



ABN 35 091 542 451

June 20, 2006

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Mr N Ong
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Dear Nicholas,

In response to your letter of June 19th 2006 the following is a summary of events relating to the release in question:

- In an announcement by the company to the market on May 22nd regarding the Nameless Iron Project we stated that “further announcements will be made once analytical results have been received and assessed”. This was to allow time to provide necessary context for the results.
- The company started to receive analytical results on June 2nd and received the final results on the afternoon of Tuesday June 13th 2006.
- Results were plotted and assessed on Wednesday and Thursday (14th and 15th June) and a draft announcement prepared and sent to Directors on Friday (16th June).
- The resultant draft announcement was subsequently sent to Rio Tinto late Friday afternoon for their consideration and consent as required under the Option, Farm-in and Joint Venture Agreement, for all public announcements.
- Rio Tinto’s consent was received on Monday morning at 8.57am WST and a detailed announcement was immediately released to the market and issued by the ASX at 9.12am WST.

At all times the company believes the content of both the results and draft announcement remained confidential until released. The company believes it is in compliance with listing rule 3.1

Sincerely

Graeme Drew
Managing Director
AusQuest Limited