROPOSED)	\$5,000	NIL
E09/1257	INJINU HILLS	FAST SCOUT LIMITED	PENDING	29/09/2005	N/A	27 BLOCKS	\$2,738.34 (PROPOSED)	\$24,300 (PROPOSED)	\$5,000	NIL
E09/1258	MORTIMER HILLS	FAST SCOUT LIMITED	PENDING	29/09/2005	N/A	26 BLOCKS	\$2,636.92 (PROPOSED)	\$23,400 (PROPOSED)	\$5,000	NIL
E46/585	LITTLE SANDY DESERT	ADELAIDE PROSPECTING PTY LTD	PENDING	17/10/2003	N/A	69 BLOCKS	\$6,997.98 (PROPOSED)	\$62,100 (PROPOSED)	\$5,000	NIL
E46/629	CANNING WELL	HUME MINING NL	GRANTED	02/08/2005	01/08/2010	19 BLOCKS	\$1,926.98	\$20,000	\$5,000	NIL
E47/1328	PAULSENS EAST	CENTRAL EXCHANGE LTD	PENDING	03/11/2003	N/A	6 BLOCKS	\$608.52 (PROPOSED)	\$20,000 (PROPOSED)	\$5,000	NIL
E53/1115	MT LAWRENCE WELLS	ADELAIDE PROSPECTING PTY LTD	GRANTED	06/10/2004	05/10/2009	6 BLOCKS	\$608.52	\$20,000	\$5,000	NIL
E53/1203	MT LAWRENCE WELLS	FAST SCOUT LIMITED	PENDING	01/11/2005	N/A	17 BLOCKS	\$1,724.14 (PROPOSED)	\$20,000 (PROPOSED)	\$5,000	NIL
P47/1170	PAULSENS EAST	CENTRAL EXCHANGE LTD	PENDING	23/10/2003	N/A	164 HA	\$306.68 (PROPOSED)	\$6,560 (PROPOSED)	\$500	NIL

12. FINANCIAL EFFECTS

12.1 UTILISATION OF FUNDS

The funds raised from the Issue of Shares pursuant to this Prospectus and the Company's existing net cash and liquid asset reserves will be applied as follows:

Pro-Forma Working Capital Position

	Notes	Minimum Subscription	Full Subscription	With Oversubscriptions
Application Monies received under the Offer		\$1,300,000	\$1,500,000	\$2,000,000
Net Application Monies received under \$971,000 Share Placement	1	\$935,800	\$935,800	\$935,800
Existing cash, liquid assets and receivables, net of payables	2	\$343,072	\$343,072	\$343,072
Total net working capital		\$2,578,872	\$2,778,872	\$3,278,872
1 year budgeted exploration expenditure	3	(\$960,000)	(\$960,000)	(\$1,390,000)
Acquisition costs under Kalimantan Coal Agreement	4	(\$616,438)	(\$616,438)	(\$616,438)
Fees payable to Sinarco for introduction of the Kalimantan Coal Project	5	(\$150,000)	(\$150,000)	(\$150,000)
Expenses of the Issue	6	(\$130,320)	(\$140,320)	(\$165,320)
Unallocated working capital		\$722,114	\$912,114	\$957,114

Notes:

- (1) Gross application monies of \$971,000 less fees of \$35,200 in respect of services provided to the Company in relation to the completion of the \$971,000 Share Placement;
- (2) Unaudited as at 31 October 2005; refer to the Pro-Forma Consolidated Statements of Financial Position in Section 12.3;
- (3) Refer to Summary of Indicative Exploration Expenditure in Section 6.4;
- (4) The Kalimantan Coal Agreement is described in Section 13.4; The cost is based on the Company effecting initial payments of US\$50,000 (in respect of KP1 and KP2) and aggregate subsequent payments of US\$400,000 (in respect of only one of KP 1, KP2 or KP3); the exchange rate is assumed to be A\$1 = US\$0.73
- (5) Refer to Section 13.6;
- (6) Refer to Section 12.2.

The Directors are of the opinion that on completion of the Minimum Subscription of the Issue, the Company will have sufficient working capital to carry out its objectives.

12.2 EXPENSES OF THE ISSUE

The total expenses of the Issue are anticipated to be as follows:

Item of Expenditure	Minimum Subscription	Fully Subscribed	With Oversubscriptions
ASIC and ASX fees	\$15,320	\$15,320	\$15,320
Geological Report	\$11,000	\$11,000	\$11,000
Exploration Titles Report	\$11,000	\$11,000	\$11,000
Legal fees	\$18,000	\$18,000	\$18,000
Commission on Funds raised	\$65,000	\$75,000	\$100,000
Design, Printing and Ancilliary	\$8,000	\$8,000	\$8,000
Miscellaneous	\$2,000	\$2,000	\$2,000
Total	\$130,320	\$140,320	\$165,320

12. FINANCIAL EFFECTS

12.3 PRO-FORMA FINANCIAL POSITIONS

The Company's audited 30 June 2005 and unaudited 31 October 2005 Consolidated Statements of Financial Position and 3 sets of pro-forma accounts is as follows:

		Audited 30/6/2005	Unaudited 31/10/2005	Pro-Forma 1	Pro-Forma 2	Pro-Forma 3
	Note	\$	\$	\$	\$	\$
CURRENT ASSETS						
Cash assets	12.3.3	54,197	185,299	1,534,341	1,724,341	2,199,341
Other financial assets	12.3.4	-	455,086	455,086	455,086	455,086
Receivables		169,459	20,888	20,888	20,888	20,888
TOTAL CURRENT ASSETS		<u>223,656</u>	<u>661,273</u>	<u>2,010,315</u>	<u>2,200,315</u>	<u>2,675,315</u>
NON CURRENT ASSETS						
Receivables		500	500	500	500	500
Property, plant and equipment		47,309	47,309	47,309	47,309	47,309
Other financial assets		376,750	-	-	-	-
Investments accounted for using equity method	12.3.5	147,425	5,739	5,739	5,739	5,739
Internet technologies		-	-	-	-	-
Prepaid classification works		-	-	-	-	-
Other development works		-	-	-	-	-
Intangibles		-	-	-	-	-
Exploration, Evaluation and Development Expenditure	12.3.6	-	37,340	1,015,111	1,015,111	1,015,111
TOTAL NON CURRENT ASSETS		<u>571,984</u>	<u>90,888</u>	<u>1,068,659</u>	<u>1,068,659</u>	<u>1,068,659</u>
TOTAL ASSETS		<u>795,640</u>	<u>752,161</u>	<u>3,078,974</u>	<u>3,268,974</u>	<u>3,743,974</u>
CURRENT LIABILITIES						
Payables		544,869	387,357	387,357	387,357	387,357
Provisions		21,732	21,732	21,732	21,732	21,732
TOTAL CURRENT LIABILITIES		<u>566,601</u>	<u>409,089</u>	<u>409,089</u>	<u>409,089</u>	<u>409,089</u>
TOTAL LIABILITIES		<u>566,601</u>	<u>409,089</u>	<u>409,089</u>	<u>409,089</u>	<u>409,089</u>
NET ASSETS		<u>229,039</u>	<u>343,072</u>	<u>2,669,885</u>	<u>2,859,885</u>	<u>3,334,885</u>
EQUITY						
Contributed equity		16,414,372	17,059,688	19,636,501	19,826,501	20,301,501
Accumulated losses		(16,185,333)	(16,716,616)	(16,966,616)	(16,966,616)	(16,966,616)
TOTAL EQUITY		<u>229,039</u>	<u>343,072</u>	<u>2,669,885</u>	<u>2,859,885</u>	<u>3,334,885</u>

The above pro-forma financial positions are to be read in conjunction with the notes and comments contained in Sections 12.3.1 to 12.3.11.

12. FINANCIAL EFFECTS

12.3.1 Assumptions Adopted In Compiling Pro-Forma Consolidated Statement Of Financial Positions

The 3 pro-formas incorporate the assumed financial effects of the following transactions:

For All Pro-Formas	No. Shares	Total Value	Comments
Issue under \$971,000 Share Placement (post Share Conversion)	3,236,667	\$935,800	9,710,000 Shares issued at 10 cents per share (pre Share Conversion) and reconstructed to 3,236,667 Shares under the Share Conversion; Amount raised is net of \$35,200 fees payable to brokers in respect of services provided to the Company in relation to the completion of the \$971,000 Share Placement.
Issue under UOG Agreement (post Share Conversion) / Acquisition costs under UOG Agreement	116,667	\$28,000	350,000 Shares issued pre Share Conversion and reconstructed to 116,667 Shares under the Share Conversion; pre Share Conversion value based on FSL's closing bid price of 8 cents per share on 21 December 2005 (on the eve of the AGM prior to the Company being suspended from ASX); the value is posted to Exploration, Evaluation and Development Expenditure
Issue under Hume Agreement / Acquisition costs under Hume Agreement	1,666,667	\$333,333	Shares issued post Share Conversion; value based on Prospectus Share Offer issue price of 20 cents per Share; the value is posted to Exploration, Evaluation and Development Expenditure
Issue of Hume Options	N/A	\$10,000	Cash consideration received by the Company from Hume; No Hume Options assumed to be exercised
Acquisition costs under Kalimantan Coal Agreement	N/A	\$616,438	The Kalimantan Coal Agreement is described in Section 13.4; The cost is based on the Company effecting initial payments of US\$50,000 (in respect of KP1 and KP2) and aggregate subsequent payments of US\$400,000 (in respect of only one of KP 1, KP2 or KP3); the exchange rate is assumed to A\$1 = US\$0.73; the value is posted to Exploration, Evaluation and Development Expenditure
Fees payable to Sinarco for introduction of the Kalimantan Coal Project	-	\$150,000	Cash component of introduction fee payable to Sinarco; refer to Section 13.6
Issue to Sinarco for introduction of the Kalimantan Coal Project	500,000	\$100,000	Shares issued post Share Conversion; value based on Prospectus Share Offer issue price of 20 cents per Share; the value is expensed

Pro-Forma 1

Issue under Prospectus Share Offer (with Minimum Subscriptions)	6,500,000	\$1,169,680	Gross proceed from Issue of \$1,300,000 less expenses of the Issue of \$130,320 (refer Section 12.2)
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Pro-Forma 2

Issue under Prospectus Share Offer (with Full Subscriptions)	7,500,000	\$1,359,680	Gross proceed from Issue of \$1,500,000 less expenses of the Issue of \$140,320 (refer Section 12.2)
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Pro-Forma 3

Issue under Prospectus Share Offer (with Oversubscriptions)	10,000,000	\$1,834,680	Gross proceed from Issue of \$2,000,000 less expenses of the Issue of \$165,320 (refer Section 12.2)
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12. FINANCIAL EFFECTS

12.3.2 Summary of Significant Accounting Policies

The financial information has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial information has been prepared on an accrual basis and on the basis of historical costs, and except where stated does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial information. The accounting policies have been consistently applied unless otherwise stated.

1. Principles of Consolidation

The consolidated Statement of Financial Position are prepared by combining Statements of Financial Position of all the entities that comprise the Consolidated Entity, being the Company (the Company) and its controlled entity (Fast Scout Operations Pty Ltd (formerly Virtual Web Pty Ltd). All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Outside interest in the equity and results of the entity that are controlled are shown as a separate item in the consolidated financial report.

2. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Licence and Disposal of Assets

Revenue is recognised when the Consolidated Entity has passed control of the licences, goods or other assets to the buyer. Control of goods or assets is considered to be passed to buyer upon delivery of asset to buyer or their agents.

(ii) Contributions of Assets

Revenue arising from the contribution of assets is recognised when the Consolidated Entity gains control of the contribution or the right to receive the contribution.

(iii) Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(iv) Dividend Revenue

Dividend revenue is brought to account on the applicable ex-dividend entitlement date.

(v) Other Revenue

Other revenue is recognised on a receipts basis.

3. Foreign Currency Transaction and Balances

All foreign currency transactions are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at exchange rate existing at that date.

4. Income Tax

For the 30 June 2005 consolidated Statement of Financial Position, the Consolidated Entity has adopted the "liability method" of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit.

From 1 July 2005, under the *AASB112: Income Taxes*, the Consolidated Entity will be required to adopt a "balance sheet approach" under which temporary differences are identified for each asset and liability rather than the effects of timing and permanent differences between taxable income and accounting profit.

5. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) For receivables and payables which are recognised inclusive of GST, the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

12. FINANCIAL EFFECTS

6. Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave ("employee benefits") when it is probable that settlement will be required and they are capable of being measured reliably. Employee benefits expected to be settled within one year, have been measured at their nominal amount. Other employee benefits expected to be payable later than one year have been measured at the present value of the estimated cash flows to be made for those benefits. Superannuation contributions are made by the Consolidated Entity in accordance with statutory obligations and are charged as expenses when incurred.

7. Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

8. Investments

For the 30 June 2005 consolidated Statement of Financial Position: investments are recorded at cost; investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements; the Directors review investments at each balance date and where, in the opinion of the Directors, there has been a permanent diminution in value of an investment, the carrying amount of such an investment is written down to its net fair value; the net fair value is assessed from a listed investment's current market price or where unlisted or suspended, its net tangible asset value.

From 1 July 2005, under *AASB 139: Financial Instruments: Recognition and Measurement*, financial assets are required to be classified into four categories, which determines the accounting treatment of the item. The categories and various treatments are:

- (i) Held to maturity, measured at amortised cost;
- (ii) Held for trading (or designated "as at fair value through profit and loss" upon initial recognition), measured at fair value with unrealised gains or losses charged to the profit and loss;
- (iii) Loans and receivables, measured at amortised cost; and
- (iv) Available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

The Consolidated Entity's listed share investments are financial assets classified "as at fair value through profit and loss" upon initial recognition and are recognised in the Statement of Financial Position at fair value. During the period changes in the fair value of investment securities will be recognised in the Statement of Financial Performance. The fair value of financial assets will be measured at bid price and will exclude disposal costs.

9. Property, Plant and Equipment

Property, plant and equipment are brought to account at cost less any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed bi-annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their expected useful lives to the Consolidated Entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Plant and Equipment	15-50%	Diminishing Value
Leasehold Improvements	15%	Diminishing Value

10. Valuation of Non Current Assets

The carrying amount of non-current assets are reviewed at each balance date to determine whether they are in excess of the recoverable amount. Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

11. Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

12. Payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services.

13. Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

12. FINANCIAL EFFECTS

14. Internet Technologies

Capitalised Internet technologies development works are amortised over a 5 year period in which the corresponding benefits are expected to arise, commencing with the commercial application of the asset. The unamortised amount is reviewed at each balance date to determine whether it is in excess of the recoverable amount. If the carrying value of the intellectual property exceeds its recoverable amount, the asset is written down to the lower value.

15. Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- (i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- (ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest, which are abandoned, are written off in full against profit in the year in which the decision to abandon the area is made.

Under AASB 6 "Exploration for and Evaluation of Mineral Resources", if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Company must perform impairment tests on those assets and measure any impairment in accordance with AASB 136 "Impairment of Assets". Impairment of exploration and evaluation assets is to be assessed at a cash generating unit or group of cash generating units level provided this is no larger than an area of interest. Any impairment loss is to be recognised as an expense in accordance with AASB 13.

12.3.3 Cash

	Pro-Forma 1 \$	Pro-Forma 2 \$	Pro-Forma 3 \$
Cash assets as at 31 October 2005 (unaudited)	185,299	185,299	185,299
Adjustments arising in the preparation of the pro-forma cash balance are summarised as follows:			
Net proceeds from the issue under the \$971,000 Share Placement	935,800	935,800	935,800
Net proceeds from the issue under the Prospectus Share Offer	1,169,680	1,359,680	1,834,680
Consideration received from Hume in relation to the issue of the Hume Options	10,000	10,000	10,000
Acquisition costs under Kalimantan Coal Agreement	(616,438)	(616,438)	(616,438)
Fees payable to Sinarco for introduction of the Kalimantan Coal Project	(150,000)	(150,000)	(150,000)
Pro-forma cash assets	<u>1,534,341</u>	<u>1,724,341</u>	<u>2,199,341</u>

12.3.4 Other Financial Assets

	Consolidated 31 October 2005 \$
Investments comprise:	
Shares and options in listed corporations - at cost	575,182
Less: Provision for diminution	<u>(120,096)</u>
	<u>455,086</u>
Market value of shares in listed companies as at 31 October 2005:	<u>455,086</u>

Shares and options in listed corporations comprise:

			31-Oct-05 Last Bid Price	31-Oct-05 Market Value
Company	No Shares	%		
Orion Equities Limited (OEQ)	505,026	2.83%	\$0.590	\$297,965
Queste Communications Limited (QUE)	826,950	2.91%	\$0.190	<u>\$157,121</u>
Total				<u><u>\$455,086</u></u>

12. FINANCIAL EFFECTS

12.3.5 Investments Accounted For Using Equity Method

Investments accounted for using equity method comprise investments in ASX listed (but suspended) securities:

Company	No Shares	%	Last Bid Price	31-Oct-05 Market Value	Carrying Value
				\$	\$
Altera Capital Limited (AEA)	20,002,860	32.3%	suspended	N/A	-
Sofcom Limited (SOF)	12,420,439	27.8%	suspended	N/A	5,739

The Company is the largest shareholder in AEA and SOF both of which are ASX listed companies, currently suspended awaiting a potential recapitalisation and re-admission to ASX. FSL is in discussions with a number of parties regarding a sale of its interest in these companies. FSL's nil valuation for its shareholding in these companies does not reflect any potential "control premium" upon a possible sale of such shareholdings.

12.3.6 Exploration, Evaluation and Development Expenditure

	Pro-Formas 1, 2 & 3 \$
Exploration, Evaluation and Development Expenditure as at 31 October 2005 (unaudited)	37,340
Adjustments arising in the preparation of the pro-forma Exploration, Evaluation and Development Expenditure are summarised as follows:	
Issue under UOG Agreement / Acquisition costs under UOG Agreement	28,000
Issue under Hume Agreement / Acquisition costs under Hume Agreement	333,333
Acquisition costs under Kalimantan Coal Agreement	616,438
Pro-forma Exploration, Evaluation and Development Expenditure	1,015,111

12.3.7 Payables

Payables as at 31 October 2005 comprise the following amounts:

- (a) \$127,258 - Amount payable to Sofcom Limited (SOF)

The Company incurred litigation costs (with Sofcom Limited (SOF) and Altera Capital Limited (AEA)) in relation to the 3 company's investment in Scarborough Equities Limited (formerly Rivkin Financial Services Limited) (SCB). SOF, as the major shareholder in SCB (of the three companies), had primary conduct of the payment of the costs of the litigation proceedings and legal cost settlement amounts arising therein. Such costs are shared between SOF/FSL/AEA in proportion to each company's relative interest in their collective stake in SCB (prior to the sale of SCB shares to OEQ by SOF and AEA on 30 June 2005) - SOF's share is 67%; FSL's share is 18% and AEA's share is 15%. The above amount remains payable by FSL to SOF as at 31/10/2005. Interest is charged at 7% per annum on such outstanding amount. Such outstanding amount will be paid out of the proceeds from the Issue.

- (b) \$142,189 - Amount payable to Data Base Systems Limited (DBS)

The outstanding cash component of the classifications works payable by FSL to DBS pursuant to a settlement and termination of a portal classification agreement with DBS (which was approved by shareholders at a general meeting held on 22 July 2005). Interest is charged at 7% per annum on such outstanding amount. Such outstanding amount will be paid out of the proceeds from the Issue.

- (c) \$117,910 - Other/Trade Creditors

12. FINANCIAL EFFECTS

12.3.8 Contributed Equity

	Pre Share Conversion Issue Price (cents)	Post Share Conversion Issue Price (cents)	No. Shares	Consolidated 31 October 2005 \$
As at 30 June 2005			81,593,281	16,414,372
19 August 2005 - Issue to DBS pursuant to settlement and termination of portal classification agreement approved by Shareholders on 22 July 2005	2		20,965,814	419,316
18 October 2005 – Issue under \$229,000 Share Placement	10		2,290,000	226,000
As at 23 December 2005			104,849,095	17,059,688
Pro-forma adjustments:				
Issue under the \$971,000 Share Placement	10		9,710,000	935,800
Issue under UOG Agreement / Acquisition costs under UOG Agreement	8		350,000	28,000
Pre Share Conversion			114,909,095	18,023,488
Post Share Conversion			38,303,032	18,023,488
Issue under Hume Agreement / Acquisition costs under Hume Agreement		20	1,666,667	333,333
Consideration received from Hume in relation to the issue of the Hume Options		N/A	N/A	10,000
Issue to Sinarco for introduction of the Kalimantan Coal Project		20	500,000	100,000
Sub-total prior to Prospectus Share Offer			40,469,699	18,466,821
Pro-Forma 1 - Issue under Prospectus Share Offer (with Minimum Subscriptions)		20	6,500,000	1,169,680
Sub-total post Prospectus Share Offer			46,969,699	19,636,501
Pro-Forma 2 - Issue under Prospectus Share Offer (with Full Subscriptions)		20	7,500,000	1,359,680
Sub-total post Prospectus Share Offer			47,969,699	19,826,501
Pro-Forma 3 - Issue under Prospectus Share Offer (with Oversubscriptions)		20	10,000,000	1,834,680
Sub-total post Prospectus Share Offer			50,469,699	20,301,501

12. FINANCIAL EFFECTS

12.3.9 Commitments

(i) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the consolidated entity is required to outlay lease rentals and to meet the minimum expenditure requirements of the relevant regulatory bodies per annum. This obligation is subject to renewal of the lease, renegotiation upon expiry of the exploration lease or when application for a mining lease is made. Please refer to the Independent Exploration Titles Report in Section 11 for further information on such commitments in relation to each of the Tenements. These future obligations are not provided for in the accounts.

(ii) Native Title

The Company's mining tenements may be subject to native title applications in the future. At this stage it is not possible to quantify the impact (if any) that native title may have on the operations of the Company. Please refer to the Independent Exploration Titles Report in Section 11 for further information on such matters in relation to the Tenements.

(iii) Standard Heritage Agreements

The consolidated entity also has obligations under the Standard Heritage Agreements referred to in Section 13.7 (Material Contracts).

(iv) Other Obligations under Agreements for the Acquisition of Tenements/Projects

Please refer to Section 13 (Material Contracts) for a summary of the material contracts for the acquisition of the Company's interests in the Tenements/Projects pursuant to which the consolidated entity has contractual obligations arising therein.

12.3.10 Contingencies

(i) Royalty to Hume Mining NL

Under the Hume Agreement, Hume is entitled to receive a royalty from Fast Scout of 2% of gross revenues (exclusive of GST) arising from any commercial exploitation of any minerals from the Hume Tenements.

(ii) Royalties under Kalimantan Coal Agreement

Upon the commencement of coal production by Indo Coal from any one or more of the Concession Areas (Production), the consolidated entity is liable to pay (either directly or through Indo Coal) the following royalties:

- (a) for Production on KP1 and KP3, where Indo Coal receives US\$16 or greater per dry metric tonne FOB at the barging point from the sale of Production, US\$1.50/dry metric tonne; or
- (b) for Production from KP2, where Indo Coal receives US\$17 or greater per dry metric tonne FOB at the barging point from the sale of Production, US\$1.50/dry metric tonne.

Payment of the said royalties shall be made to KJC, in the event that the Production is sourced from the KP1 Concession Area, to KJM, in the event that the Production is sourced from the KP2 Concession Area; and to KJC or KJM (whichever is granted KP3), in the event that the Production is sourced from the KP3 Concession Area.

In addition, the consolidated entity is liable for payment of any amounts required to be paid to any government authority in relation to such Production.

Please refer to Section 13.4 (Material Contracts) for further information in relation to the Kalimantan Coal Agreement.

(iii) Royalty under Sinarco Agreement

Under the Sinarco Agreement, the Company has an obligation to pay a royalty to Sinarco of A\$0.25 per dry metric tonne of coal mined and sold from one or more of the Concessions pursuant to the Kalimantan Coal Agreement capped at a total amount of A\$600,000.

12. FINANCIAL EFFECTS

(iv) Other Contractual Contingencies

Please refer to Section 13 (Material Contracts) for a summary of the material contracts for the acquisition of the Company's interests in the Tenements/Projects pursuant to which the consolidated entity may have contingent contractual obligations arising therein.

12.3.11 Subsequent Events (post 31 October 2005)

On 2 November 2005, the Company paid to Altera Capital Limited (**AEA**) \$25,000 pursuant to its agreement to provide financial accommodation (on an unsecured basis) to AEA. Interest income of 7% per annum is accruing on such loan advance to AEA. Please refer to Section 13.9 for further information.

- (i) On 28 November 2005, the Company received \$150,000 loan funds from Orion Equities Limited (**OEQ**) to be repaid by 31 December 2005 for working capital purposes. A flat 1% interest fee of \$1,500 is payable by the Company. A late payment fee of 1.25% per month compounded monthly is applicable if the loan is not repaid by 31 December 2005.
- (ii) Please refer to Section 13 for details of the material contracts entered into since 31 October 2005.
- (iii) Please refer to Section 8 for details of the resolutions passed by Shareholders at the AGM of the Company held on 22 December 2005 (pursuant to a Notice of AGM and Explanatory Statement dated 22 November 2005).
- (iv) On 30 November 2005, the consolidated entity effected an initial payment of US\$50,000 to KJC/KJM pursuant to the Kalimantan Coal Agreement. The Company now has a period of due diligence concluding on 3 March 2006 in relation to coal concessions KP 1 and KP 2. The Company has commenced a due diligence survey and drilling programme which is expected to cost approximately A\$160,000.

13. MATERIAL CONTRACTS

Set out in this section is a summary of the contracts to which the Company is a party which may be material in terms of the Offer or the operation of the business of the Company, and which are not otherwise summarised elsewhere in this Prospectus.

13.1 HUME AGREEMENT

13.1.1 ACQUISITION OF 75% INTEREST IN HUME TENEMENTS

On 15 September 2005, the Company entered into the Hume Agreement with Hume Mining NL (**Hume**) (as amended by letter agreements between the Company and Hume dated 19 September 2005, 27 October 2005, 7 November 2005, 10 November 2005 and 21 December 2005) pursuant to which the Company has the right to acquire a 75% interest in the Hume Tenements located in the Northern Territory and in Western Australia and on the terms and conditions set out in the Hume Agreement. All of the Hume Tenements, with the exception of EL 46/629, are exploration licence applications.

Hume is the sole applicant for all of these ELAs, save for

- (a) ELA 46/585 where the applicant is Adelaide Prospecting Pty Ltd. In relation to ELA 46/585, Fast Scout has the right to earn a 75% interest in Hume's 85% interest therein (excluding manganese mineral rights).
- (b) ELA 47/1328 and PLA 47/1170, where the applicant is Orion Equities Limited (**OEQ**). OEQ has confirmed in writing to the Company that such applications were lodged for the benefit of Hume, its wholly owned subsidiary, and that Hume has beneficial ownership of all of the interest in such tenement applications. Furthermore, OEQ has confirmed that it will do all things necessary in relation to such tenement applications pursuant to Hume's obligations under the Hume Agreement, including transferring the interest in such tenements, upon their grant, pursuant to the Hume Agreement.

The following is a summary of the important terms and conditions of the Hume Agreement:

- (1) Fast Scout declaring satisfaction of due diligence in relation to the Hume Tenements by 21 October 2005 – which was achieved on 13 October 2005;
- (2) Fast Scout issuing 1,666,667 Shares (post Share Conversion basis) in Fast Scout to Hume;
- (3) Fast Scout undertaking, at Fast Scout's expense and absolute discretion, exploration, feasibility or other expenditure on the Hume Tenements with a view to delineating relevant resources to support the completion of a bankable feasibility study and a decision to mine;
- (4) Fast Scout, at its expense, keeping the Hume Tenements in good standing;
- (5) In addition to the issue of the Shares referred to in clause (2) above, Hume is entitled to receive a royalty from Fast Scout of 2% of gross revenues (exclusive of GST) arising from any commercial exploitation of any minerals from the Hume Tenements;
- (6) Fast Scout receiving shareholder approval to undertake the transaction contemplated in the Hume Agreement by 23 December 2005 – this was obtained at the AGM on 22 December 2005;
- (7) Fast Scout completing a capital raising of a minimum of \$2,000,000 by 28 February 2006;
- (8) Hume's 25% interest in the Hume Tenements will be free carried until Fast Scout declares a decision to mine supported by the completion of an appropriate bankable feasibility study. After a decision to mine is made by Fast Scout with respect to a particular Hume Tenement, all expenditure incurred in respect of the relevant Hume Tenement will be shared in proportion to each party's interest in the Hume Tenement at that time. If a party elects not to contribute to expenditure in such circumstances, its interest in the relevant Hume Tenement shall be reduced in accordance with an industry standard dilution formula to be agreed between the parties.
- (9) Fast Scout covenants, represents and warrants to Hume to use its best endeavours in a timely manner to conduct exploration activities on the Hume Tenements in order to delineate commercial reserves of uranium and other relevant prospective minerals.
- (10) Hume is required, upon satisfaction of the conditions referred to in clauses (6) and (7) and the issue of the Shares by Fast Scout to Hume in accordance with clause (2) above, to transfer to Fast Scout a 75%

13. MATERIAL CONTRACTS

interest in each of the Hume Tenements that has been granted at such time and to transfer to Fast Scout a 75% interest in each of the Hume Tenements as and when the same are granted thereafter (save for ELA 46/585, the interest in which will only be transferred to Fast Scout when all of the conditions for transfer of Hume's interest in the same have been satisfied under the agreement between Hume, Giralda Resources NL and Adelaide Prospecting Pty Ltd). Hume is required, after Fast Scout has earned a 75% interest in the Hume Tenements and until such time as the interest in each Hume Tenement can be transferred to Fast Scout, to hold the Hume Tenements (in respect of Fast Scout's 75% interest) as trustee upon bare trust for Fast Scout.

- (11) Fast Scout may, at its sole discretion, withdraw from the Hume Agreement in total or with respect to some or all of the Hume Tenements at any time until a decision to mine is made if it determines, based on the exploration activities undertaken to that date, that continuing with the exploration activities and expenditure is not economically, commercially or otherwise feasible or worthwhile, provided that it has maintained the Hume Tenements in good standing up to the date of withdrawal. Fast Scout shall, on withdrawal, have no further commitments whatsoever under the Hume Agreement and shall obtain no interest in the Hume Tenements from which it has withdrawn. Furthermore, if Fast Scout determines that it does not wish to retain its earned interest in any particular Hume Tenement(s) it may, at its sole discretion, relinquish its right or interest therein to Hume subject to having maintained the particular Hume Tenement(s) in question (or part thereof) in good standing up to the date of withdrawal.

13.1.2 SUBSCRIPTION FOR FAST SCOUT OPTIONS BY HUME MINING NL

The Company and Hume have further agreed under the Hume Agreement (as amended) that, after the issue of the Shares by Fast Scout to Hume pursuant to completion of the acquisition of the Hume Tenements, and in consideration of Hume paying \$10,000 to Fast Scout, Fast Scout will issue and grant to Hume (on a post Share Conversion basis):

- (1) 1,833,333 options over Shares in Fast Scout (each exercisable at 20 cents on before the date being 5 years after the date of grant of such options) (the **\$0.20 Hume Options**); and
- (2) 1,666,667 options over Shares in Fast Scout (each exercisable at 30 cents on before the date being 5 years after the date of grant of such options) (the **\$0.30 Hume Options**),

(together, the **Hume Options**).

The terms and conditions of such Hume Options are outlined in Section 15.3 of this Prospectus.

ASX has advised the Company that the Hume Options will be subject to ASX imposed escrow for a minimum term of 12 months from their issue.

13. MATERIAL CONTRACTS

13.2 UOG AGREEMENT

On 3 October 2005, the Company entered into the UOG Agreement with Uranium Oil And Gas Limited (**UOG**) and Helen Mary Ansell (**Ansell**) (as amended by a letter between the Company and UOG, and a letter between the Company and Ansell, each dated 7 November 2005) pursuant to which the Company, has the right to acquire a 70% interest in application for Exploration Licence ELA 09/1245 located at Rubberoid Well in the Gascoyne region of Western Australia (the **Rubberoid Well Tenement**), on the terms and conditions set out in the UOG Agreement, including:

- (1) Fast Scout declaring satisfaction of due diligence in relation to the Rubberoid Well Tenement by 4 October 2005 – which was completed on 4 October 2005;
- (2) Fast Scout issuing 350,000 Shares (pre Share Conversion basis) or 116,667 Shares (post Share Conversion basis) in Fast Scout to UOG;
- (3) Fast Scout paying \$5,000 cash to UOG and \$25,000 cash to Ansell after declaring satisfaction of due diligence which was done on 4 October 2005 (these payments are non-refundable);
- (4) Fast Scout receiving shareholder approval to undertake the transaction contemplated in the UOG Agreement by 23 December 2005 – this was obtained at the AGM on 22 December 2005;
- (5) Fast Scout undertaking, at Fast Scout's expense and absolute discretion, exploration, feasibility or other expenditure on the Rubberoid Well Tenement with a view to delineating relevant resources to support the completion of a bankable feasibility study and a decision to mine;
- (6) Fast Scout keeping the Rubberoid Well Tenement in good standing including complying with minimum expenditure commitments (without exemptions) and all statutory obligations pertaining to the Rubberoid Well Tenement (including but not limited to payment of Shire Rates and meeting native title heritage agreement obligations);
- (7) UOG/Ansell's collective 30% interest in the Rubberoid Well Tenement will be free carried until Fast Scout declares a decision to mine supported by the completion of an appropriate bankable feasibility study. After a decision to mine is made by Fast Scout with respect to the Rubberoid Well Tenement, all expenditure incurred in respect of the Rubberoid Well Tenement will be shared in proportion to each party's interest in the Rubberoid Well Tenement at that time. If Fast Scout or UOG (or their respective assigns) elects not to contribute to expenditure in such circumstances, its interest in the Rubberoid Well Tenement shall be reduced in accordance with an industry standard dilution formula to be agreed between the said parties.
- (8) UOG and Ansell agree that upon the expiration of 12 months following the grant of the Rubberoid Well Tenement (or such earlier period subject to Ministerial consent or otherwise permissible at law) Ansell, as the registered owner, shall transfer to UOG (as to 30%) and to Fast Scout (as to 70%) an interest in the Rubberoid Well Tenement. Ansell is required, after Fast Scout has earned a 70% interest in the Rubberoid Well Tenement and until such time as the interest in the Rubberoid Well Tenement can be transferred to Fast Scout, to hold the Rubberoid Well Tenement (in respect of Fast Scout's 70% interest) as trustee upon bare trust for Fast Scout.
- (9) Fast Scout may, at its sole discretion, withdraw from the UOG Agreement at any time until a decision to mine is made if it determines, based on the exploration activities undertaken to that date, that continuing with the exploration activities and expenditure is not economically, commercially or otherwise feasible or worthwhile, provided that it has maintained the Rubberoid Well Tenement in good standing up to the date of withdrawal. Fast Scout shall, on withdrawal, have no further commitments whatsoever under the UOG Agreement and shall retain no interest in the Rubberoid Well Tenement from which it has withdrawn and provided further that Fast Scout shall not be entitled to withdraw during any period following the grant of the Rubberoid Well Tenement unless Fast Scout shall have met its minimum expenditure requirements for the Rubberoid Well Tenement for that period or, alternatively, has paid an amount to UOG equal to the balance of the minimum expenditure commitments required to be expended on the Rubberoid Well Tenement as at the date of the withdrawal, and any interest then held by Fast Scout in the Tenement shall be transferred to UOG free of charge. Furthermore, if Fast Scout determines that it does not wish to retain its earned interest in the Rubberoid Well Tenement it shall at the request of UOG transfer its interest to be relinquished to UOG.

13. MATERIAL CONTRACTS

- (10) Fast Scout indemnifies each of UOG and Ansell against all claims, demands, losses, damages, costs and expense for which UOG or Ansell becomes liable in respect of loss or damage to property or death, injury of any nature or kind and howsoever or whatsoever sustained:
- (a) caused or contributed to by the conduct of any mining activities on the Rubberoid Well Tenement; or
 - (b) resulting from any act or omission by Fast Scout; or
 - (c) any disturbance pollution obligation to rehabilitate any part of the Rubberoid Well Tenement.

13.3 ADELAIDE PROSPECTING AGREEMENT

On 28 October 2005, the Company entered into the Adelaide Prospecting Agreement with Adelaide Prospecting Pty Ltd (**Adelaide Prospecting**) pursuant to which the Company contracted to acquire an 85% interest in Exploration Licence E 53/1115 located at Dawsons Well in the East Murchison region of Western Australia ("**Dawsons Well Tenement**"), on the terms and conditions set out in the Adelaide Prospecting Agreement, including:

- (1) Fast Scout paying \$10,000 cash (plus GST) to Adelaide Prospecting – such amount was paid on 8 November 2005;
- (2) Fast Scout undertaking, at Fast Scout's expense and absolute discretion, exploration, feasibility or other expenditure on the Dawsons Well Tenement with a view to delineating a mineral resource to support the completion of a bankable feasibility study and a decision to mine;
- (3) Fast Scout keeping the Dawsons Well Tenement in good standing until a decision to mine is made in respect of the Dawsons Well Tenement;
- (4) Adelaide Prospecting's 15% interest in the Dawsons Well Tenement will be free carried until Fast Scout declares a decision to mine supported by the completion of an appropriate bankable feasibility study. After a decision to mine is made by Fast Scout with respect to the Dawsons Well Tenement, all expenditure incurred in respect of the Dawsons Well Tenement will be shared in proportion to each party's interest in the Dawsons Well Tenement. If a party elects not to contribute to expenditure in such circumstances, its interest in the Dawsons Well Tenement shall be reduced on a pro rata basis in accordance with an industry standard dilution formula.

13.4 KALIMANTAN COAL AGREEMENT

By a cooperation agreement dated 24 November 2005 between Fast Scout Operations Pty Limited (**FSO**) (a wholly owned subsidiary of the Company), PT Indo Batubara (**Indo Coal**) (an Indonesian Company in the process of being incorporated which will represent FSO's interests in Indonesia - refer to Section 13.5), PT Kaltim Jaya Coal (**KJC**) and Pt Kaltim Jaya Mineral (**KJM**), KJC and KJM have offered to assign to Indo Coal the legal right to exclusively conduct general survey activities, explore for, exploit, mine and sell all coal ("**Mining Activities**") in the concession areas covered by KP1, KP2 and KP3 assuming that KP3 is granted by the relevant Indonesian authorities (**Bupati**) respectively, and FSO has agreed, subject to the satisfaction of the conditions precedent in the agreement, to procure that Indo Coal accepts such assignment (**Kalimantan Coal Agreement**).

KP1, KP2 and KP3 (assuming it is granted by the Bupati in accordance with the KP3 application submitted by KJC & KJM for a general survey right concession permit to conduct general survey activities in the KP3 concession area) (the areas the subject of which being referred to collectively as the "**Concession Areas**") encompass the rights granted by, or to be granted by, the Bupati to conduct general surveys in any of the Concession Areas (*Kuasa Pertambangan Penyelidikan Umum*) ("**General Survey Rights**") under concession permits issued to KJC and KJM, and any other mining right or authorization granted at any time in the future to KJC or KJM in relation to the KP1, KP2 or KP3 Concession Areas in substitution for such concession permits including, without limitation, any upgrade to such rights to be granted by the Bupati to conduct exploration in any of the Concession Areas (*Kuasa Pertambangan Explorasi*) ("**Exploration Right**") or to conduct exploitation in any of the Concession Areas (*Kuasa Pertambangan Eksploitasi*) ("**Exploitation Right**") to KJM or KJC.

The following is a summary of the important terms and conditions of the Kalimantan Coal Agreement:

13. MATERIAL CONTRACTS

1. KJC and KJM (collectively the “**KP Holders**”) enter into their obligations under the agreement on a joint and several basis.
2. FSO, Indo Coal and their advisors are permitted to conduct technical, financial, operational and legal due diligence into the KPs, the KP Holders and any other matter considered by FSO and/or Indo Coal as relevant to a decision as to whether to proceed with the assignment of the exclusive right to conduct Mining Activities under KP1 and/or KP2 and/or KP3 to Indo Coal (the “**Transaction**”). The period of due diligence for KP1 and KP2 concludes on 3 March 2006 and for KP3 concludes on the date 3 months after the date on which KP3 is granted.
3. KJC and KJM are prohibited, during the due diligence period, from entering into any agreement with any other party with regard to the KPs, and FSO and/or Indo Coal will have exclusivity with respect to any commercial dealings with regard to the KPs and the KP Concession Areas.
4. Within five Business Days of completion of the due diligence:
 - 4.1 for KP1 and KP2, FSO shall issue to KJC and KJM a decision notice (the “**Decision Notice**”) which will confirm whether FSO requires KJC to assign only the right to conduct the Mining Activities pursuant to KP1 to Indo Coal, for KJM to assign only the right to conduct the Mining Activities pursuant to KP2 to Indo Coal, or for both to occur; and
 - 4.2 for KP3, FSO shall issue to KJC or KJM (whichever is granted KP3) a Decision Notice which will confirm whether FSO requires KJC or KJM (whichever is granted KP3) to assign the right to conduct the Mining Activities pursuant to KP3 to Indo Coal.
5. The completion of all or any part of the Transaction under the agreement is subject to the following conditions being satisfied:
 - 5.1 completion of due diligence by FSO and/or Indo Coal to the satisfaction of FSO;
 - 5.2 confirmation to the satisfaction of FSO that the KP Holders hold the relevant KPs, the relevant KPs have been validly issued, remain valid and are in good order, the KP Holders have complied with all of their respective obligations under the relevant KPs, no notices of infringement have been issued by any government authority in relation to the relevant KPs, the relevant KPs are not subject to any form of encumbrance, no third party having challenged the validity of the relevant KPs or made any claims to the land which comprises the Concession Areas, and coal and methane gas being located within the Concession Areas and the ability to exploit such coal and methane gas on a commercially viable basis, to be determined at the discretion of FSO;
 - 5.3 receipt of the Decision Notice from FSO that it intends to proceed with all or any part of the Transaction;
 - 5.4 receipt of all consents and approvals of the KP Holders required by law and the constituent documents of the KP Holders for the Transaction to proceed in accordance with the Decision Notice;
 - 5.5 receipt of a statement by Indo Coal in form and substance satisfactory to FSO signed by the President Director of KJC before a Notary in the Republic of Indonesia confirming that KP1 (and, if relevant, KP3) does not comprise a “major” part of the assets of KJC within the meaning of Article 88 of the *Company Law of Indonesia* and Article 11(4) of the Deed of Establishment of KJC; and
 - 5.6 receipt of a statement by Indo Coal in form and substance satisfactory to FSO signed by the President Director of KJM before a Notary in the Republic of Indonesia confirming that KP2 (and, if relevant, KP3) does not comprise a “major” part of the assets of KJM within the meaning of Article 88 of the *Company Law of Indonesia* and Article 11(4) of the Deed of Establishment of KJM;
 - 5.7 any consent of any government authority required for the Transaction to proceed in accordance with a Decision Notice having been obtained.
6. Subject to satisfaction of the conditions precedent and to the extent required under the Decision Notice, on the date(s) which is 5 Business Days after FSO issues a Decision Notice(s) (in the event that the Decision Notice confirms that any aspect of the Transaction is to proceed on the completion date(s)) either or both of KJC and KJM are required to execute a deed of assignment in favour of Indo Coal pursuant to which the exclusive rights to conduct the Mining Activities in the concession areas of the KPs

13. MATERIAL CONTRACTS

which are specified in the Decision Notice are assigned to Indo Coal. Upon completion of all or any part of the Transaction, Indo Coal shall have the right to exclusively conduct the Mining Activities which are subject to the Transaction and to manage the project operated from the concession areas of the KPs which are specified in the Decision Notice.

7. FSO is required (either directly or through Indo Coal) to make an initial payment of US\$25,000 to KJC in relation to KP1 (such payment was made on 29 November 2005), US\$25,000 to KJM in relation to KP2 (such payment was made on 29 November 2005) and US\$25,000 to KJC or KJM (whichever is granted KP3) in the event that KP3 is granted pursuant to the KP3 Application (such payment to be made with 5 Business Days of receipt of evidence in form and substance satisfactory to FSO that KP3 has been granted by the Bupati).
8. FSO shall (either directly or through Indo Coal) make the following additional payments:

Milestones	Amount
Payment 1: Upon execution by the KP Holders of a deed of assignment in favour of Indo Coal pursuant to which exclusive rights to conduct Mining Activities in the Concession Areas of the relevant KP are granted, such date not being prior to 3 March 2006 (in relation to KP1 and KP2) and, in relation to KP3, such date not being prior to 3 months after the grant of KP3	US\$133,000
Payment 2: Upon the grant of an Exploitation Right in relation to the relevant KP, but not prior to six months after Payment 1	US\$133,000
Payment 3: Later of nine months after Payment 1, and three months after the granting of the Exploitation Right in relation to the relevant KP	US\$67,000
Payment 4: Later of 12 months after Payment 1, and three months after commencement of Mining Activities under the relevant KP	US\$67,000
Total (One Concession)	US\$400,000
Total (Two Concessions)	US\$800,000
Total (Three Concessions)	US\$1,200,000

Payment of the additional payments referred to above shall be made to KJC, in the event that the relevant KP is KP1, KJM, in the event that the relevant KP is KP2 and whichever of KJC or KJM is granted KP3, in the event that the relevant KP is KP3. The payment of the additional payments referred to above shall be made within 15 Business Days of the date on which the relevant milestone for payment is reached.

9. In addition to the payments referred to in paragraphs 7 and 8 above, upon the commencement of coal production by Indo Coal from any one or more of the Concession Areas ("**Production**"), FSO will pay (either directly or through Indo Coal) the following royalties:
 - 9.1 for Production on KP1 and KP3, where Indo Coal receives US\$16 or greater per dry metric tonne FOB at the barging point from the sale of Production, US\$1.50/dry metric tonne; or
 - 9.2 for Production from KP2, where Indo Coal receives US\$17 or greater per dry metric tonne FOB at the barging point from the sale of Production, US\$1.50/dry metric tonne.

Payment of the said royalties shall be made to KJC, in the event that the Production is sourced from the KP1 Concession Area, to KJM, in the event that the Production is sourced from the KP2 Concession Area, and to KJC or KJM (whichever is granted KP3), in the event that the Production is sourced from the KP3 Concession Area. The said royalties are to be paid within 15 Business Days of the end of each calendar quarter in arrears.

10. KJC and KJM covenant and agree (inter alia) to use their respective best endeavours to, at their own cost, in relation to the Concession Areas:
 - 10.1 In relation to KP1 and KP2, prior to the conclusion of the due diligence period for KP1 and KP2, procure that the Bupati grants an Exploration Right over such area as requested by FSO and prior to the expiration of the said Exploration Right, procure that the Bupati grants an Exploitation Right over such area as requested by FSO;

13. MATERIAL CONTRACTS

- 10.2 in relation to the KP3 Application, procure that the Bupati grants a General Survey Right covering the KP3 Concession Area and prior to the conclusion of the due diligence period for KP3, procure that the Bupati grants an Exploration Right over such area as requested by FSO and prior to the expiration of the said Exploration Right procure that the Bupati grants an Exploration Right over such area as requested by FSO;
 - 10.3 comply with all obligations under the KPs in accordance with the terms of, and the timeframes set out in, the KPs;
 - 10.4 at all times maintain the KPs in good standing; and
 - 10.5 obtain all licences necessary for Indo Coal, its contractors or subcontractors to carry out its exclusive rights to conduct Mining Activities contemplated by the agreement.
11. KJC and KJM further agree to use their respective best endeavours to, at the reasonable cost of FSO:
- 11.1 negotiate the terms of agreements with landowners with rights in the Concession Areas (or areas adjacent to the Concession Areas) for either Indo Coal or its nominee to acquire any land which is required to be acquired by FSO in order to conduct Mining Activities, on terms which are acceptable to FSO;
 - 11.2 enter into agreements with landowners with rights in the Concession Areas (or areas adjacent to the Concession Areas) to grant rights of access to the relevant land to KJC, KJM and Indo Coal, on terms which are acceptable to FSO;
 - 11.3 make payments of compensation to the landowners (or a cooperative representing the landowners) for the matters set out in paragraphs 11.1 and 11.2;
 - 11.4 obtain all environmental approvals from the Bupati for the purpose of performance of the Mining Activities in the Concession Areas under the direction of FSO and/or Indo Coal;
 - 11.5 assist FSO with the preparation of any feasibility report, which is required to be prepared in accordance with the terms of any KPs; and
 - 11.6 assist Indo Coal and FSO to obtain any permits or licences required to be obtained for the purpose of conducting the Mining Activities.
12. FSO agrees to use its best endeavours to provide to KJM and KJC a report on drilling activities undertaken in the KP1 and KP2 Concession Areas, prior to 3 March 2006 and, assuming that KP3 is granted, FSO agrees to use its best endeavours to provide to KJM or KJC (whichever is granted KP3) a report on drilling activities undertaken in the KP3 Concession Area, prior to the conclusion of the due diligence period for KP3.
13. The agreement takes effect as of the date of signing and shall continue for the entire period of validity as provided for under the KPs, unless the Company decides not to proceed with any of KP1, KP2, KP3, in which case the agreement will terminate with respect to that KP. The agreement shall be valid only for the KPs in relation to which the Company has elected to proceed under a Decision Notice. In addition, FSO and Indo Coal may at any time terminate the agreement upon 30 days notice to the KP Holders, without any further liability to the KP Holders (subject to FSO remaining liable for any payment required to be made to any government authority in relation to any obligation arising pursuant to any KP, the Mining Rights to which have been assigned to Indo Coal in accordance with the Decision Notice, where such liability has arisen prior to the date of termination).
14. FSO is liable for payment of any amounts required to be paid to any government authority by KJC or KJM in relation to KPs, where the Mining Rights have been assigned to Indo Coal pursuant to the Decision Notice with respect to a particular KP, for the term of the agreement.
15. The laws of the Republic of Indonesia govern the agreement.

13. MATERIAL CONTRACTS

13.5 NOMINEE ARRANGEMENTS IN RELATION TO PT INDO BATUBARA

PT Indo Batubara (**Indo Coal**) was incorporated as a 100% Indonesian owned general Indonesian limited liability company (*Perseroan Terbatas Biasa*) with 100 shares on 18 November 2005. The Deed of Establishment of Indo Coal is awaiting approval of the Department of Law and Human Rights ("**DLHR**"), at which point it will attain the status of a separate legal entity. The Company has been advised by its Indonesian lawyers, Brigitta I. Rahayoe & Syamsuddin (**BIRS**) that it is common practise in Indonesia for companies in the process of formation to execute agreements. After DLHR approval of the Deed of Establishment, the shareholders of the company ratify and adopt any agreements executed on behalf of the company as binding upon the company.

The Company is not permitted to have a direct registered shareholding in such entity and intends the nominee arrangements described below to be an interim measure prior to the establishment of a foreign investment company structure (*Penanaman Modal Asing* or PMA) where the Company is able to have a direct shareholding in such entity.

The Company intends to seek transition of Indo Coal to a PMA company if the Transaction proceeds with respect to any one or more of the KPs following due diligence by the Company.

The Company understands from BIRS that nominee arrangements are commonly structured as a "loan" from the foreign party to the Indonesian shareholders - with the Indonesian shareholders granting various forms of security over the shares to secure the performance of their "loan" obligations - as the concept of "trust" or "beneficial ownership" is not specifically recognised under Indonesian law (it is not specifically prohibited either). It is unclear, therefore, whether an agreement/side letter directly providing that an Indonesian shareholder holds shares on trust for a foreign investor would be upheld by an Indonesian court if challenged. Because of the uncertainty concerning the validity of nominee arrangements under the law, they are typically structured in the form of contractual loan arrangements between the nominee shareholder and the foreign investor, as described below. As the structure relates to shares in an Indonesian company, the Company has been advised by BIRS that the agreements described below must be governed by Indonesian law.

The intent is that the foreign investor obtains as much control as possible and is put in a position, insofar as it is possible, comparable to that of a registered shareholder.

The interim nominee arrangements in relation to the Indo Coal structure is summarised below. The Company understands from BIRS that this follows the structure which is commonly used in the Republic of Indonesia.

(1) Cooperation Agreement

Fast Scout Operations Pty Ltd (a wholly owned subsidiary of Fast Scout) (**FSO**) has requested Mrs Brigitta I. Rahayoe ("**BIR**") to procure through the law firm partnership, Brigitta I. Rahayoe & Syamsuddin (**BIRS**), the provision of:

- (1) two shareholders to hold the shares in Indo Coal;
- (2) a person to act as director of Indo Coal;
- (3) a person to act as commissioner of Indo Coal; and
- (4) an address which may be used as the registered address of Indo Coal,

and BIR has agreed to provide (1) – (4) above on the terms set out in a cooperation agreement between FSO, BIR and Ms M. G. Junie Wiyogo ("**JW**"), a Senior Associate of BIRS, dated 18 November 2005.

This cooperation agreement sets out the general terms and conditions of the parties' nominee arrangement. By this agreement:

1. The 100 shares in Indo Coal are registered in the name of BIR as to 99 shares and JW as to 1 share (the price for which is to be financed by FSO by a loan to BIR and JW) as nominees for FSO and all benefits as well as liabilities attached to the said shares are to be for the account and risk of FSO.
2. BIR and JW undertake not to dispose of the shares or any part thereof other than to a person or legal entity as requested by FSO. FSO may at any time request BIR and/or JW to transfer the shares or part thereof to an identified transferee and, upon receiving such request, BIR and/or JW shall transfer the shares as requested by FSO. BIR and JW undertake not to execute any agreements, or take any other actions, regarding the shares unless requested by FSO.

13. MATERIAL CONTRACTS

3. BIR agrees to act as a director, and JW agrees to act as a commissioner, of Indo Coal until FSO provides notice that it wishes to appoint replacement persons to occupy these positions. BIR and JW are at all times to act under the direction and control of FSO and agree not to take any action in their capacity as a director or commissioner respectively without the prior written consent of FSO.
4. BIR and JW acknowledge that pursuant to a pledge of the shares to FSO (see below), FSO or its assignee is entitled to exercise all of the rights attached to the shares.
5. FSO fully indemnifies BIR and JW against all liabilities, claims, costs etc which may be instituted against BIR and/or JW by any third party in connection with the ownership of the shares or the subsequent transfer of the shares to a transferee identified by FSO.
6. BIR and/or JW each designate FSO to be their respective representative/proxy in exercising their respective legal rights as registered shareholders of the shares.
7. BIR and JW undertake to vote at the general meeting of the shareholders of Indo Coal for the appointment of any individuals recommended by FSO as member of the board of directors, or commissioners, of Indo Coal.

(2) Loan Agreement and Acknowledgement of Indebtedness

By a loan agreement entered into between BIR and JW, as borrowers, and FSO, as lender, dated 18 November 2005, FSO agreed to lend to BIR and JW the principal amount of Indonesian Rp. 100 million on the following terms and conditions:

1. The loan will be disbursed to BIR and JW within 5 business days of BIR and JW sending a written request to FSO to disburse the loan.
2. BIR and JW agree to use the proceeds of the loan solely for subscribing for the 100 shares in Indo Coal.
3. BIR and JW shall cause Indo Coal to issue and deliver share certificates for the shares to FSO and, to further secure the loan, BIR and JW agree (inter alia) to enter into a Pledge of Shares Agreement (and to cause Indo Coal to register the Pledge of Shares Agreement in the register of shareholders of Indo Coal) (see below).
4. The loan will be considered fully repaid and satisfied immediately upon the date on which BIR and JW transfer the shares either to FSO or to such other party as may be designated by FSO (and, subject to the approval of the Capital Investment Coordinating Board of the Republic of Indonesia, JIR and BW must transfer the shares within 3 business days of receipt of written notice from FSO to transfer the shares). Following transfer of the shares, BIR and JW are released from all obligations under the Loan Agreement.
5. BIR and JW agree not to enter into any transfer of the shares or to encumber the shares, to make any changes to the composition of Indo Coal's directors or commissioners or other key management personnel and shareholding, or cause or allow Indo Coal to apply for any moratorium of its debts or file any petition for adjudication of its bankruptcy, without the prior written consent of FSO.
6. The Loan Agreement is governed by the laws of the Republic of Indonesia.

Under Indonesian law, the "loan" will need to be reported to Bank Indonesia only if it exceeds the equivalent of USD \$200,000.

(3) Pledge of Shares Agreement

By agreements between FSO, Indo Coal, and BIR and JW respectively, each dated 18 November 2005, BIR and JW each pledged their current and any future shares in Indo Coal to FSO to secure the repayment of the loan referred to above. BIR and JW covenant that they will not encumber or transfer, assign or otherwise dispose of those shares without the prior consent of FSO and will do all things necessary to effect the pledge under Indonesian Law and the Articles of Association of Indo Coal. The agreements are governed by the laws of the Republic of Indonesia.

13. MATERIAL CONTRACTS

(4) Power of Attorney to Attend Meetings and Vote at Meetings

By powers of attorney to vote shares and attend shareholder meetings executed by each of BIR and JW on 18 November 2005, BIR and JW each granted an irrevocable power of attorney with the right of substitution to FSO or its substitutes to act on behalf of and in the name of BIR and JW to attend general and extraordinary shareholders' meetings of Indo Coal and to vote the shares and to represent BIR and JW in matters and acts as a shareholder of Indo Coal.

(5) Power of Attorney to Sell the Shares

By powers of attorney to sell shares executed by each of BIR and JW on 18 November 2005, BIR and JW each granted an irrevocable power of attorney with the right of substitution to FSO or its substitutes to sell and/or transfer the shares held by them in Indo Coal (including any additional shares acquired by them after the date of signing of the power of attorney) to any person at any time at such price and upon such terms and conditions as FSO deems appropriate, to receive and give good receipt for the sale proceeds and for any share certificates, to represent BIR and JW before any person and in any matter and act as a shareholder of Indo Coal in relation to the sale of the shares and to cause the registration of the transfer of the shares in the name of the buyer in the register of shareholders of Indo Coal.

(6) Assignment of Rights to Dividends

By agreements between FSO, Indo Coal, and BIR and JW respectively, each dated 18 November 2005, BIR and JW assign their rights to any dividends to be paid by Indo Coal to BIR and JW in respect of the shares in Indo Coal owned by BIR and JW. BIR and JW agree to do all things necessary to effect the assignment. BIR and JW also grant FSO a power of attorney to take any steps necessary in the name of BIR and JW to preserve FSO's right to the dividends. The agreements are governed by the laws of the Republic of Indonesia.

(7) Indemnity

FSO and BIR have entered into an indemnity agreement dated 18 November 2005 in relation to BIR's appointment as President Director of Indo Coal. The agreement provides that FSO will indemnify BIR against all claims, actions, losses and costs incurred by BIR as a result of her appointment as President Director for a period of 10 years. The agreement is governed by the laws of the Republic of Indonesia.

FSO and JW have entered into an indemnity agreement dated 18 November 2005 in relation to JW's appointment as Commissioner of Indo Coal. The agreement provides that FSO will indemnify JW against all claims, actions, losses and costs incurred by JW as a result of her appointment as Commissioner for a period of 10 years. The agreement is governed by the laws of the Republic of Indonesia.

(8) Blank Transfer of the Shares

BIR and JW have signed transfers of shares with the identity of the transferee and the date of the transfer left blank. These blank of shares are intended to be independent of and not essential to exercise at the other rights upon FSO under the other various agreements described in this section 13.5.

(9) Option Agreement

By option to purchase shares agreements entered into between FSO and BIR, and FSO and JW, each dated 18 November 2005, BIR and JW (as the registered owner of 99 shares, and 1 share, in Indo Coal respectively) each granted to FSO an option to acquire the said shares (and any additional shares in Indo Coal acquired by them) or to nominate a third party to acquire the shares on the following terms and conditions:

1. The options may be exercised at any time upon notice in writing given by FSO to BIR and JW respectively.
2. If the option(s) are exercised, BIR and/or JW shall deliver to FSO duly executed documents of transfer of the shares, together with the original share certificate therefore.
3. BIR and JW are prohibited, without the prior consent of FSO, from selling, transferring or otherwise disposing of the shares or pledging or otherwise encumbering the shares except for interests granted in favour of FSO (or a third party nominated to acquire the shares by FSO).
4. The option agreements are governed by the laws of the Republic of Indonesia.

13. MATERIAL CONTRACTS

The Company has received advice from BIRS that the laws in Indonesia do not currently enable FSO to directly hold shares in Indo Coal because Indo Coal has the status of a 100% Indonesian owned company. However FSO is able to direct BIR and JW to transfer their shares to Indonesian third parties nominated by FSO.

The Company has received advice from BIRS that Indo Coal may alter its status from a 100% Indonesian owned company to that of a foreign investment company structure (*Penanaman Modal Asing* or PMA) and that this structure will allow the Company to have a direct shareholding in Indo Coal. The Company intends to make such transition if the Transaction proceeds.

13.6 SINARCO AGREEMENT

Sinarco Resources Pte Ltd (**Sinarco**) has presented several coal opportunities in Indonesia to the Company, one of which is the Kalimantan Coal Project. By agreement dated 10 November 2005 the Company agreed to reward Sinarco for the introduction of the Kalimantan Coal Project to Fast Scout.

Subject to the execution of the Kalimantan Coal Agreement in relation to the Kalimantan Coal Project between the Company and KJC and KJM on terms and conditions which are satisfactory to the Company in its sole and absolute discretion and upon satisfaction of all conditions under that agreement (including but not limited to completion of the due diligence by Fast Scout contemplated by that agreement), Fast Scout will remunerate Sinarco for the introduction of the Kalimantan Coal Project to the Company on the following terms and conditions:

- (1) Fast Scout issuing Shares to Sinarco comprising 500,000 Shares at an issue price of 20 cents per Share on a post Share Conversion basis, subject to and after prior Fast Scout shareholder approval of such issue (this was obtained at the AGM on 22 December 2005) and upon Fast Scout effecting the first tranche Payment 1 to the vendors of the Kalimantan Coal Project (see section 13.4 of this Prospectus);
- (2) Fast Scout paying a total of A\$150,000 to Sinarco in 4 tranches (of A\$50,000, A\$50,000, A\$25,000 and A\$25,000 respectively) on the milestones for payment of the 4 tranche payments to be made to the vendors of the Kalimantan Coal Project under the Kalimantan Coal Agreement (see section 13.4 of this Prospectus); and
- (3) Fast Scout paying a royalty to Sinarco of A\$0.25 per dry metric tonne of coal mined and sold from one or more of the Concessions pursuant to the Kalimantan Coal Agreement capped at a total amount of A\$600,000.

13.7 STANDARD HERITAGE AGREEMENTS

The Heritage Protection Agreements below facilitate the preservation of aboriginal heritage through the protection of aboriginal sites and objects upon the grant of mining tenements. The Heritage Protection Agreements require the Company to conduct aboriginal heritage surveys prior to conducting exploration that is not low impact in nature and detail procedures to be followed if an aboriginal site is identified.

(1) Mt. James Project – ELA 09/1257, ELA 09/1258 and ELA 09/1253

- (a) The Company and the Yamatji Marlpa Barna Baba Maaja Aboriginal Corporation as agent for the Wajarri Elders Combined Claim Group entered into a Standard Heritage Agreement dated 10 October 2005 in relation to Exploration Licence applications Injinu Hills ELA 09/1257 and Mortimer Hills ELA 09/1258 covered by Native Title Determination Claimant Application WC01/003.
- (b) Hume Mining NL and the Yamatji Marlpa Barna Baba Maaja Aboriginal Corporation as agent for the Wajarri Elders Combined Claim Group entered into a Standard Heritage Agreement dated 10 October 2005 in relation to Exploration Licence application Mt James ELA 09/1253 covered by Native Title Determination Claimant Application WC01/003.

(2) Paulsen East Project – ELA 47/1328 and PLA 47/1170

- (a) Orion Equities Limited (the applicant for ELA 47/1328 and PLA 47/1170) and the Yamatji Marlpa Barna Baba Maaja Aboriginal Corporation as agent for the Puutu Kunti Kurrama & Pinikarra Claim Group, and entered into a Standard Heritage Agreement dated 10 October 2005 in relation to Exploration Licence applications Paulsen East ELA 47/1328 and ELA 47/1170 covered by Native Title Determination Claimant Application WC01/005.

13. MATERIAL CONTRACTS

(3) Canning Well Project – EL 46/629

- (a) Hume Mining NL and the Yamatji Marlpa Barna Baba Maaja Aboriginal Corporation as agent for the Nyiyaparli Claim Group entered into a Standard Heritage Agreement in or around January 2005 in relation to exploration licence EL 46/629 covered by native title determination claimant application WC 99/004.

Each of the above Standard Heritage Agreements are generic forms negotiated by the Yamatji-Pilbara Heritage Protection Working Group, a subdivision of the State Heritage Protection Working Group comprised of representatives of the Yamatji Marlpa Barna Baba Maaja Aboriginal Corporation, the State, the National Native Title Tribunal and peak industry bodies, which itself was formed as a recommendation of the Technical Taskforce on Mineral Tenements and Land Title Applications.

The relevant parties have agreed to enter each of the above Standard Heritage Agreements to ensure:

- (a) the expeditious grant and validity of the relevant exploration application(s) without objection by the relevant claimant group (or if there are any existing objections, to ensure that they are withdrawn immediately); and
- (b) that the grant of the relevant exploration application(s) and the exercise of the rights under those relevant exploration application(s) will:
 - (i) not be likely to interfere directly with the community life of the relevant claimant group;
 - (ii) where practicable and in accordance with the law, avoid damage, disturbance or interference with areas or sites of particular significance to the relevant claimant group; and
 - (iii) be in compliance with the provisions of the *Aboriginal Heritage Act 1972* and the *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth).

The processes in these Standard Heritage Agreements are intended to:

- (a) allow the relevant claimant group to maintain its cultural obligations over country in accordance with traditional law and custom;
- (b) provide a basis for a mutually beneficial future relationship;
- (c) enable each party to make informed decisions about their respective interests; and
- (d) be transparent, timely, certain and cost effective for all parties in protecting Aboriginal heritage in areas where prospecting and exploration takes place.

The Standard Heritage Agreements provide for the regular flow of information between the parties. Under the Standard Heritage Agreements low impact exploration in the claim area on the exploration applications may be carried out without conducting a heritage survey on any area that is not recorded as a protected area under the Heritage Act. However, exploration activity in the claim area on the exploration applications other than low impact exploration requires the prior issue of a heritage notice to the claimant group in order to determine whether a heritage survey is required and, if so, the scope of the survey. If a heritage survey is required it must be prepared in accordance with the methodology specified in, and the report must be delivered in accordance with the requirements of, the Standard Heritage Agreements. Nothing in the Standard Heritage Agreements is intended to or does in anyway derogate from the native title rights and interests of the claimant group and the non-extinguishment principle applies to the exploration applications.

The Company, Hume or OEQ (as the case requires) (the “**Proponent**”) may from time to time assign to any person (whether by farm-out, joint venture, sale or otherwise) all or any part of its rights under their relevant Standard Heritage Agreement, but must first procure an executed deed of assumption in favour of the relevant claimant group by which the assignee, to the extent of the assignment, agrees to be bound, alone or jointly with the Proponent, as the case may be, by the provisions of the relevant Standard Heritage Agreement and to assume, observe and perform (alone or jointly with the Proponent, as the case may be) the obligations of the Proponent under the relevant Standard Heritage Agreement. If the Proponent makes an assignment described then the Proponent is released from its obligations under the relevant Standard Heritage Agreement to the extent of the assignment.

In this regard, Hume and Orion Equities Limited will be requested to assign their rights and obligations their respective Standard Heritage Agreement (as noted above) to the Company after the grant of the relevant exploration licence applications.

13. MATERIAL CONTRACTS

The Company notes that it expects to enter into similar agreements with relevant native title parties in relation to applications for exploration licences lodged in its name and will request the same of applicants for exploration licences under the Hume Agreement, UOG Agreement and Adelaide Prospecting Agreement.

13.8 SUBSCRIPTION DEEDS

On 12 October 2005, the Company entered into subscription deeds with each of:

- (a) Mr Colin Hebbard and Mr Robert Catena (jointly and severally); and
- (b) Mr Troy Valentine,

whereupon Hebbard and Catena (collectively) and Valentine have agreed to raise on a firm and committed basis in 2 tranches:

- (a) a total of \$250,000 each through the issue by FSL of a total of 5,000,000 Shares at 10 cents per Share (on a pre Share Conversion basis) ("**First Tranche**") by 17 October 2005; and
- (b) a total of \$125,000 each by subscription of Shares under the Offer in this Prospectus ("**Second Tranche**").

on the terms and conditions set out in their respective deeds. These include:-

- (1) The commitment is subject to:
 - (a) the Company being satisfied as to the outcome of due diligence under the Hume Agreement - which was achieved on 13 October 2005;
 - (b) Fast Scout shareholder approval being received for the placement as required under the ASX Listing Rules – this was obtained at the AGM on 22 December 2005.
- (2) Hebbard and Catena, and Valentine, shall arrange for applications to be lodged by "professional" or "sophisticated" investors (as such terms are defined or referred to in section 708 of the Corporations Act 2001) in respect of subscriptions amounts for the First Tranche and shall arrange for the Application Form attached to this Prospectus to be lodged by investors in respect of subscription amounts for the Second Tranche.
- (3) Hebbard, Catena and Valentine shall make up any shortfall under their respective commitments under the 2 tranches by each lodging personal applications in respect of the shortfall.
- (4) In consideration of the parties agreeing to raise on a firm and committed basis for Fast Scout the amounts described above, Hebbard and Catena jointly, and Valentine, shall be paid commission, management and handling fee by Fast Scout of 4% of their commitment towards the total \$750,000 subscription amount raised. This fee is payable in two tranches, namely, in relation to First Tranche, within two business days after FSL has issued their Shares to the professional and sophisticated investors and, in relation to the Second Tranche, within 2 business days after FSL has issued the Shares under this Prospectus.

The \$500,000 of funds under the First Tranche have been received pursuant to the agreements with Messrs Hebbard and Catena, and Valentine, and are currently being held in an interest bearing bank account on trust. As shareholder approval for the issue of the shares subscribed for these funds was obtained at the AGM on 22 December 2005, these shares will now be issued by the Company. See section 8 of this Prospectus.

13.9 FINANCIAL ACCOMODATION TO ALTERA CAPITAL LIMITED

The Company currently holds 20,002,860 shares (32.253%) in Altera Capital Limited (**AEA**) and is the largest shareholder in that company.

On 22 July 2005, the Company received its entitlements under an AEA equal return of capital, being:

- (a) 475,511 shares in ASX listed investment entity Orion Equities Limited (**OEQ**); and
- (b) 11,694,539 shares in ASX listed (but currently suspended) Sofcom Limited (**SOF**).

AEA currently has minimal net assets and has been suspended from ASX since 13 June 2003 and has been advised by ASX that its suspension will continue until the company is recapitalised and re-complies with admission requirements under the ASX Listing Rules.

13. MATERIAL CONTRACTS

FSL is in discussions with a number of parties regarding a sale of its interest in AEA and SOF. FSL accounts for its shareholding in both such companies without reflecting any potential "control premium" upon a possible sale of such shareholding.

On 1 August 2005, Fast Scout agreed, at the request of AEA, to provide financial accommodation (by way of a loan) of up to \$33,000 to AEA on an unsecured basis (at 7% per annum interest) to meet the working capital requirements of AEA and agreed not to call upon AEA to repay such loan and accrued interest (in part or in whole) until such time as AEA had raised further equity funds sufficient to discharge such loan (and accrued interest) and to meet the ongoing working capital requirements of AEA. The Company understands that a similar commitment for \$17,000 was provided by Queste Communications Ltd, the second largest shareholder of AEA. On 2 November 2005, FSL paid to AEA \$25,000 (approximately 75% of the loan accommodation) pursuant to its agreement to provide financial accommodation to AEA.

13.10 LOAN ARRANGEMENT

On 28 November 2005, the Company received \$150,000 loan funds from Orion Equities Limited (**OEQ**) to be repaid by 31 December 2005 for working capital purposes. A flat 1% interest fee of \$1,500 is payable by the Company. A late payment fee of 1.25% per month compounded monthly is applicable if the loan is not repaid by 31 December 2005. The Company expects to repay such loan (and accrued interest) on or about 23 December 2005.

13.11 DIRECTORS' DEEDS

A summary of the standard directors' deed entered into between the Company and each of the Directors, are contained in Section 9.5 of this Prospectus.

14. RISK FACTORS

An investment in the Company carries risk and prospective investors in the Company should consider the risk factors described in this section, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks associated with the Company's business and its involvement in the mineral exploration and development industry.

This section deals with the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks that may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Shares.

Applicants should be aware that there are risks associated with any share investment. The prices at which the Company's securities trade may be above or below the issue price for the securities to be issued under this Prospectus. The trading price of the securities is likely to be highly volatile and could be subject to wide fluctuations in response to factors such as additions or departures of key personnel, litigation, press newspaper and other media reports, the results of exploration activity or variations in the Company's operating result.

The securities allotted under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on the ASX.

14.1. GOVERNMENT REGULATION AND POLICY

Uranium mining is subject to extensive regulation by state and federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Federal Government through its licensing process and Australian

uranium can only be exported to those countries who undertake to use it for peaceful purposes. The Company's Tenements are located in the Northern Territory and Western Australia.

Investors should note that prior to the Labor Party's victory in the Northern Territory election this year, the Chief Minister stated that a Labor government would not approve any uranium mines in the Northern Territory. If this position is adopted, the development of uranium deposits in the Northern Territory will be contingent upon a change of Northern Territory State Government Policy. Investors should also note that the Federal Labor Party (currently in opposition) 2004 platform was to prevent the development of any new uranium mines.

There is currently no legislation that expressly prohibits uranium mining in Western Australia. However, the Western Australian State Government does have a policy opposing uranium mining. All mining leases granted since 22 June 2002 are subject to a condition which prohibits the mining of uranium. Whilst the Company is not restricted from exploration and evaluation of their uranium deposits, the development of the uranium deposits in Western Australia is contingent upon a change of Western Australian State Government policy in relation to uranium production.

There can be no assurance that the above Government policies will change in the future and this may adversely affect the long-term prospects of the Company. In addition, future changes in governments, regulations and policies may have an adverse impact on the Company.

Thus there is the significant risk that, even if economic deposits of uranium are discovered, the necessary government approvals for their commercial exploitation may not be granted or may be significantly delayed.

14.2. COMPETITION FROM ALTERNATIVE ENERGY AND PUBLIC PERCEPTION

Nuclear energy is in direct competition with other, more conventional sources of energy which include oil, gas, coal and hydro-electricity. These conventional energy sources may be provided at lower cost resulting in a decrease in demand for uranium.

Furthermore, the growth of the nuclear power industry (with an attendant increase in the demand for uranium) beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to divided public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for

14. RISK FACTORS

uranium and increase the regulation of uranium mining.

One of the arguments for nuclear energy is its substantially reduced level of carbon emissions. Alternative energy systems such as wind or solar also have very low levels, if any, of carbon emissions. Technology changes may occur that make alternative energy systems more efficient and reliable.

14.3. INVESTMENT IN INDONESIA

The Projects referred to in section 6.3 of this Prospectus are located in Indonesia.

Indonesia experiences economic, social and political volatility. As a result, the Company's operations may be impacted by currency fluctuations, political reforms, changes in Indonesian government policies and procedures, civil unrest, social and religious conflict and deteriorating economic conditions. The likelihood of any of these changes, and their possible effects, if any, cannot be determined by the Company with any clarity at the present time, but they may include disruption, increased costs and, in some cases, total inability to establish or to continue to operate mining exploration or development activities.

Changes to the mining law or to other government legislation and regulations in Indonesia, or to the division of regulatory powers between the Central Government in Jakarta and local and provisional bodies, may materially impact on the ability of the Company to operate in Indonesia and on the ultimate profitability of the Projects to be developed in Indonesia. In the event that an economic resource is identified in the Kalimantan Coal Project there can be no assurance that all or any of the relevant approvals and permits necessary to conduct mining operations will be granted by the Indonesian government and other appropriate regulatory authorities.

In addition the Company may find that it is unable to negotiate suitable access or compensation arrangements with the local Indonesian community (e.g. land owners, local authorities, traditional land users) which are required to be completed prior to the commencement of any mining activity.

The risk of terrorism activities in Indonesia and the resulting impact upon the Projects is also a relevant risk factor.

As indicated in section 13.4 of this Prospectus, the Company's rights in relation to the Projects in Indonesia are contractual in nature only. Accordingly, if the Kalimantan Coal Agreement or any associated contracts regulating the Company's interest in the Projects were unenforceable in whole or in part, the Company would be adversely affected to the extent of any such unenforceability.

In practical terms, the enforcement of contractual rights in Indonesia can be very difficult. Accordingly, if any party breaches its obligations under the Kalimantan Coal Agreement or the other associated contracts it may be difficult for the Company to achieve specific performance or gain satisfactory compensation. Even if the Company is able to enforce its rights, it may only be able to do so over an extended period of time and at a potentially high cost.

There are also added risks attaching to exploration and mining operations in a developing country such as Indonesia which are not necessarily present in a developed country which can impact on a range of factors such as sovereign risk, safety, security, costs, ability to operate, country policy, fiscal provisions and laws and can lead to delays or even the suspension of operations.

14.4. NOMINEE ARRANGEMENTS IN INDONESIA

As discussed in section 13.5 of this Prospectus it is not possible under Indonesian law for the Company to hold a direct shareholding in Indo Coal because Indo Coal has the status of a 100% Indonesian owned company.

Please refer to Section 13.5 for details of the nominee arrangements entered into by Fast Scout Operations Pty Ltd, the Company's wholly owned subsidiary, in relation to the Kalimantan Coal Agreement.

(i) General

As nominee arrangements are not specifically regulated in Indonesia, there is a risk that if a dispute arises, an Indonesian court will regard the arrangement as being against public policy and refuse to enforce the relevant agreement. The court could take the view that the nominee arrangement represents an attempt to circumvent the *Foreign Investment Law* and is therefore against public policy. So far as the Company is aware, there have been no court decisions to date relating to the validity of nominee arrangements. In the current circumstances, the nominee arrangements are entered into on the basis of expediency (as it is faster to establish a 100% Indonesian-owned company than a PMA Company) rather than as express prohibition against PMA companies being engaged in the mining activities.

Foreign investors entering into nominee arrangements are not eligible for the incentives available under the *Foreign Investment Law*, in particular, certain tax concessions and a guarantee of repatriation of profits. It is anticipated that upon the conversion of Indo Coal into PMA Company Indo Coal will be entitled to obtain the benefit of such incentives.

14. RISK FACTORS

Although structures may be put in place to give a foreign investor management control, legally, shareholder control remains with the nominee shareholder. The nominee shareholder may be in breach of contract if it fails to recognise the foreign investor's rights, but that does not mean that actions undertaken by the nominee shareholder in those circumstances will be held by a court to be invalid.

Further, pre-signed, blank transfers of shares may not be valid under Indonesian law for lack of certainty.

(ii) Risk from Nominee Shareholders

A nominee shareholder may claim that as Indonesian law does not recognise the concept of "trust", as legal owner of the shares all rights attaching to the shares are for the benefit of it. The Company has attempted to reduce this risk by the use of professional nominee shareholder services provided by Brigitta I. Rahayoe & Syamsuddin (BIRS), a legal firm in Jakarta that specialises in advice to foreign companies operating in Indonesia in the business of mining and has an association with Australian law firm Deacons.

Powers of attorney to exercise voting rights may not be enforceable. It is likely that in any dispute concerning voting rights, the court will take the view that the nominee shareholder's rights as the legal, registered shareholder will prevail over the foreign investor's rights under a power of attorney to vote on the shares.

Powers of attorney provided by the nominee shareholder will lapse in the case of death, incapacity or bankruptcy of a nominee shareholder that is a natural person.

(iii) Risk From Unrelated Companies

A competing Indonesian company may claim that the nominee structure is "unlawful" and file a claim for damages on the basis of loss of potential customers. In this circumstance, a plaintiff has a right under the *Civil Code* to ask a court to freeze the assets of the company as security for payment of damages in the event that the plaintiff's claim is successful. Again, given that the nominee structure is for the purpose of expediency rather than circumventing a prohibition against foreign investment in the business of mining, the Company has been advised by BIRS that this risk is not considered significant.

(iv) Risk of Action by State

(a) Against the company

Based upon advice received from BIRS, the Company is of the view that the State would be unlikely to take action of its own accord against the legal or beneficial shareholders of companies under a nominee structure. The Company is also

of the view that the State would rarely act as plaintiff against a company in Indonesia, except in matters such as taxation. In the event that action was taken by the State, the Company has been /advised By BIRS that any sanctions would be administrative in nature (for example, revocation of the company's business licence or monetary penalties).

(b) Against the foreign investors

As neither the Company nor FSO otherwise have a presence in Indonesia, it is unlikely that a court would have jurisdiction to take action against or to enforce judgement against, the Company or FSO or any of their assets. In the event that a matter was heard with the Company or FSO *in absentia*, an Australian court would be unlikely to be enforce the judgement against the Company or FSO, as no reciprocal judicial enforcement treaty exist between Australia and Indonesia.

14.5. EXPLORATION RISK

The mineral tenements in which the Company will have an interest, as described in this Prospectus, are at various stages of exploration, and potential investors should understand that mineral exploration and development are high risk undertakings.

Mineral exploration involves significant risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome.

There can be no assurance that exploration of the Tenements/Projects described in this Prospectus, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

14.6. OPERATING RISK

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction rates and costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Tenement interests/Projects in which it will have an interest.

14. RISK FACTORS

Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

14.7. MARKET RISK

If the Company achieves success leading to mineral production, the marketability of any minerals produced will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations and government regulations including regulations relating to taxation, royalties, allowable production, importing and exporting of minerals and environmental protection.

14.8. ABILITY TO EXPLOIT SUCCESSFUL DISCOVERIES

It may not always be possible for the Company to participate in the exploitation of any successful discoveries that may be made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. Further, the decision to proceed to further exploration may require the participation of other companies or individual whose interests and objectives may not be the same as the Company. Such further work may also require the Company to meet or commit to financing obligations to which it may not have planned.

14.9. RESOURCE ESTIMATES

The Independent Geological Report set out in this Prospectus has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (VALMIN Code) which is binding upon members of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG) and the rules and guidelines relating to Independent Expert Reports set by ASIC and the ASX.

Resource estimates detailed in this Prospectus are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

14.10.COMMODITY PRICE VOLATILITY AND EXCHANGE RATE RISKS

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other micro and macro-economic factors.

Furthermore, international prices of various commodities are mostly denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian and potentially Indonesian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar the Australian dollar and Indonesian Rupiah as determined in international markets.

14.11.ENVIRONMENTAL RISKS

The operations and proposed activities of the Company are subject to laws and regulation in Australia and Indonesia concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities including accidental leakages, spills, or other unforeseen circumstances which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact on the environment. There can be no guarantee that such approvals will be granted. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or effect its operations in any area.

14. RISK FACTORS

14.12. TITLE RISKS AND NATIVE TITLE

Certain of the tenements referred to in this Prospectus are applications awaiting grant and are not granted licences. There is a risk that these applications will not be granted.

Interests in tenements in Australia are governed by the legislation of the State in which they are located and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, tenements if native title agreements are not reached, licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Indonesia mining rights granted to 100% Indonesian-owned companies are granted the following progressive rights in relation to concession areas:

1. a right to conduct initial inspection (*Surat Keterangan Pemberian Ijin Peninjauan*) (“**SKIP**”)
2. a general survey right (*Kuasa Pertambangan Penyelidikan Umum*)
3. an exploration right (*Kuasa Pertambangan Explorasi*)
4. an exploitation right (*Kuasa Pertambangan Eksploitasi*)

At the time of issue of an exploitation right, a company will usually be issued with a Sale and Carry Right (*Kuasa Pertambangan Pengolahan dan Pemurnian*).

No guarantee exist that the relevant Indonesian authorities (**Bupati**) will issue the above mining rights in relation to the relevant concession areas.

It is not uncommon in Indonesia for land title claims to be made by local people in the relevant concession area or surrounding areas. Often, such land title claims are of limited (if any) validity and backed by Non Governmental Organisations (NGOs). However, Court proceedings commenced pursuant to such claims have potential to interrupt mining operations.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

Further information regarding title to the tenements and a description of the native title regime in Western Australia and the Northern Territory are set out in the Independent Exploration Titles Report in Section 11 of this Prospectus.

14.13. PAYMENT OBLIGATIONS

Under the exploration tenements and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, tenement holders are required to expend the funds necessary to meet the minimum work commitments attaching to the exploration tenements. Failure to meet these work commitments will render the tenement liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to the other parties, this could result in dilution or forfeiture of interests held by the Company (for example, in the Tenements or the Agreements).

The Company may not have, or be able to obtain, financing for all such obligations as they arise.

In the future, the Company may seek to reduce its financing obligations by granting options over or farming-out part of its interest in its Tenements/Projects. Failure to achieve any proposed option or farm-out may affect the Company's ability to fund its further operations on its Projects.

14.14. SHARE MARKET CONDITIONS

The price of the Shares when quoted on ASX will be influenced by international and domestic factors affecting conditions in equity, financial and commodity markets. These factors may affect the general level of prices for listed securities of mining and exploration companies quoted on ASX such as the Company and are outside the control of the Company.

14.15. ADDITIONAL REQUIREMENTS FOR CAPITAL

The Company's capital requirements depend on numerous factors. The Company is only raising sufficient funds to cover approximately 12 to 18 months of exploration, and working capital, requirements. Accordingly, depending on the Company's ability to generate income from its existing projects (which is not guaranteed or likely within this time period), the Company will require further financing in addition to amounts raised in

14. RISK FACTORS

the Offer. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

14.16. GENERAL INVESTMENT RISKS

There is a risk that the price of Shares and returns to Shareholders may be affected by changes in:

- local and world economic conditions;
- interest rates;
- levels of tax, taxation law and accounting practice;
- government legislation or intervention;
- inflation or inflationary expectations;
- natural disasters, social upheaval or war in Australia or overseas; and
- international hostilities and acts of terrorism,

as well as other factors beyond the control of the Company.

14.17. NO VALUATION

No formal valuation of any of the tenements in which the Company has an interest, or the Shares, has been carried out.

14.18. CONTRACTUAL AGREEMENTS

The Company is acquiring its interest in a number of tenements through agreements with third parties. If such third parties fail to meet their obligations under such agreements (including but not limited to any funding or financing obligations), this could adversely affect the Company's ongoing operations. In addition, a number of those agreements contemplate further agreements being executed by the parties and in particular refer to the adoption of industry accepted clauses for incorporation in such further agreements. There can be no guarantee that the parties are able to reach agreement on such further contemplated agreements.

14.19. INVESTMENT SPECULATIVE

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial

performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

In addition, the list of risk factors referred to above are not made in any order of priority and no emphasis should be placed on one risk factor at the expense of another simply because of its relative placement in the list referred to above.

Potential investors should therefore consider that the investment in the Company is **SPECULATIVE** and should consult their professional advisers before deciding whether to apply for Shares.

15. RIGHTS ATTACHED TO SECURITIES

15.1 RIGHTS ATTACHING TO SHARES

All Offer Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all the Company's existing Shares.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

1. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders of the Company:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for that Share.

2. Dividend Rights

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Directors determine to distribute by way of dividend are divisible among the holders of Shares in proportion to the number of Shares held by them. The Directors may also implement a dividend reinvestment plan or share bonus plan on terms they think fit.

Any general meeting, or the Directors, determining a dividend may, by resolution, direct payment of the dividend wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, or options over the shares of, the Company or any other body corporate, and the Directors must give effect to that resolution. Where a difficulty arises in regard to a distribution of specific assets in such manner, the Directors may resolve the difficulty as they see fit.

The Directors may:

- (a) fix the value for distribution of the specific assets or any part of those assets;
- (b) determine that cash payments will be made to any Shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any of those specific assets in trustees; as the Directors see fit.

3. Return Of Capital

The Company may reduce its share capital by any means allowed by the Corporations Act, subject to the Company complying with the ASX Listing Rules.

Any reduction in share capital may be made wholly or partly by way of an in specie distribution of specific assets, including paid up shares in, or debentures of, or options over the shares of, the Company or any other body corporate.

The Directors may:

- (i) fix the value for distribution of the specific assets or any part of those assets;
- (ii) determine that cash payments will be made to any Shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (iii) vest any of those specific assets in trustees; as the Directors see fit.

Where the Company reduces its share capital by way of a distribution of shares or other securities in another body corporate:

- (i) the Shareholders are deemed to have agreed to become shareholders of that corporation and are bound by the Constitution of that body corporate; and
- (ii) each of the Shareholders appoints the Company or any of the Directors as its agent to execute any transfer of shares or other securities, or other document required to give effect to the distribution of shares or other securities to that Shareholder.

4. Transfer of Shares

Subject to the Constitution of the Company, the Corporations Act, the ASTC Settlement Rules, the ASX Listing Rules and any other laws, Shares are freely transferable. The Company may decline to register a transfer of Shares in limited circumstances, such as where the transfer is not in registrable form.

15. RIGHTS ATTACHED TO SECURITIES

5. Future Increases in Capital

The allotment and issue of Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the ASX Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

6. Variation of Rights

Under the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

7. Rights on Winding Up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of fully paid shares held by them (and a partly paid share is counted as a fraction of a fully paid share equal to the amount paid on it, divided by the total issue price of the share).

8. Proportional Takeover Provision

The Constitution prohibits the registration of shares under a proportional takeover scheme until a resolution approving the scheme has been passed by those persons entitled to vote on it at a general meeting. These provisions will cease to have effect at the end of three years beginning on the date the Constitution was adopted (on 28 November 2003) unless renewed in accordance with the Corporations Act.

15.2 RIGHTS ATTACHING TO OPTIONS

The options to be issued pursuant to the Prospectus Option Offer will be issued on the following terms and conditions:

1. Entitlement

Each option ("Option") shall entitle the holder to subscribe (in cash) for one (1) Share in the capital of the Company.

2. Option Period

Each Option will expire on 30 June 2008 (such date being referred to as the "Option Expiry Date"). Subject to Clause 6 hereof, each Option may be exercised at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.

3. Ranking of Share Allotted on Exercise of Option

Each Share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects equally with the existing Shares in the capital of the Company on issue at the date of allotment.

4. Notification to Option Holders

A registered owner of an Option ("Option Holder") will be entitled to receive and will be sent all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being Option Holders, members of the Company.

5. Transfer of an Option

Each Option is transferable at any time prior to the Option Expiry Date. This right is subject to any restrictions on the transfer of an Option that may be imposed by the ASX.

6. Method of Exercise of an Option

- 6.1 A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to or endorsed on the reverse side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement ("Notice of Exercise of Options"). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of

15. RIGHTS ATTACHED TO SECURITIES

ordinary Shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,000 if only part of the Option Holders total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,000, then the total of all Options held by that Option Holder must be exercised.

- 6.2 The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of \$0.20 per Share.
- 6.3 Subject to Clause 6.1 hereof, the exercise of less than all of an Option Holders Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holders entitlement under the Option Holders remaining Options.
- 6.4 On exercise of Options, the Option Holder must surrender to the Company the Option Holders option certificate or holding statement with respect to those Options being exercised.
- 6.5 If the Option Holder exercises less than the total number of Options then registered in the Option Holders name:
 - 6.5.1 the Option Holder must surrender the option certificate or holding statement with respect to the Option Holders Options to the Company; and
 - 6.5.2 the Company must cancel that option certificate or holding statement and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holders unexercised Options.
- 6.6 Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- 6.7 The Company will (subject to any escrow restrictions imposed by the ASX) within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.

7. Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the ASX Listing Rules applying to reconstructions at that time.

8. Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Option Expiry Date unless and until the Options are exercised. The Company will ensure that during the exercise period of the Options, the Record Date for the purposes of determining entitlements to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

9. Change of Options Exercise Price or Number of Underlying Shares

- 9.1 If the Company makes a pro rata issue (except a bonus issue) to the holders of ordinary Shares, the exercise price of each Option shall be reduced in accordance with the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

Where :

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = the average market price per Share (weighed by reference to volume) of the underlying Shares during the 5 trading days ending on the day before the ex rights date or the ex entitlements date.
- S = the subscription price for a Share under the pro rata issue.
- D = any dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

15. RIGHTS ATTACHED TO SECURITIES

No change will be made pursuant to the application of the above formula to the number of Shares to which the Option Holder is entitled.

- 9.2 The reduction of the exercise price of each Option in accordance with the above formula shall be subject to the provisions of the Listing Rules of the ASX.
- 9.3 If the Company makes a bonus issue of Shares or other securities convertible into ordinary Shares pro rata to holders of ordinary Shares the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus Shares. No change will be made in such circumstances to the exercise price of each Option.

15.3 RIGHTS ATTACHING TO HUME OPTIONS

The terms and conditions of the Hume Options (refer Section 13.1.2 of this Prospectus) are equivalent to the terms and conditions of the Prospectus Options Offer as set out in Section 15.2 of this Prospectus, save for the following changes:

- (1) In respect of the Hume \$0.20 Options:
 - (i) Clause 2 - Option Period – “Each Option will expire on the fifth anniversary of the date of issue of such Option (such date being referred to as the “Option Expiry Date”). Subject to Clause 6 hereof, each Option may be exercised at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date”;
 - (ii) Clause 6.2 – Method of Exercise of an Option - “The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount equal to \$0.20 per Share.”
- (2) In respect of the Hume \$0.30 Options:
 - (i) Clause 2 - Option Period – “Each Option will expire on the fifth anniversary of the date of issue of such Option (such date being referred to as the “Option Expiry Date”). Subject to Clause 6 hereof, each Option may be exercised at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date”;
 - (ii) Clause 6.2 – Method of Exercise of an Option - “The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount equal to \$0.30 per Share.”

16. OTHER ADDITIONAL INFORMATION

16.1. INTERESTS OF PERSONS NAMED

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoter or stockbroker to the Company or broker to the Issue has, or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Shares under this Prospectus; or
- (c) the offer of Shares under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

Al Maynard & Associates, Consulting Geologists has prepared the Independent Geological Report in Section 10. The Company has paid or agreed to pay approximately \$10,000 for these services to the date of this Prospectus. Al Maynard & Associates has provided other professional services to the Company during the last year and has been paid approximately \$1,000 in respect of these services.

Hetherington Exploration & Mining Title Services Pty Ltd has prepared the Independent Exploration Titles Report in Section 11. The Company has paid or agreed to pay approximately \$11,000 for these services to the date of this Prospectus. Hetherington Exploration & Mining Title Services Pty Ltd has provided other professional services to the Company during the last year and has been paid a total of approximately \$13,000 (including costs attributable to the preparation of the Independent Exploration Titles Report).

The Company has paid or agreed to pay approximately US\$31,000 to Brigitta I. Rahayoe & Syamsuddin for the provision of legal and other services in respect of the Company's interests and activities in Indonesian, to the date of this Prospectus. Brigitta I. Rahayoe & Syamsuddin has provided other professional services to the Company during the last year and has been paid approximately \$18,000 (US\$14,000) in respect of these services.

16.2. CONSENTS

The following persons have each consented to being named in the Prospectus and to the inclusion of the following statements and statements identified in this Prospectus as being based on statements made by those persons, in the form and context in which they are included, and have not withdrawn that consent before lodgement of this Prospectus with the ASIC:

- ♦ Al Maynard & Associates, Consulting Geologists – the Independent Geological Report in Section 10;
- ♦ Hetherington Exploration & Mining Title Services Pty Ltd – the Independent Exploration Titles Report in Section 11;
- ♦ Brigitta I. Rahayoe & Syamsuddin – Sections 13.4, 13.5, 14.3, 14.4 and 14.12 of this Prospectus;
- ♦ PT Kaltim Jaya Mineral – Sections 6.3 and 10 of this Prospectus;
- ♦ PT Aditya Kirana Mandiri – Sections 6.3 and 10 of this Prospectus;

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the reports referred to above and the statements identified in this Prospectus as being made by or based on statements made by those persons.

The following persons have consented to being named in this Prospectus but have not made any statements that are included in this Prospectus or statements identified in this Prospectus as being based on any statements made by those persons, and have not withdrawn their consent before lodgement of this Prospectus with ASIC:

- ♦ Stanton Partners as Auditors of the Company;
- ♦ Advanced Share Registry Services as the Share Registrar of the Company.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to their name.

This Prospectus contains various references to persons or companies. Unless otherwise stated, none of these persons or companies has consented to the inclusion of those references in this Prospectus.

16. OTHER ADDITIONAL INFORMATION

16.3. TAXATION

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

Under the Privacy Act 1988, you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. You can request access to your personal information by telephoning or writing to the Share Registry.

16.4. ACKNOWLEDGEMENT AND PRIVACY

By returning the Application Form, each Applicant acknowledges that they have received and read this Prospectus.

If you apply for Shares, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration.

Company and tax law requires some of the information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (as amended):

- (a) the Share Registry for on-going administration of the Share and Option registers; and
- (b) the printers and mailing house for the purposes of preparation and distribution of statements and for handling of mail;
- (c) investor relations and market research consultants or firms for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- (d) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

17. GLOSSARY

Save as otherwise defined in this Prospectus, the following terms have the following meanings:

\$229,000 Share Placement means the issue of 2,290,000 Shares at 10 cents per Share (raising \$229,000 gross) on 18 October 2005 pursuant to offers exempt from disclosure under section 708 of the Corporation Act, being more particularly described in section 8 of this Prospectus (the subject of Resolution 6 approved at the AGM).

\$971,000 Share Placement means the proposed issue of 9,710,000 Shares at 10 cents per Share (pre Share Conversion) (raising \$971,000 gross) pursuant to offers exempt from disclosure under section 708 of the Corporation Act, being more particularly described in section 8 of this Prospectus (the subject of Resolution 7 approved at the AGM).

\$971,000 Placement Shares means the Shares to be issued under the \$971,000 Share Placement.

Adelaide Prospecting means Adelaide Prospecting Pty Ltd A.C.N. 008 934 361.

Adelaide Prospecting Agreement means an agreement entered into between the Company and Adelaide Prospecting dated 28 October 2005 for the acquisition of a 85% interest in the Dawsons Well Tenement, being more particularly described in Section 13.3 of this Prospectus.

AGIP means AGIP Nucleare (Australia) Pty Ltd, a subsidiary of Italian multi-national energy group ENI.

AGM means the annual general meeting of the Shareholders of the Company held on 22 December 2005.

Agreements means the agreements referred to Section 13 of this Prospectus.

AEA means Altera Capital Limited ABN 55 082 541 437.

Applicant means a person who submits an Application.

Application means a valid application to subscribe for Shares under this Prospectus.

Application Form means the application form attached to and forming part of this Prospectus pursuant to which the Offer may be accepted.

Application Monies means the sum of 20 cents per Share specified on the Application Form and payable on submission of an Application Form pursuant to this Prospectus.

Ansell means Helen Mary Ansell, a party to the UOG Agreement.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (A.C.N. 008 504 532).

ASX means Australian Stock Exchange Limited (A.C.N. 008 624 691).

Auditors means Stanton Partners.

Board means the board of Directors unless the context indicates otherwise.

BIRS means Brigitta I. Rahayoe & Syamsuddin, an Indonesian law firm.

Bupati means a relevant Indonesian authority.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHESS means ASX Clearing House Electronic Sub registry System.

Closing Date means the date on which the Offer closes (currently 3 February 2006).

Company or Fast Scout or FSL means Fast Scout Limited A.B.N. 94 088 488 724 (name change to Strike Resources Limited approved by shareholders at the AGM).

Concessions means the coal concessions the subject of the Kalimantan Coal Agreement being more particularly described in sections 6.3 and 13.4 of this Prospectus.

Concession 1 or KP 1 means the coal Concession of 5000 ha the subject of the Kalimantan Coal Agreement being more particularly described in sections 6.3 and 13.4 of this Prospectus.

Concession 2 or KP 2 means the coal Concession of 7363 ha the subject of the Kalimantan Coal Agreement being more particularly described in sections 6.3 and 13.4 of this Prospectus.

OEQ means Orion Equities Limited A.B.N. 77 000 742 843 (formerly Central Exchange Limited).

Corporations Act and Act means the Corporations Act 2001.

Dawsons Well Tenement means granted EL 53/1115 in Western Australia the subject of the Adelaide Prospecting Agreement, also more particularly described in the Independent Exploration Titles Report (in Section 11 of the Prospectus).

DBS means Data Base Systems Limited.

Directors means the directors of the Company from time to time.

Dollars or \$ means Australian dollars unless otherwise stated.

ELA means an application for an exploration licence.

EL means a granted exploration licence.

Explanatory Statement means the explanatory statement to the notice of AGM.

17. GLOSSARY

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

FSO means Fast Scout Operations Pty Ltd ABN 12 102 978 370.

Full Subscription means Applications for Shares totalling 7,500,000 Shares.

Glossary means this glossary.

Hume means Hume Mining NL A.B.N. 52 063 994 945.

Hume Agreement means an agreement entered into between the Company and Hume dated 15 September 2005 for the acquisition of 75% of Hume's interests in the Hume Tenements, being more particularly described in Section 13.1 of this Prospectus.

Hume Options means the Options Hume has agreed to subscribe for under the Hume Agreement, being more particularly described in sections 5.2 and 13.1.2 of this Prospectus.

Hume Tenements means the EL and ELAs in the Northern Territory and Western Australia the subject of the Hume Agreement, also more particularly described in the Independent Exploration Titles Report (in Section 11 of the Prospectus).

Kalimantan Coal Project means the projects to explore for, mine and sell coal from the areas covered by one or more of the coal Concessions located in East Kalimantan, Indonesia, the subject of the Kalimantan Coal Agreement, being more particularly described in sections 6.3 and 13.4 of this Prospectus.

Kalimantan Coal Agreement means a cooperation agreement entered into between FSO, Indo Coal, KJC and KJM dated 24 November 2005, being more particularly described in Section 13.4 of this Prospectus.

KJC means PT Kaltim Jaya Coal, an Indonesia company.

KJM means PT Kaltim Jaya Mineral, an Indonesia company.

KP 1 or Concession 1 means the coal Concession of 5000 ha the subject of the Kalimantan Coal Agreement being more particularly described in sections 6.3 and 13.4 of this Prospectus.

KP 2 or Concession 2 means the coal Concession of 7363 ha the subject of the Kalimantan Coal Agreement being more particularly described in sections 6.3 and 13.4 of this Prospectus.

Indo Coal means PT Indo Batubara (an Indonesian Company in the process of being incorporated which will represent FSO's interests in Indonesia - refer to Section 13.5)

Independent Geologist means Al Maynard & Associates, Consulting Geologists A.B.N. 95 336 331 535.

Independent Geological Report means the report contained in Section 10 of this Prospectus.

Issue means the issue of 7,500,000 Shares pursuant to this Prospectus (with the right to accept Oversubscriptions through the issue of a further 2,500,000 Shares).

Liability means a liability of any kind (whether actual or contingent and whether fixed or unascertained) and includes costs, damages and expenses, including costs and expenses incurred in connection with any investigation or inquiry by a government agency or a liquidator.

Listing Rules means Listing Rules of the ASX.

Minimum Subscription means Applications for Shares totalling 6,500,000 Shares.

MOU means a memorandum of understanding entered into between the Company and KJC and KJM dated 24 November in relation to the Kalimantan Coal Project and forming the basis of the Kalimantan Coal Agreement.

Notice means the notice of the AGM dated 22 November 2005.

Offer or Prospectus Share Offer means the offer of Shares pursuant to this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the Official List of the ASX.

Opening Date means the date on which the Offer opens.

Option means an option to acquire a Share.

Option Record Date means one month after the date of re-admission of the Company's shares to quotation on ASX (currently expected to be on or about 10 March 2006).

Option Holders means those parties holding options to acquire Shares in the Company.

Oversubscription means any Applications for Shares (not exceeding 2,500,000 Shares) in excess of Full Subscriptions.

Projects means the resource projects of the Company from time to time, including but not limited to interests in the Tenements and the Kalimantan Coal Project, also more particularly described in section 6 of this Prospectus.

Prospectus means this prospectus for the issue of 7,500,000 Shares (together with the right to accept Oversubscriptions of 2,500,000 Shares), including any electronic or online version.

Prospectus Share Offer means the offer of Shares pursuant to this Prospectus.

17. GLOSSARY

Prospectus Option Offer means the proposed issue of up to 24,984,850 Options issued on a pro rata non renounceable basis to all Shareholders of the Company whose name shall be on the register of members of the Company on the Options Record Date, pursuant to a prospectus under Chapter 6D of the Corporations Act, at an issue price of one cent per Option, each to acquire one Share at an exercise price of 20 cents per Share (i.e. equal to the issue price under this Prospectus) with each such Option expiring on 30 June 2008, and being more particularly described in section 15.2 of this Prospectus.

Queste or **QUE** means Queste Communications Ltd A.B.N. 58 081 688 164.

Quotation means quotation of securities on ASX.

Rubberoid Well Tenement means ELA 09/1245 in Western Australia the subject of the UOG Agreement, also more particularly described in the Independent Exploration Titles Report (in Section 11 of the Prospectus).

Share means one fully paid ordinary share in the Company and Shares shall mean more than one Share.

Shareholder means a holder of Shares.

Share Conversion means the one (1) for three (3) basis share conversion, being more particularly described in section 8 of this Prospectus (the subject of Resolution 10 approved at the AGM).

Share Conversion Record Date means 3 January 2006.

Sinarco means Sinarco Resources Pte Ltd, the party who introduced the Kalimantan Coal Project to the Company.

Sinarco Agreement means an agreement entered into between the Company and Sinarco dated 10 November 2005 for Sinarco to be rewarded for introducing the Kalimantan Coal Project to the Company, being more particularly described in Section 13.6 of this Prospectus.

SOF means Sofcom Limited ABN 88 087 482 602.

Tenements means the mining tenements specified in the Independent Exploration Titles Report (in Section 11 of the Prospectus) in which the Company has an interest pursuant to the Agreements.

UOG means Uranium Oil and Gas Limited (ACN 115 593 005), a party to the UOG Agreement.

UOG Agreement means an agreement entered into between the Company and UOG and Ansell first dated 3 October 2005 for the acquisition of a 70% interest in the UOG Tenement, being more particularly described in Section 13.2 of this Prospectus.

WST means Western Standard Time, Perth, Western Australia.

18. DIRECTORS' RESPONSIBILITY STATEMENT AND CONSENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that:

- (1) any statements made by the Directors in this Prospectus are not misleading or deceptive; and
- (2) in respect of any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and, on that basis, have reasonable grounds to believe that:
 - (a) those persons making the statement or statements were competent to make such statements;
 - (b) those persons having given their consent to those statements being included in the Prospectus in the form and context in which they appear and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

The issue of this Prospectus has been authorised by each of the Directors in accordance with section 720 of the Corporations Act. Each of the Directors has consented to the lodgement of this Prospectus with ASX and has not withdrawn that consent.

This Prospectus has been approved by unanimous resolution of the Directors of Fast Scout Limited.

Dated: 23 December 2005



John Stephenson
Chairman

Broker/Dealer Stamp

FAST SCOUT LIMITED PROSPECTUS

Share Registrar Use Only

APPLICATION FORM

Before completing this Application Form, you should read the Prospectus dated 23 December 2005 and the instructions overleaf. No Shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM.

I/We apply for

Shares in **FAST SCOUT LIMITED** at 20 cents per Share

or such lesser number of Shares which may be allocated to me/us by the Directors..

I/We lodge full application monies of

Being 20 cents for each Share applied for above

Full name (PLEASE PRINT)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)

Street Number

Street

Suburb/Town

State

Post code

Contact Name

Telephone number – Business hours

Telephone number – After hours

CHESS HIN (where applicable)
E-mail address

Tax File Number or Exemption

Applicant #2

Applicant #3

CHEQUE DETAILS

Drawer

Bank

BSB

Amount of cheque

Declaration and Statements:

By lodging this Application Form:

I/We declare that all details and statements made by me/us are complete and accurate;

I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company;

I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus;

I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Shares in the Company and that no notice of acceptance of the application will be provided.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT 2001, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 23 DECEMBER 2005.

HOW TO COMPLETE THE APPLICATION FORM

Applications must be made on the Application Form attached to this Prospectus. Please complete all relevant parts of the Application Form using BLOCK LETTERS.

- (A) Enter the NUMBER OF SHARES you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.
- (B) Enter the TOTAL AMOUNT of application money payable. To calculate the amount, multiply the number of Shares applied for by \$0.20.
- (C) Enter the FULL NAME(S) of all legal entities that are to be recorded as the registered holder(s). Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected.
- (D) Enter the POSTAL ADDRESS for all communications from the Company. Only one address can be recorded.
- (E) Enter a CONTACT NAME and TELEPHONE NUMBER(S) of a person the share registry can speak to regarding any queries they may have on the Application.
- (F) The Company is an Issuer Sponsored participant in the Australian Stock Exchange CHESS System. This enables a holder to receive a statement of their shareholdings from the Company's share registrar. If you are already a Broker Sponsored participant in this system, enter your Holder Identification Number (HIN). Otherwise, leave this box blank and your Shares will automatically be issuer sponsored on allotment.
- (G) Enter the TAX FILE NUMBER(S) of the Applicant(s). Collection of Tax File Numbers is authorised by taxation laws. Quotation of Tax File Number(s) is not compulsory and will not affect the Application.
- (H) Enter the details of cheque(s) accompanying the Application Form in payment of application monies.

DECLARATION AND STATEMENTS

Before completing the Application Form the Applicant(s) should read the Prospectus dated 23 December 2005. The Applicant(s) agree(s), upon and subject to the terms of the Prospectus, to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the Applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the Application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the Application.

If your Application Form is not completed correctly, it may still be treated as valid. The Company's decision as to whether to treat your Application as valid, and how to construe, amend or complete it, shall be final.

There is no requirement to sign the Application Form.

PAYMENT

Applications for Shares must be accompanied by the application money of \$0.20 per Share (in Australian currency). Cheques should be made payable to Fast Scout Limited – Offer Account and crossed "Not Negotiable".

LODGING OF APPLICATIONS

Completed Application Forms and accompanying application monies must be:

<p><i>Posted to:</i></p> <p>Fast Scout Limited C/- Advanced Share Registry Services PO Box 1156 NEDLANDS WA 6909</p>	OR	<p><i>Delivered to:</i></p> <p>Fast Scout Limited C/- Advanced Share Registry Services 110 Stirling Highway NEDLANDS WA 6009</p>
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Applications must be received by no later than 5.00pm WST on the Closing Date, currently 3 February 2006 (unless varied by the Company).

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Fast Scout Limited. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
Individual <i>Use given names, not initials</i>	William Matthew Johnson	WM Johnson
Company <i>Use Company title, not abbreviations</i>	ACME Pty Ltd	ACME P/L ACME Co
Trusts <i>Use trustee(s) personal name(s), Do not use the name of the trust</i>	Carole Lee <Carole Lee Family A/C>	Carole Lee Family Trust
Deceased Estates <i>Use executor(s) personal name(s)</i>	James Jones <Est James Jones A/C>	Estate of late James Jones
Partnerships <i>Use partners' personal names, do not use the name of the partnership</i>	James Jones and Peter Jones <James Jones and Son A/C>	James Jones and Son
Clubs/Incorporated Bodies/Business Names <i>Use office bearer(s) personal name(s), Do not use the names of the clubs etc.</i>	Victor Smith <ACE Cricket Association A/C>	ACE Cricket Association
Superannuation Funds <i>Use of name of trustee of fund, do not use the name of the fund.</i>	Sue Lynn White Pty Ltd <Super Fund A/C>	Sue Lynn White Pty Ltd Superannuation Fund

Broker/Dealer Stamp

FAST SCOUT LIMITED PROSPECTUS

Share Registrar Use Only

APPLICATION FORM

Before completing this Application Form, you should read the Prospectus dated 23 December 2005 and the instructions overleaf. No Shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM.

I/We apply for

Shares in **FAST SCOUT LIMITED** at 20 cents per Share

or such lesser number of Shares which may be allocated to me/us by the Directors..

I/We lodge full application monies of

 \$

Being 20 cents for each Share applied for above

Full name (PLEASE PRINT)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)

Street Number

Street

Suburb/Town

State

Post code

Contact Name

Telephone number – Business hours

 ()

Telephone number – After hours

 ()
CHESS HIN (where applicable)
E-mail address

Tax File Number or Exemption

Applicant #2

Applicant #3

CHEQUE DETAILS

Drawer

Bank

BSB

Amount of cheque

Declaration and Statements:

By lodging this Application Form:

I/We declare that all details and statements made by me/us are complete and accurate;

I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company;

I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus;

I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Shares in the Company and that no notice of acceptance of the application will be provided.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT 2001, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 23 DECEMBER 2005.

HOW TO COMPLETE THE APPLICATION FORM

Applications must be made on the Application Form attached to this Prospectus. Please complete all relevant parts of the Application Form using BLOCK LETTERS.

- (A) Enter the NUMBER OF SHARES you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1000 Shares.
- (B) Enter the TOTAL AMOUNT of application money payable. To calculate the amount, multiply the number of Shares applied for by \$0.20.
- (C) Enter the FULL NAME(S) of all legal entities that are to be recorded as the registered holder(s). Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected.
- (D) Enter the POSTAL ADDRESS for all communications from the Company. Only one address can be recorded.
- (E) Enter a CONTACT NAME and TELEPHONE NUMBER(S) of a person the share registry can speak to regarding any queries they may have on the Application.
- (F) The Company is an Issuer Sponsored participant in the Australian Stock Exchange CHESS System. This enables a holder to receive a statement of their shareholdings from the Company's share registrar. If you are already a Broker Sponsored participant in this system, enter your Holder Identification Number (HIN). Otherwise, leave this box blank and your Shares will automatically be issuer sponsored on allotment.
- (G) Enter the TAX FILE NUMBER(S) of the Applicant(s). Collection of Tax File Numbers is authorised by taxation laws. Quotation of Tax File Number(s) is not compulsory and will not affect the Application.
- (H) Enter the details of cheque(s) accompanying the Application Form in payment of application monies.

DECLARATION AND STATEMENTS

Before completing the Application Form the Applicant(s) should read the Prospectus dated 23 December 2005. The Applicant(s) agree(s), upon and subject to the terms of the Prospectus, to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the Applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the Application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the Application.

If your Application Form is not completed correctly, it may still be treated as valid. The Company's decision as to whether to treat your Application as valid, and how to construe, amend or complete it, shall be final.

There is no requirement to sign the Application Form.

PAYMENT

Applications for Shares must be accompanied by the application money of \$0.20 per Share (in Australian currency). Cheques should be made payable to Fast Scout Limited – Offer Account and crossed "Not Negotiable".

LODGING OF APPLICATIONS

Completed Application Forms and accompanying application monies must be:

<i>Posted to:</i> Fast Scout Limited C/- Advanced Share Registry Services PO Box 1156 NEDLANDS WA 6909	OR	<i>Delivered to:</i> Fast Scout Limited C/- Advanced Share Registry Services 110 Stirling Highway NEDLANDS WA 6009
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Applications must be received by no later than 5.00pm WST on the Closing Date, currently 3 February 2006 (unless varied by the Company).

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Fast Scout Limited. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
Individual <i>Use given names, not initials</i>	William Matthew Johnson	WM Johnson
Company <i>Use Company title, not abbreviations</i>	ACME Pty Ltd	ACME P/L ACME Co
Trusts <i>Use trustee(s) personal name(s), Do not use the name of the trust</i>	Carole Lee <Carole Lee Family A/C>	Carole Lee Family Trust
Deceased Estates <i>Use executor(s) personal name(s)</i>	James Jones <Est James Jones A/C>	Estate of late James Jones
Partnerships <i>Use partners' personal names, do not use the name of the partnership</i>	James Jones and Peter Jones <James Jones and Son A/C>	James Jones and Son
Clubs/Incorporated Bodies/Business Names <i>Use office bearer(s) personal name(s), Do not use the names of the clubs etc.</i>	Victor Smith <ACE Cricket Association A/C>	ACE Cricket Association
Superannuation Funds <i>Use of name of trustee of fund, do not use the name of the fund.</i>	Sue Lynn White Pty Ltd <Super Fund A/C>	Sue Lynn White Pty Ltd Superannuation Fund

Fast Scout Limited (Name to be changed to Strike Resources Limited)
A.B.N. 94 088 488 724

www.fastscout.com.au

Registered Office:

Level 14, The Forrest Centre
221 St Georges Terrace
Perth, Western Australia 6000
T | +61 (8) 9214 9700
F | +61 (8) 9322 1515
E | info@fastscout.com.au

Share Registry:

Advanced Share Registry Services
110 Stirling Highway
Perth, Western Australia 6009
T | +61 (2) 9389 8033
F | +61 (2) 9389 7871
E | admin@advancedshare.com.au
W | www.asrshareholders.com