



PROSPECTUS

ZEDEX MINERALS LIMITED

ARBN 107 523 428

(incorporated in New Zealand)

FOR THE ISSUE OF 25,000,000 SHARES AT 20 CENTS EACH TO RAISE \$5,000,000 TOGETHER WITH ONE FREE OPTION EXERCISABLE AT 20 CENTS ON OR BEFORE 30 NOVEMBER 2008 FOR EVERY TWO SHARES SUBSCRIBED.

LEAD MANAGER
Patersons Securities Limited
ABN 69 008 896 311

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 and 2008 Options offered by this Prospectus should be considered speculative.

INVESTMENT HIGHLIGHTS

Zedex is a gold exploration company with interests in mineral assets (including granted licences and licence applications) in Australia, Vietnam and Laos.

Zedex's objective is to leverage off its existing assets and become a significant gold company in the Asia Pacific Region.

Zedex's lead project is the Enmore Gold Project in the Enmore – Melrose Goldfield in north eastern New South Wales, Australia:

- Zedex holds a 100% interest in two exploration licences (covering approximately 290 km²) in the Enmore – Melrose Goldfield, and has the right to earn an interest of 80% in respect of two other exploration licences (covering approximately 35 km²).
- The Enmore – Melrose Goldfield contains thirty-nine known hard rock mines and a substantial number of alluvial workings.
- Many of these areas are untested using modern exploration techniques, although grades of up to 100 g/t Au have been returned from chip sampling.
- Exploration to date has indicated the significant potential of the Enmore Gold Project:
 - at the Sunnyside prospect the target is a bulk tonnage low grade gold deposit. More than 30 drill intersections have returned assays exceeding 2 g/t Au over an interval of 2 metres or more, including 4m @ 11.9 g/t Au, 2m @ 14.6 g/t Au and 4m @ 6.2 g/t Au.
 - at the Bora prospect widespread gold mineralisation occurs with higher grade shoots. Drill intersections include 12m @ 7.57 g/t Au, 9m @ 3.44 g/t Au and 2m @ 5.42 g/t Au.
- An active exploration programme is scheduled. An initial drilling programme commenced in March 2006.
- The Hillgrove Gold – Antimony Field, 20 kilometres to the north of the Enmore Gold Project, has produced around 25 tonnes of gold (+800,000oz).

Zedex also holds majority interests in one exploration licence and three exploration licence applications (over a total of approximately 228 km² of ground) in Vietnam which the Directors believe are prospective for either gold or copper.

In addition to its own exploration interests, Zedex has a 16.44% interest in Olympus Pacific Minerals Inc. Olympus is listed on the TSX. Olympus has recently commenced production at the Bong Mieu (Olympus 80% interest) gold project in Vietnam. A mining licence has also recently been granted for development of the Phuoc Son (Olympus 85% interest) gold project, also in Vietnam. Zedex has the right to appoint two directors to the Olympus board. Zedex's Chairman, John Seton, is a director of Olympus pursuant to that right. At 20 April 2006 Olympus has a market capitalisation of approximately \$134.8 million valuing Zedex's interest at approximately \$22.1 million.

Zedex has an entitlement to a 2% gross production royalty in respect of Olympus' share of gold production at the Bong Mieu gold project in Vietnam.

Zedex's Board and management team have substantial experience in mineral project exploration and development in the Asia Pacific region.

Zedex is at an early stage of exploration and any investment in Zedex securities should be considered speculative. There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Zedex and the value of its securities. These include risks that are widespread risks that are associated with any form of business and specific risks associated with Zedex's business and its involvement, through direct participation and through investment in Olympus, in the exploration and mining industry. A prospective investor should carefully consider the risk factors set out in Section 10 of this Prospectus.

The Offer is conditional upon completion of the GR Enmore Agreement (refer Section 9.2).

The information in this Section is a summary of certain matters. Prospective investors should read the Prospectus in its entirety.

IMPORTANT DATES

Applications open	28 April 2006
Applications close	12 May 2006
Despatch of holding statements	17 May 2006
Trading of Securities on ASX to commence	22 May 2006

These dates are indicative only and may vary. The Company reserves the right to vary the opening and closing dates of the Offer without prior notice – refer Section 2.3.

CORPORATE DIRECTORY

ZEDEX MINERALS LIMITED

ARBN 107 523 428

DIRECTORS

John Seton

Non-Executive Chairman

Paul Seton

Managing Director

Rodney Murfitt

Executive Director

Peter Jobson

Non-Executive Director

COMPANY SECRETARY

Patrick Flint

PRINCIPAL BUSINESS OFFICE

Level 2

63 Fort Street

Auckland, New Zealand

Telephone: +64 9 379 8787

Facsimile: +64 9 379 8788

Email: general@zedex.com.au

Website: www.zedex.com.au

REGISTERED OFFICE

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Australia

Telephone: +61 8 9240 2836

Facsimile: +61 8 9240 2406

SOLICITORS TO THE COMPANY – AUSTRALIA

Blakiston & Crabb

1202 Hay Street

West Perth, Western Australia, 6005

Australia

LEAD MANAGER

Patersons Securities Limited

Level 23, Exchange Plaza

2 The Esplanade

Perth, Western Australia, 6000

Australia

LEGAL COUNSEL TO THE COMPANY – VIETNAM

Frasers Law Company

Unit 2, 10th Floor Saigon Centre

65 Le Loi Boulevard, District 1

Ho Chi Minh City

Vietnam

INDEPENDENT ACCOUNTANTS

DFK Collins Pty Ltd

Chartered Accountants

Level 5, 30 Collins Street

Melbourne, Victoria, 3000

Australia

INDEPENDENT TECHNICAL SPECIALIST

Resource Equity Consultants Pty Ltd

Level 11, Kyle House

27 – 31 Macquarie Place

Sydney, New South Wales, 2000

Australia

SHARE REGISTRY – AUSTRALIA

Computershare Investor Services Pty Ltd

Level 2/45 St Georges Terrace

Perth, Western Australia, 6000

Australia

Telephone: +61 8 9323 2000

Facsimile: +61 8 9323 2033

SHARE REGISTRY – NEW ZEALAND

Computershare Investor Services Limited

Level 2, 159 Hursimere Road

Takapuna, North Shore City

New Zealand

Telephone: +64 9 488 8777

Facsimile: +64 9 488 8787

AUDITORS

Ernst & Young

41 Shortland Street

Auckland, New Zealand

INDEPENDENT TITLE SOLICITORS

(Australian Tenements)

Middletons

Level 26, 52 Martin Place Sydney, New South Wales, 2000

Australia

MESSAGE FROM THE CHAIRMAN

Dear Investor

It gives me great pleasure to offer you this opportunity to invest in Zedex, an active gold exploration company focused on being a leading player in the Asia Pacific region. The objective of Zedex is to define or control mineral resources of sufficient size and grade to develop economic gold mines.

At the Enmore Gold Project in north eastern New South Wales in Australia, the Company has identified a project with the potential for both bulk tonnage low grade and high grade gold deposits. The area the project is located in has been the subject of significant historic gold mining activity, with thirty-nine known hard rock mines, but has been the subject of only limited modern exploration. Results from recent work undertaken have highlighted the significant potential of this project.

In Vietnam we have a granted licence (subject to lodgement of a security deposit) and three licence applications on prospective properties with potential to make a major discovery, and representing a strategic stake in that country's promising minerals future. The directors believe that Vietnam is one of the most under explored and potentially most prospective areas in the circum-Pacific, and that Vietnam has not yet experienced the influx of international investment capital that has in recent times resulted in the discovery of Turquoise Hill in Mongolia. The Company has also made application for a licence in neighbouring Laos. The Company is well placed to take advantage of the opportunities presented in those countries by virtue of management's many years experience in the region.

In addition Zedex holds a significant (16.44%) strategic investment in Olympus Pacific Minerals Inc ("Olympus"), which is listed on the TSX in Canada and has a market capitalisation of approximately \$134.8 million. Olympus has recently commenced gold production at the Bong Mieu gold project, and received a mining licence for development of the Phuoc Son gold project. Both projects are located in Vietnam. Zedex considers these Olympus projects have exciting potential, and at this stage proposes to retain its investment in Olympus at least until such potential is realised. Zedex also holds a 2% gross production royalty in respect of Olympus' share of gold production at the Bong Mieu gold project.

This combination of resource assets (our properties), financial assets (the investment in Olympus) and potential income flow (the Bong Mieu Royalty), in my opinion, makes Zedex a standout junior resources company.

Looking forward, we plan to maximise shareholder value by exploring the Company's tenements and ensuring our strategic investment in Olympus performs strongly. This base will enable us to concentrate on other acquisitions, exploration and corporate activities in the region to secure our ongoing success.

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Seton', with a stylized, scribbled flourish at the end.

John Seton

Non-Executive Chairman

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IMPORTANT NOTICE

This Prospectus is dated 21 April 2006 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC takes no responsibility for the contents of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date which is 13 months after the date of this Prospectus. Securities allotted or issued pursuant to this Prospectus will be allotted or issued on the terms and conditions set out in the Prospectus.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects for the Company, investors should consider the risk factors that could affect the financial performance of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). Zedex is in the early stages of development and the risks are therefore significant. The Securities offered by this Prospectus should be considered speculative. Refer to Section 10 of this Prospectus for details relating to risk factors. Investors should seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus 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 in connection with the Offer.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

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

This Prospectus will be issued as an Electronic Prospectus and may be accessed on the Internet at www.zedex.com.au. The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia or receiving the New Zealand Investment Statement electronically or by paper copy within New Zealand. The Corporations Act prohibits any person from passing to another person the Application Form unless it is attached to or accompanies the complete and unaltered version of this Prospectus. During the Offer period, any person may obtain a hard copy of the Prospectus by contacting the Company.

The Shares and 2008 Options offered by the Company under this Prospectus are being offered in New Zealand under the *Securities Act (Australian Issuers) Exemption Notice 2002*. The offer of Shares and 2008 Options to New Zealand residents will be effected in reliance on, and in compliance with, the *Securities Act (Australian Issuers) Exemption Notice 2002* or any Exemption Notice amending or made in substitution for that notice by the New Zealand Securities Commission in force at the relevant time.

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 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 this Prospectus to be examined by market participants prior to the raising of 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 on Applications received in the exposure period and all Applications received during the exposure period will be treated as if they were simultaneously received on the date on which Applications open.

Section 1

OVERVIEW OF ZEDEX

The information in this Section is for summary purposes only. Prospective investors should read the Prospectus in its entirety.

1.1 Corporate Objectives and Strategy

Zedex's principal objective is to become a leading player in the Asia Pacific gold development sector and is committed to:

- developing and/or controlling profitable operating mines;
- applying Company funds in an efficient manner and providing above average and sustainable returns through both capital appreciation and the payment of dividends when in a position to do so;
- promoting the interests of shareholders; and
- applying high standards of professional performance, environmental management and corporate governance.

In order to achieve this objective, the Company has developed the following strategies:

- advance the Enmore and Na Pai Gold Projects by an aggressive exploration programme through to development of mining operations (if demonstrated to be feasible);
- facilitate the granting of Zedex's Ban Phuong, Hoai An and Tien Thuan licence applications in Vietnam and Sanakham licence application in Laos. These projects will then be advanced by active exploration programmes;
- continue to review its interest in Olympus in order to maximise shareholder value; and
- acquire further prospective exploration and mining interests in the Asian-Pacific region.

1.2 Purpose of the Offer

The purpose of the Offer is to:

- provide funds for exploration on the Company's properties;
- provide funds for acquisition of additional properties;
- provide funds to meet interest payments on loans;
- provide funds for the administration of the Company for each of the next two years; and
- become listed on the ASX and meet the expenses of the Offer of approximately \$350,000.

1.3 Expenditure Plans

It is proposed the funds raised from the Offer (based on the Subscription Amount being raised) and the Company's existing cash balances will be applied over the next two years as follows:

Cash reserves of the Company at 31 March 2006	\$500,000
Subscription Amount raised pursuant to the Offer	\$5,000,000
Funds available	\$5,500,000

Area/Activity	Year 1 (\$)	Year 2 (\$)	Total (\$)
Enmore Gold Project (Mapping, surveying, ground geo-physics and drilling)	1,150,000	1,350,000	2,500,000
Na Pai Project (Mapping, sampling and geo-physics)	100,000	100,000	200,000
Vietnam and Laos licence applications (facilitate granting, initial mapping and sampling)	50,000	50,000	100,000
Interest payments on loans	443,500	443,500	887,000
Costs of Offer	350,000	–	350,000
Administration	300,000	300,000	600,000
Working capital	–	863,000	863,000
Total costs	2,393,500	3,106,500	5,500,000

The Directors consider that the Subscription Amount to be raised pursuant to this Prospectus provides sufficient working capital to achieve the objectives set out in the Prospectus. The Company proposes that the majority of the funds allocated to working capital will be deployed in the Company's proposed exploration programme on the Vietnam licence applications in accordance with the proposed budget set out in the table below. Exploration on these projects can only commence upon the granting of the relevant licence, the timing of which is uncertain (refer Section 8.2.7 for further discussion). The proposed budget is as follows:

Project	Year 1 (\$)	Year 2 (\$)	Total (\$)
Ban Phuong	125,000	165,000	290,000
Tien Thuan / Hoai An	215,000	345,000	560,000
Total costs	340,000	510,000	850,000

Actual expenditure incurred on the projects will depend on results achieved from exploration activities and timing of granting of the Vietnam licence applications.

Zedex intends to conduct exploration on its Vietnamese properties as soon as exploration licences over those properties are granted. While the Directors are not aware of any matter that would prevent the licences from being awarded to Zedex, the actual timing of this is unknown.

1.4 Risk Factors

Zedex is a gold exploration company at an early stage of development and any investment in Zedex securities should be considered speculative. There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Zedex and the value of its securities. A summary of some of the risks is set out below. Further details in respect of these risk factors are set out in Section 10 of this Prospectus.

(a) General risks

Securities investments and share market conditions – There are risks associated with any securities investment. The prices at which the Shares and 2008 Options trade may fluctuate in response to a number of factors.

(b) Risks Specific to Mineral Exploration Companies

Exploration and mining risks – The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. There is no certainty that the expenditures made by Zedex towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable.

Economic and price risks – The demand for, and price of, gold and other minerals is dependent on a variety of factors which are beyond Zedex's control. Fluctuations in mineral prices will often have a material adverse effect on exploration and mining companies businesses, financial condition and results of operations.

(c) Risks Specific to Zedex

Title – All of the licences in which Zedex has an interest will be subject to applications for renewal or are subject to application for granting (and if granted will be subject to applications for renewal in the future), the success of which cannot be guaranteed. If a licence is not granted or renewed, Zedex may suffer significant damage through loss of the opportunity to discover and develop any mineral resources on that licence.

Country and Sovereign Risk – Certain of the mineral projects in which Zedex has an interest (whether directly through the granted licence or licence applications or indirectly through Zedex's investment in Olympus) are currently situated in Vietnam and Laos. As such, Zedex's operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. In addition, any material adverse changes in government policies or legislation in Vietnam or Laos that affects mineral exploration, development or mining activities, may adversely affect the viability and profitability of the Company's assets in those countries.

Loan repayment and finance requirements – Further funding is likely to be required by Zedex to support its activities and operations and if Zedex seeks to maintain its current percentage interest in Olympus. In addition, if any of the Lender Options issued under the various facility agreements (described in Section 9.8) entered into by the Company are not exercised before 27 February 2008, the Company will need to repay the outstanding loan amounts (totalling \$4.435 million) in cash. The Company is currently at the exploration stage in respect of the development of its direct mineral interests, and the investment in Olympus does not yet yield dividend income. Except for revenue that may be earned pursuant to the Bong Mieu Royalty, the quantum of which is uncertain (refer Section 4.5 of this Prospectus) the Company is wholly reliant upon either (i) external financing or (ii) disposal of investments, to fund its debt and capital requirements. There can be no assurance that such financing (or the ability to dispose of its investments for sufficient consideration) will be available to the Company or, if it is, that it will be offered on acceptable terms. Any inability of the Company to obtain required financing (or dispose of investments) on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations and liquidity and require the Company to cancel or postpone planned capital investments.

1.5 Capital Structure

Upon completion of the Offer (based on the Subscription Amount being raised) the capital structure of the Company will be as follows:

	Notes	Shares	\$ (i)
Current Issued Shares		106,037,721	21,207,544
Shares to be issued upon completion of GR Enmore Agreement (refer Section 9.2)		8,992,606	1,798,521
Shares to be issued pursuant to Offer		25,000,000	5,000,000
	(ii)	<u>140,030,327</u>	<u>28,006,065</u>
Options			
Current issued 2008 Options	(iii)	49,953,617	
2008 Options to be issued pursuant to Offer	(iii)	12,500,000	
Current issued Incentive Options	(v)	4,250,000	
Current issued Lender Options	(iv)	22,175,000	
		<u>88,878,617</u>	

Notes:

- (i) Based on the issue price of 20 cents per share. For details of the historical cost of the Shares on issue refer Section 6.
- (ii) The rights attaching to the Shares are described in Section 11.4.
- (iii) The 2008 Options are exercisable at 20 cents each on or before 30 November 2008. The terms of the 2008 Options are set out in Section 11.5.
- (iv) The Company issued these Lender Options exercisable at 20 cents each on or before 27 February 2008 pursuant to the various loan facility agreements entered into by the Company, the terms of which are summarised in Section 9.7. The terms of the Lender Options are summarised in Section 11.6.
- (v) The Incentive Options are exercisable at 25 cents each on or before 30 June 2009. The terms of the Incentive Options are set out in Section 11.5.

Section 2

DETAILS OF THE OFFER

This Section is intended as an introduction and not as a summary of this Prospectus. It should be read in conjunction with the remainder of this Prospectus.

2.1 Description of the Offer

By this Prospectus, the Company invites investors to subscribe for a total of 25,000,000 Shares at an issue price of 20 cents each together with one accompanying 2008 Option (exercisable at 20 cents on or before 30 November 2008) for every two Shares subscribed to raise \$5,000,000. The rights attaching to the Shares and the terms and conditions of the accompanying 2008 Options are summarised in Section 11.5 of this Prospectus.

The Offer is conditional upon completion of the GR Enmore Agreement (refer Section 9.2).

If completion of the GR Enmore Agreement has not occurred by 31 May 2006, or such later date as may be agreed with the Vendors, the Directors will not allot any Shares or 2008 Options pursuant to this Prospectus and the Company will within 7 days thereafter repay all application monies received, without interest.

2.2 Underwriting

The Offer is not underwritten.

2.3 Indicative Dates

Applications open	28 April 2006
Applications close	12 May 2006
Despatch of holding statements	17 May 2006
Trading of Shares on ASX to commence	22 May 2006

These dates are indicative only and may vary. The Company reserves the right to vary the opening and closing dates of the Offer without prior notice. Applicants are encouraged to apply as soon as possible after the Offer opens as the Offer may close earlier than the date specified above. The Company also reserves the right not to continue with the Offer at any time before the allotment of Shares and 2008 Options to successful Applicants.

2.4 Applications for Securities

To apply for Shares and 2008 Options offered pursuant to this Prospectus, the Application Form accompanying this Prospectus (or if you are an investor in New Zealand, the Application Form contained in the New Zealand Investment Statement) must be completed in accordance with the instructions accompanying it and lodged at the Company's share registry, on or before the Closing Date:

By post to

Zedex Minerals Limited
C/- Computershare Investor Services Pty Limited
GPO Box D182
Perth Western Australia 6840
Australia

Or delivered to

Zedex Minerals Limited
C/- Computershare Investor Services Pty Limited
Level 2 Reserve Bank Building
45 St George's Terrace
Perth Western Australia 6000
Australia

Applications must be accompanied by payment in full in Australian currency of 20 cents for each Share applied for (one 2008 Option will be automatically granted for every two Shares successfully applied for no further consideration). Payment must be by way of cheque or bank draft drawn on and payable on an Australian bank and should be made payable to **"Zedex Minerals Limited – Float Account"** and crossed 'Not Negotiable'.

No brokerage or stamp duty is payable by Applicants in respect of their Applications for Shares and 2008 Options under this Prospectus. The amount payable on Application will not vary during the period of the Offer and no further amount is payable on allotment.

Applicants may apply for a minimum of 10,000 Shares representing a minimum investment of \$2,000. Applicants requiring additional Shares must apply for additional Shares in multiples of 2,500 thereafter.

A duly completed and lodged Application Form will constitute an offer by the applicant to subscribe for the number of Shares and 2008 Options applied for pursuant to the Application Form.

Application Forms must not be circulated to prospective investors unless attached to a copy of this Prospectus (or if you are an investor in New Zealand, the Application Form must be accompanied by the New Zealand Investment Statement).

Although this Prospectus (or the New Zealand Investment Statement) may be viewed online at the website at www.zedex.com.au, there is no facility for online Applications. If viewing this Prospectus (or the New Zealand Investment Statement) online, and during the Offer period, any person may obtain a hard copy of the Prospectus by contacting the Company. Please refer to Section 11.9 as to how to receive a paper copy of this Prospectus.

2.5 Minimum Subscription

The minimum subscription to be raised pursuant to this Prospectus is \$5,000,000.

The Company will not issue any Shares pursuant to this Prospectus until the minimum subscription is satisfied.

Should the minimum subscription not be reached within four months from the date of this Prospectus, the Company will either repay the application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their Applications Moneys.

2.6 Allotment of Shares

The acceptance of Applications and the allocation of Shares and 2008 Options is at the discretion of the Directors of Zedex. Zedex reserves the right to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies or to reject an Application. If the number of Shares allotted is fewer than the number applied for, surplus Application money will be refunded without interest.

Application moneys will be held in trust in a subscription account until allotment or, where applicable, it is repaid to the Applicants. The subscription account will be established and kept by Zedex on behalf of the Applicants.

All interest earned on all Application moneys (including those which do not result in allotment of Shares) will be retained by Zedex.

2.7 Australian Stock Exchange Listing

Application will be made by the Company to ASX, within seven days after the date of this Prospectus, for the Company to be admitted to the Official List of ASX and for admission of the existing Shares and 2008 Options as well as the Shares and 2008 Options offered pursuant to this Prospectus to quotation on ASX. If the Company is not admitted to the Official List of ASX and the Shares and 2008 Options are not admitted to quotation within three months after the date of this Prospectus, all Application moneys will be refunded without interest. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or the securities offered pursuant to this Prospectus.

2.8 CHESS

Zedex proposes participating in the Clearing House Electronic Subregister 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.

Under this system, the Company will not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company.

If an investor is broker-sponsored, the ASTC will send them a CHESS statement. The CHESS statement will set out the number of securities allotted to each holder under the Prospectus, give details of the shareholder's Holder Identification Number and give the Participant Identification Number of the sponsor.

If you are registered on the Issuer Sponsored Subregister, your statement will be dispatched by the share registry and will contain the number of securities allotted under the Prospectus and the Shareholder's Securityholder Reference Number.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to security holders at the end of any calendar month during which the balance of their holding changes. A security holder may request a statement at any other time, however a charge may be made for additional statements.

2.9 Overseas Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities, or the Offer, or otherwise to permit a public offering of the Securities, in any jurisdiction outside Australia and New Zealand.

The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia and New Zealand (provided it is accompanied by the New Zealand Investment Statement referred to in Section 2.4).

2.10 Lead Manager to the Offer

The Company has appointed Patersons Securities Limited as its Lead Manager to the Offer. The Company has agreed to pay Patersons Securities Limited a fee of 6% of the gross amount raised by the Offer.

2.11 Restricted Securities

Subject to the Company being admitted to the Official List, certain of the issued securities, other than those subscribed for under this Prospectus, may be classified by ASX as restricted securities and will be required to be held in escrow pursuant to ASX Listing Rules.

2.12 Dividend Policy

The Directors anticipate that in the two year period following admission to the Official List Zedex's activities and expenditure will be focussed on the evaluation, exploration and possible development of its exploration portfolio. Accordingly, the Company does not expect to declare any dividends during that period. Thereafter it is the Directors' intention to pay dividends when profit, available cash flow and capital requirements allow.

2.13 Enquiries in relation to the Offer

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

Section 3

DIRECTORS AND MANAGEMENT

3.1 Directors

Non-Executive Chairman

John Seton *LLM (Hons)*

John Seton has extensive experience in exploration and corporate management. Mr. Seton is a former President of Olympus and past Chairman of the Vietnam/New Zealand Business Council and holds or has held a number of directorships in companies listed on the Australian Stock Exchange, Toronto Venture Exchange and New Zealand Stock Exchange. Mr Seton is also currently a director of Olympus and Chairman of Summit Resources Limited.

Managing Director

Paul Seton *BArch*

Paul Seton has been involved in Vietnam related investment and resources since 1991. A former resident of Hanoi as executive director for NZ listed Iddison Group Vietnam Limited, Mr Seton has been responsible for negotiating a number of investment and exploration or mining licences in Vietnam. He holds or has held directorships in and has been Chairman of a number of Vietnam licenced joint venture enterprises. Mr Seton is committed to advancing Zedex and will draw upon his considerable in-country experience to assist the Company's activities.

Executive Director

Rodney Murfitt *BSc(Geol), AIMM*

Rodney Murfitt is a geologist with more than 30 years experience in the southwest Pacific and southeast Asian regions. He has held a number of senior management roles and has extensive experience of exploration and gold mining activities in Vietnam. Mr Murfitt will be responsible for the Company's exploration activities, and will assist in progressing the Vietnam licence applications.

Non-Executive Director

Peter Jobson *BCom, CA, ACIS*

Peter Jobson is a chartered accountant with more than 50 years experience in industry and public practice, including more than 40 years as director and/or company secretary to several listed companies in the finance and construction industries. His experience includes involvement with the Ok Tedi Mine in Papua New Guinea through Steamships Trading Co Limited, and as Corporate Financial Advisor to the New Zealand Ministry of Energy.

3.2 Management

Bruce McDonald *BSc (Geology and Geography) Consultant Geologist*

Bruce McDonald has 24 years of professional experience in economic geology with expertise in epithermal gold – base metal systems, proven resource discoveries and a strong background in 3-D simulation modelling. He is a keen advocate of the integration of classic geology with cutting-edge digital technologies. He has been responsible for innovative technical developments in challenging environments and has extensive international project management and business development experience.

Patrick Flint *CA, Company Secretary*

Patrick Flint is a chartered accountant and has a number of years of experience in public company administration, corporate regulation, finance and broking. He is also company secretary of Moto Goldmines Limited (listed on the Australian Stock Exchange, Toronto Stock Exchange and AIM) and Red Metal Limited (listed on the Australian Stock Exchange).

Section 4

ZEDEX AND ITS ASSETS

4.1 Background

Zedex is a company incorporated in New Zealand and registered in Australia as a foreign corporation. Zedex is an international resources, exploration and development company engaged in the business of acquiring, exploring and developing mineral properties in Australia, Vietnam and the Asia Pacific region.

The objective of Zedex is to become a leading player in the Asia Pacific gold development sector through developing or controlling profitable operating mines.

The Company is managed from its head office in Auckland, New Zealand. Staff and consultants are also located in Sydney, Australia and in Hanoi, Vietnam.

Since incorporation in 1999, Zedex has raised capital for its mineral exploration activities in Australia and Vietnam and to acquire a strategic investment in TSX listed Olympus.

Zedex's focus is on mineral projects within the Asia Pacific region. It believes this region has significant mineral potential and that opportunities exist to acquire interests in highly prospective projects in certain areas that are relatively untested using modern exploration techniques. Zedex is presently funding exploration related activities in Australia and Vietnam. The Company's exploration portfolio includes the Enmore Gold Project, the Na Pai Gold Project and applications for the Ban Phuong, Hoai An and Tien Thuan projects in Vietnam and the Sanakham project in Laos. In addition Zedex holds a 16.44% undiluted interest in Olympus, and an entitlement to a 2% gross production royalty in respect of a share of gold production at the Bong Mieu gold project in Vietnam. Zedex proposes to investigate opportunities to acquire further prospective exploration and mining interests in the Asia Pacific region.

4.2 Enmore Gold Project (Zedex 100% in two exploration licences and is earning 80% in two other exploration licences, subject to completion of GR Enmore Agreement)

Project location and setting

The Enmore Gold Project covers approximately 325km² and is located in the Enmore – Melrose Goldfield in north eastern New South Wales. The project is approximately 30 kilometres south-east of Armidale township. Zedex holds a 100% interest in two exploration licences covering 290km² and is earning an 80% interest, subject to completion of the GR Enmore Agreement, in two exploration licences covering 35 km².

Alluvial gold was first discovered in the Enmore – Bora area in 1876. Prospecting and small scale production (via pits, adits, and a number of shallow shafts) was undertaken until the early part of the twentieth century. The Enmore – Melrose Goldfield contains thirty-nine known hard rock mines. The last reported activity in the field was in 1940. Recorded hard rock gold production during this period is 1,836 ozs, however no records of production are available for the alluvial operations or the numerous smaller mines in the field. The Hillgrove Gold and Antimony Field, 20 kilometres to the north of Enmore, has produced around 25 tonnes of gold (more than 800,000 ounces).

Gold mineralisation in the Enmore Field occurs in intensely sheared and altered adamellite and sediments, as well as in discrete quartz veins or zones of quartz veins in both igneous and sedimentary hosts. In places the mineralised systems are up to 100 metres wide by 500 metres long. These zones appear to be the higher grade zones of larger areas of patchy mineralisation which extends many kilometres along regional scale fault zones.

Historical exploration

Activity on the Enmore Gold Project using modern exploration techniques commenced in the 1970s, has been undertaken by a number of different companies, and has been limited. Work has included stream, rock and grid geochemistry, geophysics, geological mapping, underground sampling of historic workings, percussion and diamond drilling and preliminary metallurgical testing. The work delineated several prospective areas at the Mt Bora, Fernside, Sherwood, Red Hill, Sunnyside, Hand in Hand and Postman's Gully areas.

It was not until the Company's involvement that a compilation and analysis of all the historic production and recent exploration activity was completed. Interpretation of data from a recently completed low level detailed aeromagnetic survey of the Project has also led to the development of a new structural interpretation of the area and controls to mineralisation. This work has highlighted the potential for bulk tonnage low grade and high grade gold deposits within the Project from:

- The previously identified deposits that require further work, in particular Sunnyside and Bora; and
- Other prospective structurally controlled targets within the Project that have been identified but have been the subject of only very limited exploration.

Sunnyside

The Sunnyside mine was drilled in the period 1995 to 1997. A total of 128 percussion holes for a total of 2,871 metres have been drilled. More than 30 intersections returned assays exceeding 2 g/t Au over an interval of 2 metres or more, including 4m @ 11.9 g/t Au, 2m @ 14.6 g/t Au and 4m @ 6.2 g/t Au. The drilling shows that the mineralisation extends out from the major structure for a distance varying from 50 to 100 metres. There is potential for gold mineralisation to be developed over a strike length of approximately 400 metres. Results from preliminary metallurgical testwork are encouraging.

An initial diamond drilling program at Sunnyside will test depth/strike extensions to the identified zone of mineralisation. The target is a bulk tonnage low grade gold deposit which could be amenable to open pit mining activities.

Bora

At the Bora mine widespread gold mineralisation occurs with higher grade shoots developed along structurally controlled fluid paths. Shallow percussion drilling has been undertaken over a strike length of about 150 metres since 1994. This work showed widespread but low grade near surface mineralisation, with better results including 12m @ 7.57 g/t Au, 9m @ 3.44 g/t Au and 2m @ 5.42 g/t Au.

There is considered to be potential for the discovery of significant economic mineralisation reporting in a combination of low grade oxide-stockworks and higher grade, structurally extensive, quartz-sulfide shear lode structures.

An initial diamond drilling program at Bora commenced in late March 2006 targeting the definition of near surface mineralisation and refining the geometry and grade of this structure. This will be followed by a programme to target depth extensions to lode geometry defined in the initial program.

Other Targets

In addition to the Sunnyside and Bora prospects discussed above, there is potential for the discovery of bulk tonnage high grade deposits within the project. High grade gold quartz reef deposits with small to moderate tonnage potential occur in both faulted contact settings and in higher grade settings similar to that at Hillgrove. Grades of up to 100 g/t Au have been returned from chip sampling. Further, interpretation of the recent aeromagnetic survey data suggests that there are a number of major structures running parallel to the known Sunnyside-Bora mineralised faults, and there are a number of crosscutting structures. Nearly all of the mapped historical workings occur near the intersections of the regional fault zones. A number of key target zones that have not been previously tested have been identified.

A soil sampling program was conducted over the central part of the tenement block in December 2005 and January 2006. Two main anomalous trends were identified; the northern zone extending east from Bora and the southern zone in the Sunnyside area. A newly identified anomaly about one kilometre east of Sunnyside is considered a prime exploration target.

4.3 Vietnam Licence and Licence Applications

The directors believe that Vietnam is one of the most under explored and potentially most prospective areas in the Asia Pacific region.

The Company has recently been granted an exploration licence for the Na Pai project (subject to lodgement of a security deposit) and has submitted applications for three other exploration licences (in respect of two projects) in Vietnam.

Na Pai Epithermal Gold Prospect (Zedex 100% – subject to lodgement of a security deposit, 70% to 85% interest in any project developed)

In March 2006 NP Mining limited, a wholly owned subsidiary of Zedex, was granted an exploration licence over the prospect in conjunction with local partner Vietnam Minerals Corporation ("Vimico"). The issue of the licence is subject to the lodgement by NP Mining limited of a security deposit for US\$32,312. The Company has commenced the process of lodging the security deposit, and is not aware of any reason why this process will not be completed by April 30, 2006. Vimico is a State owned enterprise, and its involvement in the project should it progress to the mining stage is a requirement of State legislation (refer Section 8.2). Under the agreement with Vimico, Zedex has a 100% interest in the licence, with Vimico entitled to be a joint venture partner in any project developed. The terms of the joint venture will be negotiated at the end of the exploration period should a commercial deposit be identified, but it is expected that Vimico would be entitled to between 15% and 30% of any such joint venture.

The project covers approximately 8.8km² of prospective ground about 180 kilometres north northwest of Hanoi in northern Vietnam, close to the Chinese border. The project lies within the Song Heim graben, a north west-south east trending rift structure that has been long considered as a metallogenic province with good potential to host epithermal gold deposits.

Gold has been historically produced in the area from underground mines at Pac Lang, although there is only minor recorded production from the project.

Gold mineralisation at the Na Pai Project and surrounding areas was first recorded in 1985, during regional mapping programs. Relatively detailed exploration within the area has revealed about 150 gold occurrences or gold anomalous geochemical zones. Field reconnaissance within the project has confirmed the presence of shear hosted auriferous quartz-sulphide mineralisation within a one square kilometre or so alteration zone.

Zedex plans to direct initial exploration at Na Pai towards establishing the extent and geometry of near surface stockwork mineralisation, as well as identifying targets for drill testing the quartz vein mineralisation potential of the Na Pai fault.

Hoai An and Tien Thuan Gold Prospects (Zedex 100% – licence application, 70% to 85% interest in any project developed)

KS Mining Limited, a wholly owned subsidiary of Zedex, has applied for exploration licences over the Hoai An and Tien Thuan prospects in conjunction with local partner Binh Dinh Minerals Joint Stock Company ("Bimico"). Bimico is a State owned enterprise, and its involvement in the project should it progress to the mining stage is a requirement of State legislation (refer Section 8.2). Under the agreement, Zedex has a 100% interest in the application, with Bimico entitled to be a joint venture partner in any project developed. The terms of the joint venture will be negotiated at the end of the exploration period should a commercial deposit be identified, but it is expected that Bimico would be entitled to between 15% and 30% of any such joint venture.

The Hoai An prospect covers approximately 100km² and is located in the Hoai An District of Binh Dinh Province in central Vietnam, approximately 200 kilometres south of Danang.

Numerous gold shows occur in this area, in both hard rock and alluvial settings. Gold mineralisation in the area is primarily within quartz-veining, with veins ranging in width from 40 centimetres to 20 metres, and traceable over strike lengths of 10 to 70 metres, being identified.

Zedex considers the quartz vein systems to have considerable potential. Initial exploration will be focussed on detailed mapping of these systems, and identifying key target areas for drill testing.

The Tien Thuan prospect covers approximately 22km² and is located in the Binh Dinh Province in central Vietnam approximately 200 kilometres south of Danang, and immediately south of the Hoai An application area.

About thirty alluvial and hard rock gold occurrences lie within the prospect. Previous exploration by Vietnamese geologists between 1990 and 1993 identified the presence of gold mineralisation in a series of six sub parallel, steeply dipping quartz veins within a granite host rock. Recent work indicates that the largest of these veins has a potential strike length in excess of 15km. The Directors believe that the results of previous work are highly encouraging and that there is considerable potential to delineate mineable gold mineralisation.

Ban Phuong Prospect (Zedex 100% – licence application, 70% to 85% interest in any project developed)

OVMC Limited, a wholly owned subsidiary of Zedex, has applied for an exploration licence over this prospect in conjunction with local partner Son La Mineral Company ("SLMC"). SLMC is a State owned enterprise, and its involvement in the project should it progress to the mining stage is a requirement of State legislation (refer Section 8.2). Under the agreement, Zedex has a 100% interest in the application, with SLMC entitled to be a joint venture partner in any project developed. The terms of the joint venture will be negotiated at the end of the exploration period should a commercial deposit be identified, but it is expected that SLMC would be entitled to between 15% and 30% of any such joint venture.

The prospect covers approximately 98km² and is located within the Son Da regional rift structure in the north of Vietnam approximately 200 kilometres northwest of Hanoi. The rift is known to host numerous porphyry copper-gold deposits to the north-west in the Yunnan province of China.

Previous exploration resulted in the discovery of Hill 807, a large porphyry intrusion that covers about one and a half square kilometres within the project area. Exploration around the alteration zone associated with Hill 807 has identified anomalous copper mineralisation and the highest copper soil sample returned 3.6% copper. The nature of the alteration and brecciation within the intrusion suggests the area has been the focus of a porphyry style mineralizing system of alkalic affinities. Such systems elsewhere in the Pacific Rim have produced significant orebodies in and around the margins of the intrusions.

Zedex plans to further evaluate Hill 807, along with conducting regional mapping and stream sediment sampling in order to identify any further porphyry style targets.

4.4 Interest in Olympus Pacific Minerals Inc.

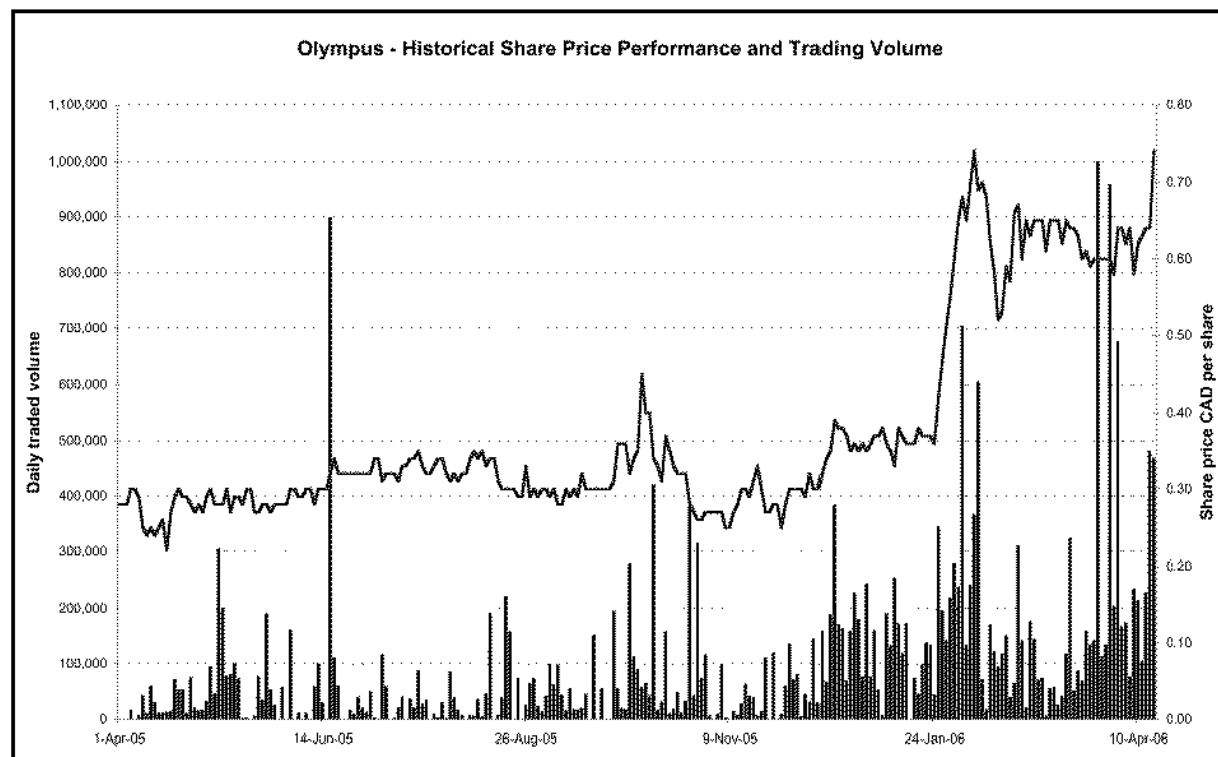
Zedex holds approximately 27 million shares in Olympus, which represents approximately 16.44% of Olympus' total issued capital (refer to the Independent Accountant's Report in Section 6).

Zedex has compiled the following overview of Olympus based on publicly available information.

Olympus is an international company involved in mineral exploration and development of properties in Southeast Asia with a main focus on Vietnam. Olympus is incorporated in the state of Yukon, Canada and its shares trade on TSX (code: OYM). As at the date of this Prospectus Olympus has on issue approximately 164.1 million shares and approximately 19.0 million options (at a weighted average exercise price of approximately CAD\$0.42). The principal shareholders of Olympus are Dragon Capital (approximately 39.15%) and Zedex (approximately 16.44%, represented by approximately 27 million shares). The board of Olympus consists of five directors. Zedex has the right to appoint two directors to the Olympus board provided Zedex holds 15% or more of Olympus' issued share capital as at the record date for a general meeting. If Zedex's shareholding in Olympus is reduced to less than 15% of Olympus' issued share capital (but not less than 10%) as at the record date for a general meeting, Zedex can nominate only one director for election by Olympus' shareholders. If Zedex's shareholding is reduced to less than 10% of Olympus' issued share capital as at the record date for a general meeting, then Zedex is no longer entitled to nominate any director. John Seton has been appointed a director and Zedex's other nominee Mr David Seton (a former director of Zedex) is Chairman and Chief Executive Officer of Olympus. As at 20 April 2006 the market capitalisation of Olympus was approximately \$134.8 million.

The net assets of Olympus as at 30 September 2005 (being the most recent publicly available financial information) were C\$28,046,445, and its working capital position was \$4,324,507. The loss for the nine months ended 31 September 2005 was \$2,095,181, and accumulated losses to 30 September 2005 were \$24,306,471. Olympus has not reported an operating profit in recent years, and has funded its operating activities from debt and equity financing. On 31 March 2006 Olympus completed the issue of 27 million shares at an issue price of C\$0.58 (approximately \$0.70) to raise C\$15.66 million (approximately \$19 million). Zedex is not under any contractual or other obligation to fund Olympus or maintain its percentage shareholding.

The recent share price performance and daily trading activity of Olympus is shown in the following chart. Please note that past performance of Olympus' share price is not an indicator of its future share price. Zedex makes no representation as to the price of Olympus' shares in the future.



Olympus is exploring and developing a number of prospective gold projects in Vietnam, including the Bong Mieu Gold Project (Olympus 80%) and the Phuoc Son Gold Project (Olympus 85%), both of which are located in central Vietnam, near the port city of Danang. Olympus commenced gold production at the Bong Mieu gold project in late 2005, obtained a mining licence for development of the Phuoc Son gold project in early 2006, and plans to continue an extensive exploration programme over its prospective properties.

Overview of Olympus' Lead Projects

Bong Mieu Gold Project (Olympus 80%)

The Bong Mieu Gold Project area covers an area of 30 km² and contains three deposits, Bong Mieu Central (an open pit), Bong Mieu East (a potentially open-pitiable deposit) and Bong Mieu Underground, and a number of additional under-explored targets.

Bong Mieu Central

Exploration and development work to date has identified a measured and indicated resource of 1.1 million tonnes at 2.36 g/t gold for 84,300 ounces of gold, including proven and probable reserves of 858,000 tonnes at 2.42 g/t gold for 66,550 ounces of gold.

Olympus announced the positive results of an independent pre-feasibility study on its trial mining project in November 2004. Mine construction and commissioning was undertaken during 2005, and commercial gold production commenced December 2005. The plant is capable of processing 500 tonnes of ore per day. Olympus' has an 80% interest in the project, and Olympus' share of production is subject to a 3% net smelter royalty to the Vietnamese government as well the Bong Mieu Royalty in favour of Zedex (refer Sections 4.5 and 9.6). Olympus plans to use its share of project profits to fund the ongoing exploration programme at Bong Mieu and elsewhere in Vietnam. Production has only recently commenced, there is limited publicly available information and there are significant uncertainties associated with forecasting future revenues or profits associated with the project. On this basis, the Directors believe that reliable forecast information cannot be prepared and accordingly have not included forecasts or estimates in relation to the Bong Mieu Central project in this Prospectus.

Olympus has announced that it considers the potential for resource expansion at Bong Mieu Central to be favourable as the ore body remains open for expansion.

Bong Mieu East

Exploration work to date has identified a measured and indicated resource of 878,000 tonnes at 1.9 g/t gold for 53,600 ounces of gold, plus an inferred resource of 1,380,000 tonnes at 1.8 g/t gold for 78,900 ounces of gold. Drilling of extensions to the existing known mineralisation has identified significant mineralisation.

In addition to the identified resources, two significant gold anomalies have been identified. An induced polarization geophysical survey completed in 2005 has also identified numerous large anomalies with associated gold in soil, extensive surface alteration and gold showings.

The deposit is located on the north limb of a major fold structure which trends for approximately 6 kilometres. This major alteration system has received only minor drill testing outside of Bong Mieu East.

Bong Mieu Underground

The underground deposit operated from 1896 to 1941, with past production estimated at 84,000 oz. The mineralisation is extensive, having a known strike length of approximately 2.5 kilometres.

Exploration work to date has identified a measured and indicated resource of 216,700 tonnes at 6.51 g/t gold for 45,300 ounces of gold, plus an inferred resource of 1,220,000 tonnes at 8.1 g/t gold for 317,300 ounces of gold.

Phuoc Son Gold Project (Olympus 85%)

The Phuoc Son Gold Project covers an area of 70 km². To date over 30 gold prospects have been identified within the project area. Many of these prospects are associated with various forms of artisanal mining activity. The most advanced prospect is the Phuoc Son South project area.

Phuoc Son South

In the southern area drilling has identified a measured and indicated resource of 203,000 tonnes at 18.95 g/t gold for 124,000 ounces of gold, plus an inferred resource 83,000 tonnes at 18.12 g/t of gold for 48,000 ounces of gold.

In the northern area drilling has identified a measured and indicated resource of 153,000 tonnes at 8.87 g/t gold for 44,000 ounces of gold, plus an inferred resource of 73,000 tonnes at 7.1 g/t gold for 17,000 ounces of gold.

Recent drill results have continued to extend the northern deposit mineralisation along strike and confirm that the deposit remains open over a strike length of one kilometre. Drilling 500 metres to the south intersected the same structure with alteration and veining present and, thus in conjunction with the southern deposit, has shown the deposit trend to continue for over 2.5 kilometres.

In January 2006 the Government of Vietnam issued a mining licence to mine and develop the Phuoc Son gold project. Olympus plans to upgrade a previously completed, independent preliminary assessment of the project with recent positive drill results. A construction and commissioning schedule will also be completed.

Additional exploration programs completed at Phuoc Son South and other areas within the Phuoc Son project have confirmed the potential of this area to host new deposits.

Other Olympus Projects

Olympus has made several applications for exploration licences in Vietnam and has also lodged, in conjunction with Zedex, an application for an exploration licence in Laos (refer Section 4.6).

Zedex's Strategy in Relation to Olympus

Zedex assisted Olympus' initial move to acquire interests in gold projects located in Vietnam in January 2000, which resulted in Zedex holding a direct interest in the Phuoc Son project in joint venture with Olympus and others. In 2004, as part of the rationalisation of joint venture holdings, Zedex sold its direct interest in the Phuoc Son project and received as consideration shares in Olympus. Since acquiring its initial holding Zedex has continued to invest in Olympus to maintain its percentage holding (at between approximately 15% to 20%). The total cost of the investment in Olympus to date by Zedex is approximately \$10.1 million. This investment has a market value, based on the closing share price of Olympus on 20 April 2006 of CAD\$0.69, of approximately \$22.1 million.

Zedex considers the projects in which Olympus has an interest are at an early stage of development and as such much of their potential is currently unrealized. Whilst significant progress has been made recently in bringing the Bong Mieu Central project into production, Zedex believes there is potential for (i) an increase in the main life of this project; and (ii) development in the near future of a mine at the Phuoc Son project. Zedex therefore believes there is potential for further capital growth in the value of the investment in Olympus, and as a result at this stage proposes to retain its investments in Olympus. Zedex will however monitor its own funding requirements, and if appropriate Zedex would consider disposing of a portion of its investment in Olympus.

4.5 Bong Mieu Royalty

Zedex has an entitlement to a 2% gross production royalty in respect of Olympus' share gold production at the Bong Mieu gold project in Vietnam. As at the date of this Prospectus, Zedex had not received any payments in respect of this royalty. Refer Section 4.4 for discussion on planned production at Bong Mieu and Section 9.6 for a summary of the royalty agreement. Production has only recently commenced, there is limited publicly available information and there are significant uncertainties associated with forecasting future revenues or profits associated with the project. On this basis, the Directors believe that reliable forecast information cannot be prepared and accordingly have not included forecasts or estimates in relation to the Bong Mieu project or the Bong Mieu Royalty in this Prospectus. Any revenue received pursuant to the Bong Mieu Royalty would be used to meet the Company's ongoing exploration and administration expenses.

4.6 Laos Licence Application

Zedex (49% interest) has made application for, in conjunction with Olympus (51% interest), the Sanakham exploration licence in Laos. The application covers an area of approximately 2,365 km² and is located in the Sanakham district, lying within the Western sector of Vientiane province and across the Mekong river into the adjoining Xoignabouli province. The Company does not expect the application to be granted in the near future.

Section 5
INDEPENDENT TECHNICAL REPORT



RESOURCE EQUITY CONSULTANTS PTY LTD

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18 April 2006

The Directors
Zedex Minerals Limited
Level 2, Claymore House
63 Fort Street
Auckland 1030
NEW ZEALAND

Dear Sirs

**INDEPENDENT TECHNICAL SPECIALIST'S REVIEW OF YOUR COMPANY'S GOLD
EXPLORATION PROJECT INTERESTS IN NEW SOUTH WALES AND VIETNAM**

1. REASONS FOR AND PURPOSE OF THIS REPORT

You have advised us that Zedex Minerals Limited ("Zedex" or "the Company") has committed to a capital raising and to seek admittance to the official list of the Australian Stock Exchange Limited ("ASX"). You have indicated that 25,000,000 ordinary shares will be offered at a price of \$0.20 each together with one attaching option for every two shares subscribed for, to raise \$5,000,000 prior to expenses ("the Offer").

You have requested us to prepare an independent technical review of your Company's gold exploration projects. These include your interest in three granted tenements and one tenement still at the application stage at Enmore near Armidale in northern New South Wales, and project assets still at the application stage in Vietnam. You have indicated that our report will be included in a prospectus to be dated on or about 21 April 2006 ("the Prospectus"), which will be released in relation to the Offer.

The sole purpose of our report is its use by you and persons who subscribe to the proposed capital raising pursuant to the Prospectus, and it should not be relied upon by other persons, or used for any other purpose.

2. SUMMARY

2.1 Zedex

Zedex is a New Zealand exploration company which directly or through its associates has been active in the Vietnam resources sector since the early 1990s. It has more recently acquired interests in gold exploration tenements in Australia. Zedex's principal corporate objective is to leverage off its existing assets to become a significant gold company in the Asia Pacific region.

In addition to its project interests, Zedex has a 16.5% shareholding in Olympus Pacific Minerals Inc ("Olympus Pacific"), a Canadian company whose shares are listed on the Canadian TSX Venture Exchange. A review of Olympus Pacific and its project assets is outside the scope of this report.



2.2 Zedex's Project Assets

Zedex's exploration assets include interests in granted tenements near Armidale in northern New South Wales, and interests in one granted project area and two others still at the application stage in Vietnam.

Zedex's Enmore project in New South Wales is prospective for structurally controlled gold deposits of hydrothermal origin. The project area has many similar characteristics to the Hillgrove field some 20 kilometres to the north, which has produced more than 800,000 ounces of gold. Past production from the Enmore area has come from underground mines and alluvial workings, and two of these mines in particular, the Sunnyside and Bora mines, will form part of Zedex's exploration focus. In addition, a high resolution aeromagnetic survey and a detailed soil geochemical survey have recently been completed, and interpretation of the geophysical and geochemical data has outlined four key target zones for further gold exploration activities.

Zedex has prepared a two year exploration program and budget for the Enmore project in New South Wales. The budget is summarised in Table 1.

Table 1
Proposed Exploration Budget, Enmore Project

Enmore Project	Year 1	Year 2	Total
Geology - mapping	\$150,000	\$150,000	\$300,000
Geochemical surveys	\$150,000	\$100,000	\$250,000
Geophysics	\$50,000	\$50,000	\$100,000
Drilling	\$750,000	\$1,000,000	\$1,750,000
Other	\$50,000	\$50,000	\$100,000
Totals	\$1,150,000	\$1,350,000	\$2,500,000

One of Zedex's exploration projects in Vietnam has been granted, and two are still at the application stage. Gold mineralisation is known to occur in all three project areas, and all three projects are prospective for large gold deposits. In addition, one of these project areas, Ban Phuong, is also prospective for copper deposits.

Zedex has also prepared two year exploration programs and budgets for the Vietnam projects. Other than for the granted project at Na Pai, the program for each project will only commence upon granting of the relevant licence, the timing of which is uncertain. The budget is summarised in Table 2.

Table 2
Proposed Exploration Budget, Vietnam Projects

Project	Year 1	Year 2	Total
Na Pai	\$100,000	\$100,000	\$200,000
Ban Phuong	\$125,000	\$165,000	\$290,000
Tien Thuan/Hoai An	\$215,000	\$345,000	\$560,000
Total	\$440,000	\$610,000	\$1,050,000

3. INTRODUCTION

3.1 Purpose of this Report

This report has been prepared for inclusion in Zedex's Prospectus to be dated on or about 21 April 2006, which has been released in connection with a capital raising and application for official listing on the ASX.



Pursuant to the Prospectus, a total of 25,000,000 ordinary shares will be offered at a price of \$0.20 each, together with one attaching option for every two shares subscribed for, to raise \$5,000,000 prior to expenses.

The sole purpose of our report is its use by you and persons who subscribe to the Offer pursuant to the Prospectus, and it should not be relied upon by other persons, or used for any other purpose.

3.2 Profile of Zedex

Zedex is a New Zealand company which was incorporated in 1999. Its principal corporate objective is to be an active gold development company with a focus in the Australian and South East Asian regions. Zedex and its affiliates was one of the first foreign investors in Vietnam and companies within the group have been continuously operating there since the early 1990s. In addition to its project interests, Zedex has a 16.5% shareholding in Olympus.

Zedex's assets are set out schematically in Figure 1 below.

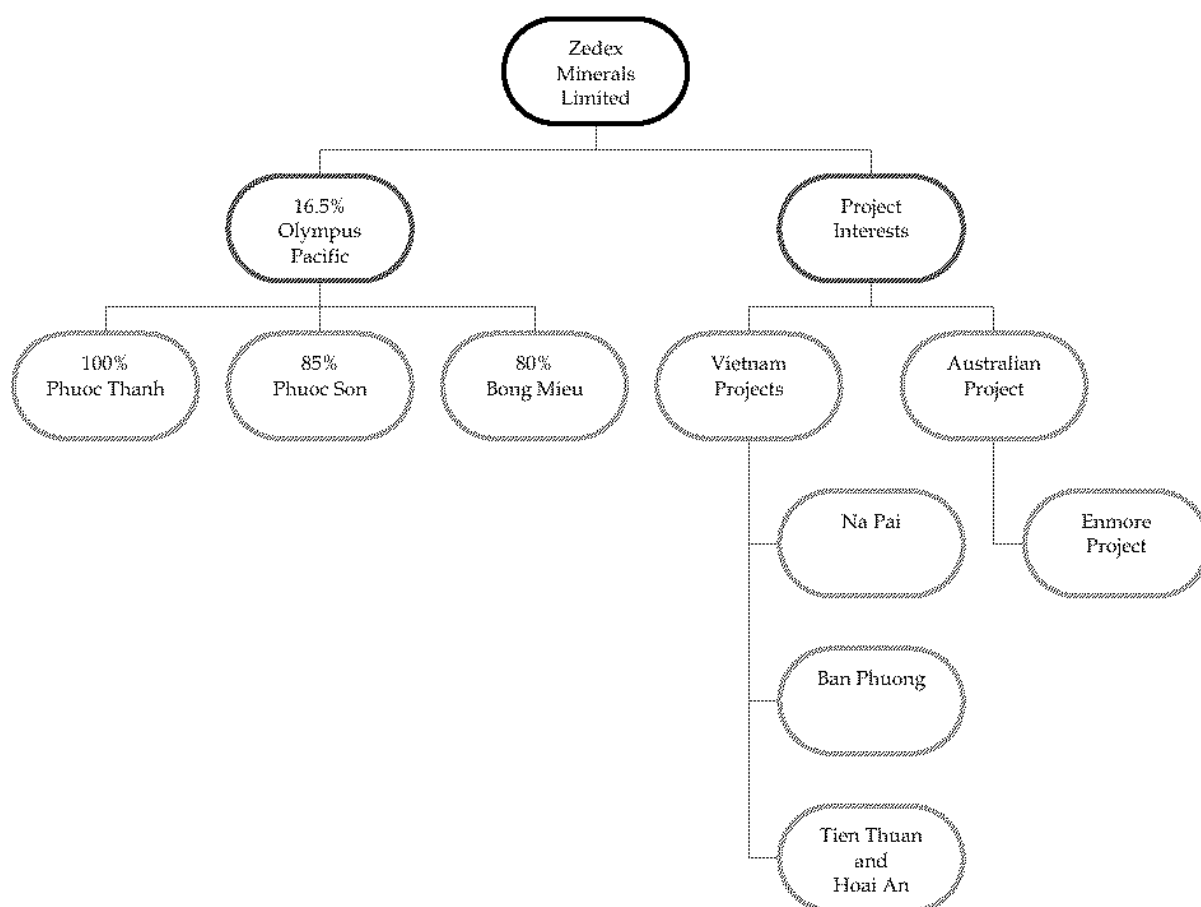


Figure 1
Schematic Diagram Showing Zedex's Key Assets

This report focuses on Zedex's Australian and Vietnam project assets. We have not reviewed Olympus Pacific nor its project assets.



4. METHODOLOGY ADOPTED BY US FOR OUR ASSESSMENT OF ZEDEX'S EXPLORATION PROJECTS

4.1 The Valmin Code

The methodology which we have adopted for the assessment of the Company's exploration projects in this report generally follows that laid out in the Valmin Code¹.

This code sets out a set of principles to be followed by authors engaged to prepare technical assessments and/or valuations of mineral project assets and securities for published independent expert reports. The fundamental principles of the code include transparency, independence, competence and materiality. Its use in Australia is mandatory for authors of reports such as this, who are members of the Australasian Institute of Mining and Metallurgy. The Valmin Code is widely regarded as the world's pre-eminent code of good practice for this type of report.

A glossary of technical terms used in our report is attached as Appendix 3.

4.2 Time Datum of Assessment

Our assessment of the Company's mining and exploration tenement assets has been made as at a time datum of late March 2006.

4.3 Exploration Results, Mineral Resource and Ore Reserve Estimates

All references to exploration results, mineral resources and ore reserves, except where noted, are in keeping with the recommendations contained in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, December 2004 edition².

5. INFORMATION SOURCES

The principal sources of information used by us in preparing this report are listed in Appendix 1.

In addition to reviewing the information in those reports, we also benefited from site visits we made to the Enmore gold exploration project near Armidale in September 2005.

Prior to the completion of this report, Zedex's directors have represented in writing that full disclosure has been made to us of all material information relating to the Company's assets which are relevant to the preparation of this report, and that to the best of their knowledge and understanding, such information is complete, accurate and true. In addition, the Company has assured us that we have had such access to its personnel and records to enable us to make a proper assessment of its assets, and that our independence has been respected at all times.

¹ The Valmin Code is the Code and Guidelines for Assessment and/or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for Independent Expert Reports, published by The Australasian Institute of Mining and Metallurgy, April 2005 version.

² Also known as the JORC Code.



6. TECHNICAL REVIEW OF ZEDEX'S ENMORE GOLD EXPLORATION PROJECT, NEW SOUTH WALES

6.1 Introduction

Alluvial gold was first discovered in the Enmore – Bora area south east of Armidale in northern New South Wales in 1876. There was extensive prospecting and small scale production via pits, adits, and a number of shallow shafts until the early part of the twentieth century. The last reported activity in the field was in 1940.

A detailed study of the Sherwood mine was carried out by a previous explorer on Benevis station from 1973 to 1974. This study involved mapping and drilling of the area and this work revealed the presence of both coarse free gold in quartz-healed breccia and fine disseminated gold in narrow breccia veins within the adamellite. This area is now covered by ML 110. Zedex has no interests in ML 110.

Another company assessed a large part of the Enmore - Melrose area from 1981 to 1985. This work involved stream, rock and grid geochemistry, geophysics, geological mapping and percussion and the only diamond drilling conducted to date in the project area. Exploration activities delineated several prospective areas at Mt. Bora, Fernside, Sherwood, Red Hill, Sunnyside, Hand in Hand and Postman's Gully areas.

Another company acquired tenements in the area in 1993 and over a period of five years this group completed a systematic appraisal of portions of the project area. Work completed during this period included geological mapping, soil sampling, underground sampling of historic workings, and percussion drilling. A new zone of mineralisation hosted within the shear zone environs of the Sunnyside prospect was discovered. Preliminary metallurgical studies and conceptual open pit mine designs were also prepared.

GR Enmore Pty Ltd ("GR Enmore") entered into an option agreement with Providence Gold in November 2004 pursuant to which GR Enmore was granted an option to earn an 80% interest in Providence Gold's two exploration licences at Enmore. The key terms of the option agreement include:

- GR Enmore agreed to pay an amount of \$5,000 to Providence Gold on execution of the agreement, and on each anniversary of the execution date;
- GR Enmore agreed to incur an exploration expenditure of not less than \$150,000 each year and to keep the tenements in good standing; and
- Providence Gold would transfer an 80% interest in the tenements to GR Enmore on completion by GR Enmore of a bankable feasibility study for development of a mining operation on the property.

GR Enmore has managed exploration activities on the Enmore project since it entered into the option agreement with Providence Gold. GR Enmore's work commenced with the systematic compilation of all past exploration data. In September 2005 a low level detailed aeromagnetic survey of the project area was completed, and more recently a detailed soil geochemical survey has also been conducted. Interpretation of the aeromagnetic survey data has led to the development of a new structural interpretation of the area and controls to mineralisation, while the geochemical survey has confirmed a number of target zones and outlined at least one other prospect which has not yet been drilled.

Zedex has entered into an agreement with GR Enmore's shareholders pursuant to which the vendors agreed to sell GR Enmore to Zedex, subject to the satisfaction of a number of conditions including the listing of Zedex on the ASX. Details of this agreement are beyond the scope of our report, but are set out elsewhere in this Prospectus.

6.2 Location, Access and Tenure

The Enmore project area consists of two exploration licences, ELs 4619 and 4702, held by Providence Gold, which are located some 30 kilometres to the south east of the city of Armidale in northern New South Wales, and two granted exploration licences, ELs 6502 and 6519 held by Zedex. In total, the tenements cover an area of 325 square kilometres.

Access from Armidale is by way all weather bitumen and well maintained gravel roads to within a few kilometres of the key prospects. Station tracks must be used to gain access to the prospects.

The location of the exploration tenements is shown in Figure 2. This drawing also shows the locations of two of the key prospects in the Enmore project area at Mt Bora and Sunnyside. These two prospects are discussed in more detail in Section 6.5 below.

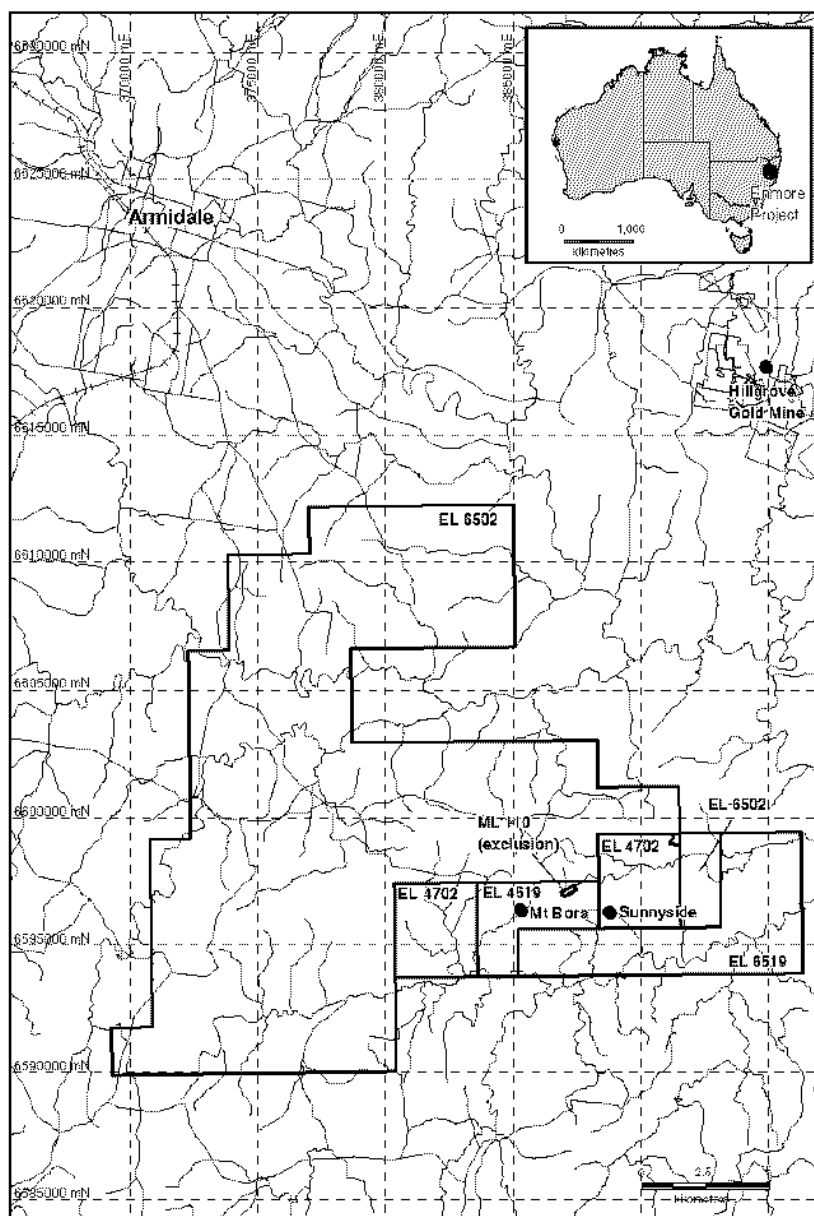


Figure 2
Exploration Tenements at Enmore

6.3 Past Production

Gold was discovered in the alluvials of Bora Creek between 1876 and 1881. Hard rock mining and prospecting activities were carried out in the 1890s, 1910s and 1930s. The region contains 39 known hard rock mines and a substantial number of alluvial workings. No production figures are available for the alluvial operations, but recorded production from hard rock mines during this period is 1,836 ounces of gold. The majority of this production was from the Lone Hand, Queen of Sheba, Mt Bora, and Sherwood mines. No records of production are available for the Sunnyside, Hand in Hand, or the plethora of smaller mines.

The last active gold mining lease was cancelled in 1940.

6.4 Regional Geology

The project area lies within a north-east trending zone of Permo-Carboniferous granitoids occurring *en echelon* within a north-east trending system of major faults. These faults locally form the contacts to the plutons and Carboniferous Girrakool bed metasediments and at times dissect the plutons. Most of the significant gold occurrences are located proximal to and along the trend of the regional faults.

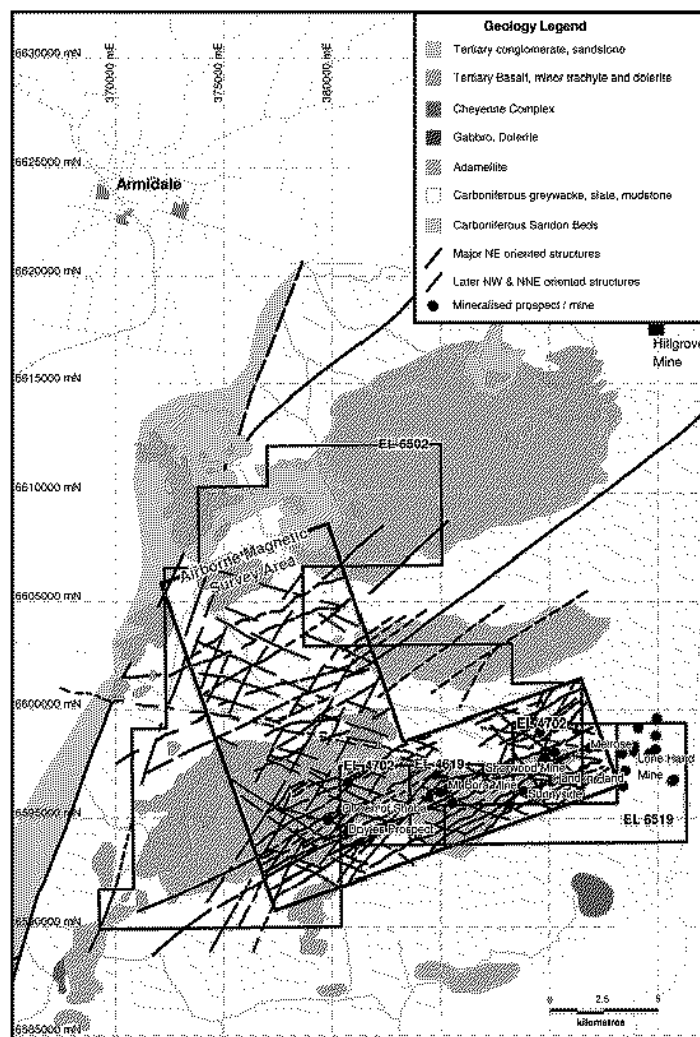


Figure 3
Regional Geology - Enmore Project Area

The regional geology of the Enmore project area is shown in Figure 3. This drawing also shows the outline of the area covered by GR Enmore's September 2005 aeromagnetic survey, which is discussed in Section 6.6 below.

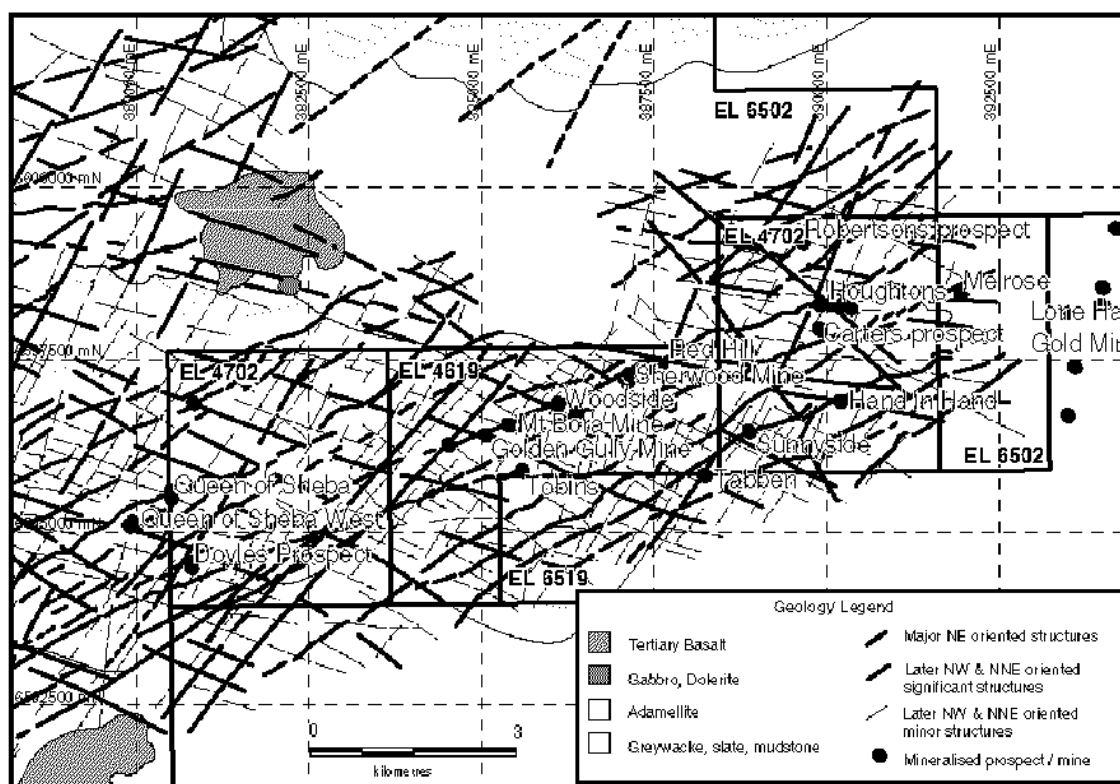
Mineralisation of varying chemical and structural character is closely associated with the major fault zones in and around Enmore. This mineralised corridor extends from Rockvale, 25 kilometres north-east of Armidale, through to Hillgrove 20 kilometres to the east of Armidale, and then to Enmore itself some 30 kilometres south-east of Armidale.

The Hillgrove gold and antimony field, 20 kilometres to the north of Enmore, is bounded to the north and south by north easterly trending faults. Some 25 tonnes of gold (more than 800,000 ounces) has been produced from the Hillgrove area. Mineralisation at Enmore lies on and between the Sheba, Bora and Sunnyside faults, all of which trend in a north easterly direction. The structural setting at Enmore is therefore broadly similar to that at Hillgrove.

6.5 Project Geology

Gold mineralisation in the Enmore field is structurally controlled and located in most cases within mylonite zones associated with the north-east trending Sheba, Bora, Sunnyside, and other sub-parallel faults. The gold occurs in intensely sheared and altered adamellite and sediments, as well as in discrete quartz veins or zones of quartz veins in both igneous and sedimentary hosts. In places the mineralised systems, which are defined by intense alteration and elevated gold values, are up to 100 metres wide by 500 metres long. These zones appear to be the higher grade zones of larger areas of patchy mineralisation which extends many kilometres along regional scale fault zones.

The locations of the key former mines and current prospects are shown in Figure 4.



6.5.1 Sunnyside

Flexures of up to 20 degrees in the strike of regional faults have been mapped in several areas, and these flexures are often associated with higher concentrations of gold mineralisation. An example is the Sunnyside mine on the Sunnyside fault. Gold mineralisation here has a strong arsenic association and there are zones of high grade supergene enrichment. Percussion drilling here has shown that the mineralisation extends out from the major structure for a distance of varying from 50 to 100 metres. There is potential for gold mineralisation to be developed over a strike length of 400 metres or so in this area.

The Sunnyside mine was drilled in the period from 1995 to 1997. In total, some 128 percussion holes for a total of 2,871 metres have been drilled. More than 30 intersections returned assays exceeding 2 g/t gold over an interval of 2 metres or more, with the best intersections being 4 metres averaging 6.2 g/t gold from 18 metres in hole SP13C, 2 metres averaging 14.6 g/t gold from a depth of 46 metres in hole SP13E, and 4 metres averaging 11.9 g/t gold from the surface in hole SP3B.

Limited metallurgical studies have been completed to date. This work focussed on bottle roll cyanide leach testing of selected samples, and as an alternative for gravity recovery only.

The cyanide leach bottle roll test work was carried out in 1997. The results are moderately encouraging with an average recovery of 76.2% of the gold from pulverised drill core. The samples tested were predominantly mylonitic granite from within the Sunnyside fault zone.

The gravity test work was carried out on samples which were dried, crushed, and ground prior to running over a Thompson table. A number of tests were completed. Gravity recoveries varied from 43.9% on low grade material to 75.3% on higher grade samples.

Further metallurgical studies remain to be completed before an optimised flow sheet for the treatment of Enmore mineralisation can be determined. However, the preliminary results are encouraging.

The target at Sunnyside is a bulk tonnage low grade gold deposit which could be amenable to open pit mining activities. A geological map of the Sunnyside prospect area is shown in Figure 5. This drawing also shows the distribution of previous drilling, a three dimensional interpretation of the distribution of mineralisation at depth based on this drilling, and the GR Enmore's proposed drill holes.

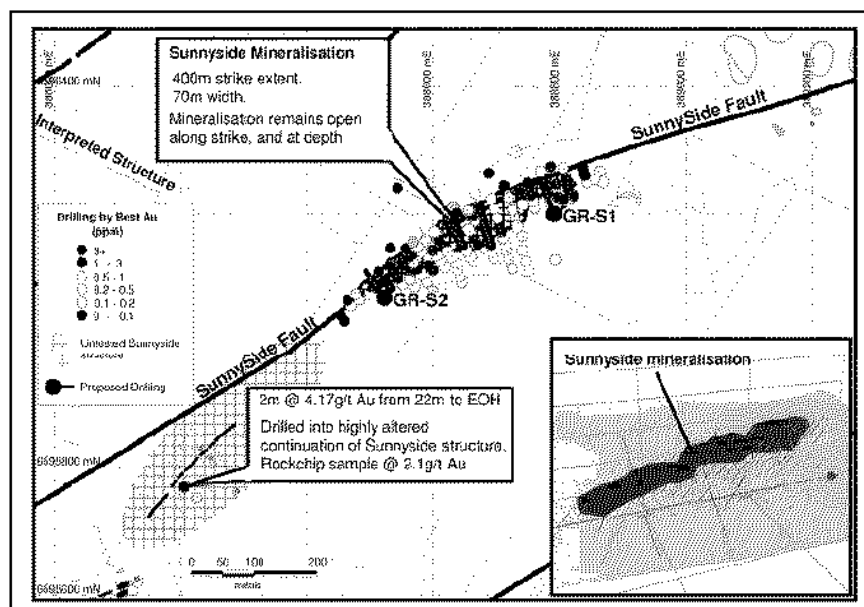


Figure 5
Sunnyside Prospect

6.5.2 Bora

Smaller variants of the flexure-controlled model of gold deposition such as at Sunnyside occur elsewhere in the field, as oblique fault splays off the north easterly trending regional fault zones. At the Bora mine widespread low grade mineralisation occurs with higher grade shoots developed along structurally controlled fluid paths. Traverses of shallow percussion holes have been drilled over a strike length of about 150 metres since 1994. This work showed widespread but low grade near surface mineralisation, with the best result being 12 metres averaging 7.57 g/t from 85 metres in hole BSD5, 9 metres averaging 3.44 g/t gold from 53 metres in hole BSD1, and 2 metres averaging 5.42 g/t gold from a depth of 2 metres in hole BMP5B.

Limited bottle roll cyanide leach tests were carried out in 1995 on a 25 kilogram sample of oxide material collected from the old 1 Level Bora mine workings. Gold recoveries of 83% were suggested by this work.

Figure 6 shows the geology of the Bora mine area and the extent of past drilling and proposed drill holes.

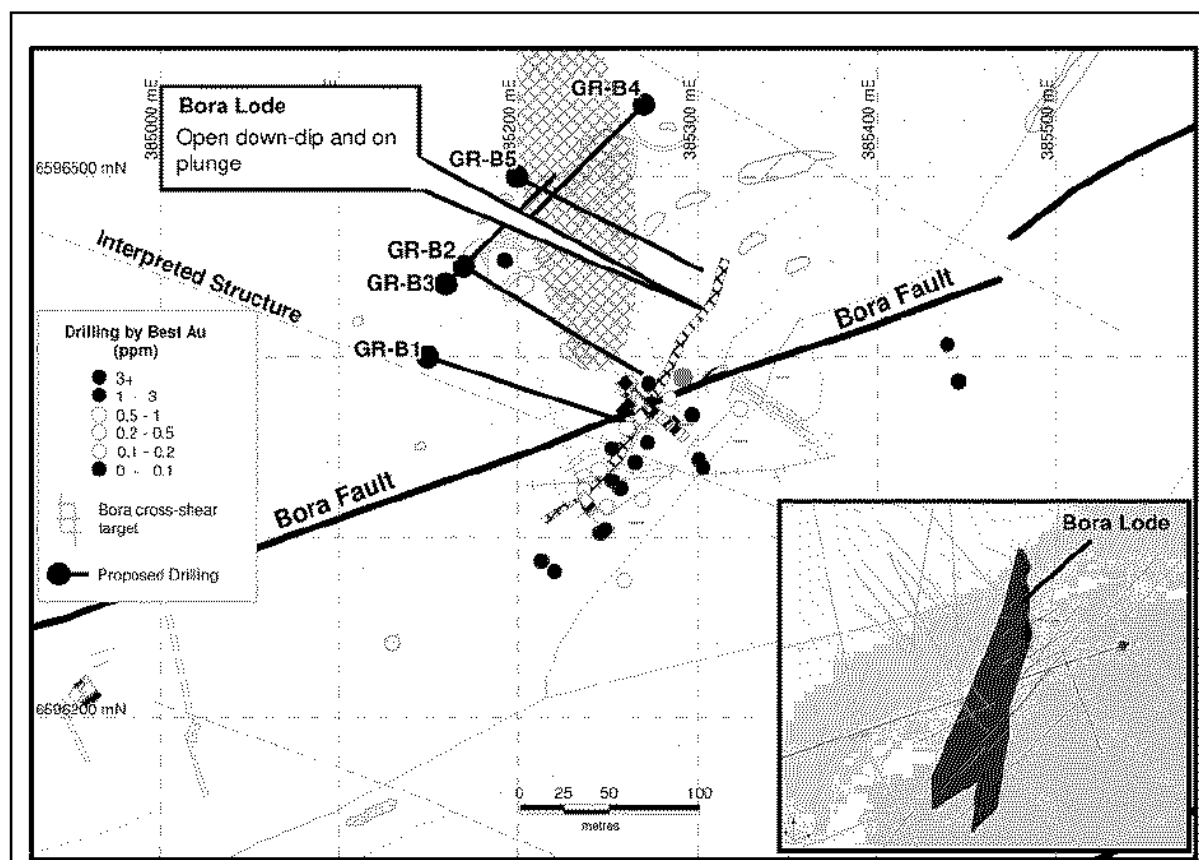


Figure 6
Bora Mine

6.5.3 General

In addition to mineralisation of the Sunnyside and Bora styles set out above, there is also potential for the discovery of bulk tonnage high grade gold deposits at Enmore. For example at the Ben Evis mine, silica phases and free gold introduced into the fabric of pervasively altered mylonite granite occurs over a wide area. This deposit is probably the source of the numerous old alluvial gold workings to the north-east.

Elsewhere, high grade gold quartz reef deposits with small to moderate tonnage potential occur in both faulted contact settings (for example, the Sherwood mine area) and in higher grade settings similar to that at Hillgrove. Tensional vein swarms trending normal to the dominant regional fault direction and in syntectonic granite mylonite (for example, at the Sheba mine) have potential for this type of discovery. Grades up to 100 g/t gold have been returned from chip sampling at the Sheba mine. The fresh rock mineralogy of typical fault mineralisation at Enmore consists of quartz (crystalline and chalcedonic), carbonate, potassium feldspar, free gold, pyrite, minor arsenopyrite and traces of chalcopryrite, sphalerite and tetrahedrite. Much of the low grade gold in fresh rock is in solid solution with pyrite and is strongly associated spatially with arsenopyrite. Supergene gold enhancement is seen in the oxide environment to sulphide rich fine grained sediments whereas granitic hosts show strong oxide dispersion of gold but at the same tenors as the underlying sulphides.

6.6 Aeromagnetic Survey

GR Enmore completed a detailed, low level aeromagnetic survey of the project area in September 2005. An image of the aeromagnetic data is show in Figure 7.

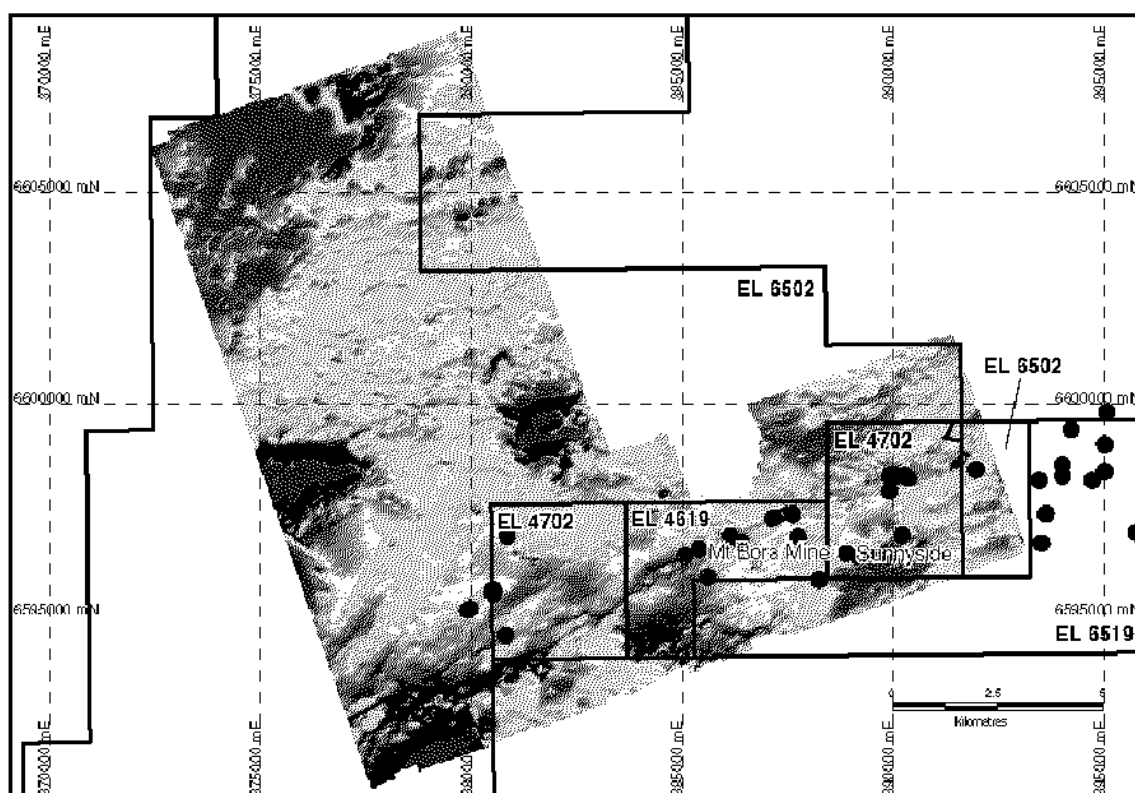


Figure 7
Aeromagnetic Image

Interpretation of this data suggests that there are a large number of major structures running parallel to known Sunnyside-Bora mineralised faults, and in addition has led to the recognition of cross-cutting structures which run in a generally north westerly direction. These cross cutting structures probably have had an influence on focussing the development of mineralisation along the Sunnyside-Bora structures. Nearly all of the mapped historical workings occur near the intersections of the regional faults zones. Almost all the known workings lie within the Enmore adamellite or in areas where these granitic rocks are occur at shallow depth below the lower sedimentary sequence.

Three key target zones have been recognised. The first of these is along the Sunnyside fault zone near the Tabben prospect where the sequence appears to be offset by faulting. This zone possibly correlates with an extensive zone of hydrothermal brecciation and old workings. The structural setting in this area suggests the potential for high grade shoot development.

The second target zone is a corridor defined by intersection of easterly trending structures with north westerly oriented cross cutting structures in the region of the Bora and Sunnyside prospects. The third target zone occurs in a similar setting to the second, but in the region of the old Queen of Sheba workings. Some shafts and workings at Queen of Sheba are situated along north westerly oriented structures.

6.7 Soil Sampling

A soil sampling programs was conducted over the central part of the tenement block in December 2005 and January 2006. Samples were collected on a 100 metre by 50 metre grid. An image outlining gold in soil anomalies is shown in Figure 8. This drawing shows two main anomalous trends; the northern zone extending from the west of Bora to the east of Sherwood, and a southern zone in the Sunnyside area. The old mines are outlined by clearly defined anomalies as expected, but the anomaly about 1 kilometre immediately east of Sunnyside is not associated with known mineralisation and is a prime exploration target.

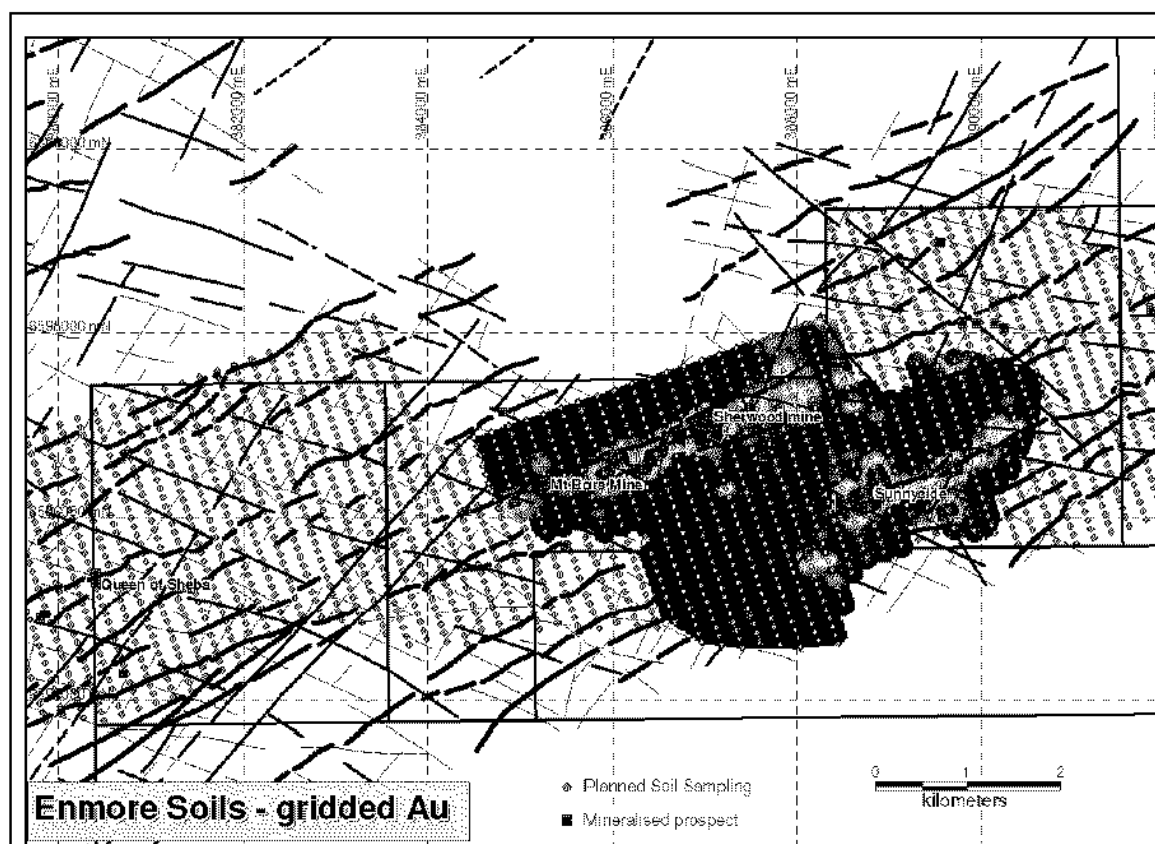


Figure 8
Gold in Soils

In addition to gold, the soil sampling program also tested for other metals, including arsenic (often a pathfinder for gold), antimony (clearly relevant in the Hillgrove field to the north) and copper. Anomalies, generally coincident with the main gold anomalies, were recorded in all metals and will be followed-up.



6.8 Proposed Exploration Program and Budget

GR Enmore has prepared a two year exploration program and budget for the Enmore project area. This program encompasses both regional exploration and prospect definition studies, and diamond drilling of the key targets and old mines.

Target zones identified from interpretation of the aeromagnetic and soil geochemical surveys will be explored by further detailed soil sampling, mapping and follow-up reconnaissance drilling. This work will commence in ELs 4619 and 4702 and will be extended into the other two tenements at a later stage.

A two phase diamond drilling program has been designed to evaluate further the economic potential of the Bora lode, Bora cross shear, and the Sunnyside prospects. Totalling some 1,500 metres, the first phase of the drilling program will commence at Bora with four holes targeting strike and down dip plunge components of the Bora lode, and also to test the Bora shear zone. This will be followed by work at Sunnyside with the first phase drilling comprising four holes totalling 480 metres which would test the continuity of mineralisation below the old 42 metre level, through to a depth of about 80 metres. Following this, and depending on the results achieved in the first phase, more detailed drilling is planned for the second phase of the program.

The proposed two year budget is summarised in Table 3.

Table 3
Proposed Exploration Budget, Enmore Project

Enmore Project	Year 1	Year 2	Total
Geology – mapping	\$150,000	\$150,000	\$300,000
Geochemical surveys	\$150,000	\$100,000	\$250,000
Geophysics	\$50,000	\$50,000	\$100,000
Drilling	\$750,000	\$1,000,000	\$1,750,000
Other	\$50,000	\$50,000	\$100,000
Totals	\$1,150,000	\$1,350,000	\$2,500,000

7. TECHNICAL REVIEW OF ZEDEX'S GOLD EXPLORATION PROJECTS IN VIETNAM

7.1 Introduction

Zedex and its associates have been active in the resources sector in Vietnam since the early 1990s. As a result of this work and its presence in Vietnam, the Company has identified a number of areas which are prospective for gold and other metalliferous deposits. Zedex has had one tenement application granted at Na Pai, which is described in Section 7.3, and is negotiating applications and contracts to allow it to explore the other project areas reviewed in Sections 7.4 and 7.5 below.

7.2 Regional Geology and Tectonics of Vietnam

Vietnam is essentially part of the Indosinian craton of Archaean age, which has been cut by a number of major crustal sutures, which were the product of back arc rifting, that began in the Palaeozoic age. The most prominent feature is the Red River suture or rift in northeast Vietnam. This back arc rift has numerous associated smaller graben-like rifts sub parallel to it, to the southwest. These have been the loci of multiple series of granitic to basic intrusions along their axes, and in the northwest, one such centre at Lau Chai is the site of a porphyry copper-gold deposit. Further to the north, the zone of rifting extends into the Yunnan province in China where there are other examples of mineralised porphyries (Zongdian, Louwanzhai, Tong Chang, Bong Ge, Xue Ji Ping, Hongshan) and then it passes into Tibet.

Part of this suture zone turns to the south in central Vietnam and Laos. Key deposits here include the Sepon porphyry copper gold deposit and the Phu Bia deposit. This belt passes through Zedex's areas of Tien Thuan and Hoai An.

The basement rocks of Vietnam are cratonic granulites of Archaean age, which are overlain by Proterozoic amphibolites schists, quartzites and marbles. In the Palaeozoic the rocks are schists, greenstones, sandstones, metabasalts, limestones and locally flysch sediments. In the Upper Palaeozoic, terrestrial sediments and red beds, volcanics and limestones are dominant, and in Permian rocks limestones and coal beds occur. The Mesozoic is characterised by coal beds, volcanogenic sediments and volcanics, and red beds in the Cretaceous associated with minor marine sediments. Tertiary age rocks are sediments and volcanics which formed in terrestrial basins or in shallow marine settings; basic volcanics occur in the late Tertiary in central Vietnam.

Several orogenic episodes with associated plutonism are known. In the Archaean, norite, charnockites, and granites occur, and in the Proterozoic, the intrusives include gabbros, granites, syenites, and alkali granites. The early Palaeozoic has ophiolites, dunites and some tonalite, whereas the later Palaeozoic is dominated by large batholiths of granite, granodiorite, syenites and syenite. Early Mesozoic intrusions range from basic to acid compositions and include a wide range of rock types; in the Cretaceous to Tertiary, intrusions include gabbros, diorites, granites, leucogranites, alaskites, syenites and alkali granites. Rare earth element mineralisation is sometimes associated with these rock types. Tertiary intrusions include dolerites with associated local basaltic volcanics. Mineralisation is thought to be associated mainly with the younger late Cretaceous and early Tertiary intrusions.

The locations of Zedex's project interests in Vietnam are shown in Figure 9.

7.3 Na Pai

7.3.1 Background

This project area covers some 8.8 square kilometres of prospective ground about 180 kilometres north-northwest of Hanoi in northern Vietnam, close to the Chinese border.

Na Pai lies within the Song Hien graben, which is a major regional northwest-southeast trending rift of late Palaeozoic-Mesozoic age on the southern margin of the South China crustal plate. The rift was produced by oblique subduction between the South China and Indochina plates and has been long considered as a gold metallogenic province with good potential to host epithermal gold deposits.

Hydrothermal alteration and sporadic gold, arsenic and antimony mineralisation occurs throughout the 20 kilometre extent of the volcanic belt, particularly in major structural zones. At the northern end of the belt, gold has been produced historically from underground mines at Pac Lang. There is only minor recorded prior production from Na Pai. There is good evidence of epithermal style alternation extending from the coast inland through a 50-70 kilometres long corridor.

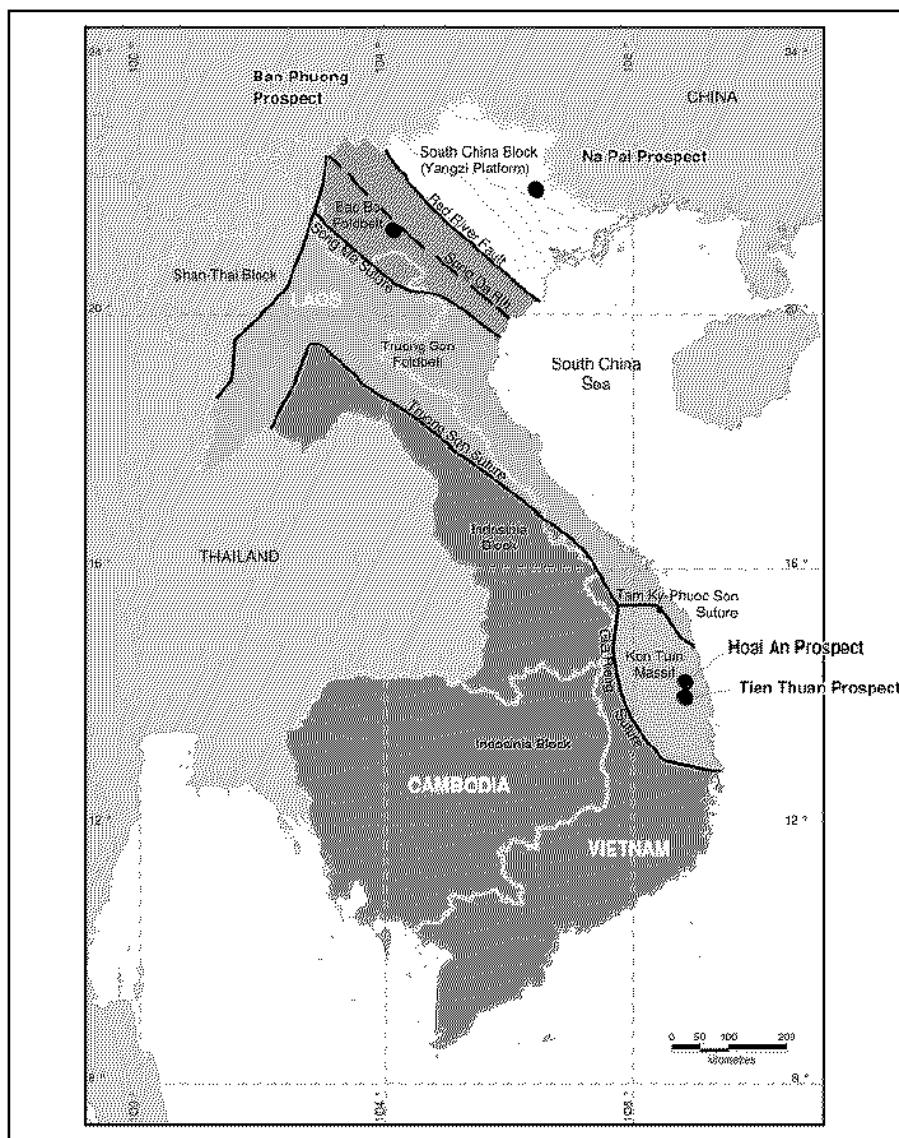


Figure 9

Locations of the Prospect Areas Relative to the Regional Tectonic Structures in Vietnam

7.3.2 Geology

The Na Pai area consists mainly of Late Palaeozoic limestones unconformably overlain by, or in fault contact with, sheared and brecciated acid to intermediate volcanics and volcanogenic sediments of early Mesozoic age. These rocks are intruded by a variety of northeast to north and northwest trending stocks and dykes ranging in composition and texture from granite to rhyolite and including diorites, andesites, dacites, and rhyodacites.

Within the Na Pai area, the sediments and volcanics are gently folded. Fault-related drag folds are locally present, and folding may be a product of strike-slip movement along the bounding graben faults.

Northwest to north-northeast trending faults/shears dominate the structure. The most important faults are the Na Pai, Northwest and Tan Yen Faults. The first two strike north-northeast while the third strikes in north westerly direction. The faults/shears are preferentially developed along stratigraphic contacts.

Gold mineralisation at the Na Pai prospect and surrounding areas was first recorded in 1985, during regional mapping programs. Field reconnaissance has confirmed the presence of shear hosted auriferous quartz-sulphide mineralisation within a one square kilometre or so alteration zone.

Relatively detailed exploration has been concentrated in two areas, Na Pai and To Hieu and early work has revealed about 150 gold occurrences or gold anomalous geochemical zones within the area. These are closely associated with northwest southeast trending shear zones developed within early-middle Triassic rhyodacite host rocks.

The geology of the Na Pai project area is shown in Figure 10.

Grab samples from Na Pai are often anomalous in gold and arsenic, with samples from narrow shears typically assaying more than 1 g/t gold. Where seen, the mineralisation comprises sulphides, native gold, electrum, argentite, native silver and gold and silver tellurides. In the underlying sediments veins are clearly defined with only narrow alteration envelopes, whilst in the overlying volcanics more pervasive alteration is evident. There is some evidence that the alteration and probably also the mineralization is multiphase, and it appears that gold is concentrated in the later sulphide rich stage, which, where oxidised was the focus of local mining activity.

The geological structural setting of Na Pai is similar to that at the Hishikari mine in Japan. Here, structures in the volcanics overlying the deposit are thin, often poorly defined with pervasive clay rich envelopes. Where these structures pass down into underlying sediments, veins are thicker, more defined and mineralised.

Interpretation of the geological, mineralogical, and geochemical data, suggest that the Na Pai area has undergone little erosion and is therefore also considered to have potential for the discovery of shallow stockwork deposits, which may have been preserved from erosion by late ash cover, or by faulting. Elsewhere, deposits have been formed close to old geothermal sinters and paleo-geysers, and in zones immediately below such features.

Of additional interest is the observation that high-level porphyry intrusions are known in an area of limestone basement host rocks. The interaction of hot magmatic related fluids expelled by the magma at the dying stages of igneous activity and limestones is well known as a favourable situation for the development of mineral deposits. There are some similarities between the Na Pai deposits and the Carlin mine in Nevada and Messel in Indonesia.

7.4 Ban Phuong

7.4.1 Background

This property is a 98 square kilometre exploration licence application in north western Vietnam about 200 kilometres west northwest of Hanoi.

The project covers an area of an axial graben of the northwest trending Song Da rift, which is a regional back arc tensional feature formed during plate movements in this area in the Mesozoic. The rift is host to numerous porphyry intrusions emplaced in Cretaceous and Tertiary times, some of which have associated copper gold mineralisation. A copper-gold orebody is known at Lai Chau to the north of Ban Phuong, and further to the northwest there are numerous copper-gold deposits in the Yunnan province of China. The rift is a continuous structure from southeast of Hanoi through to Tibet.

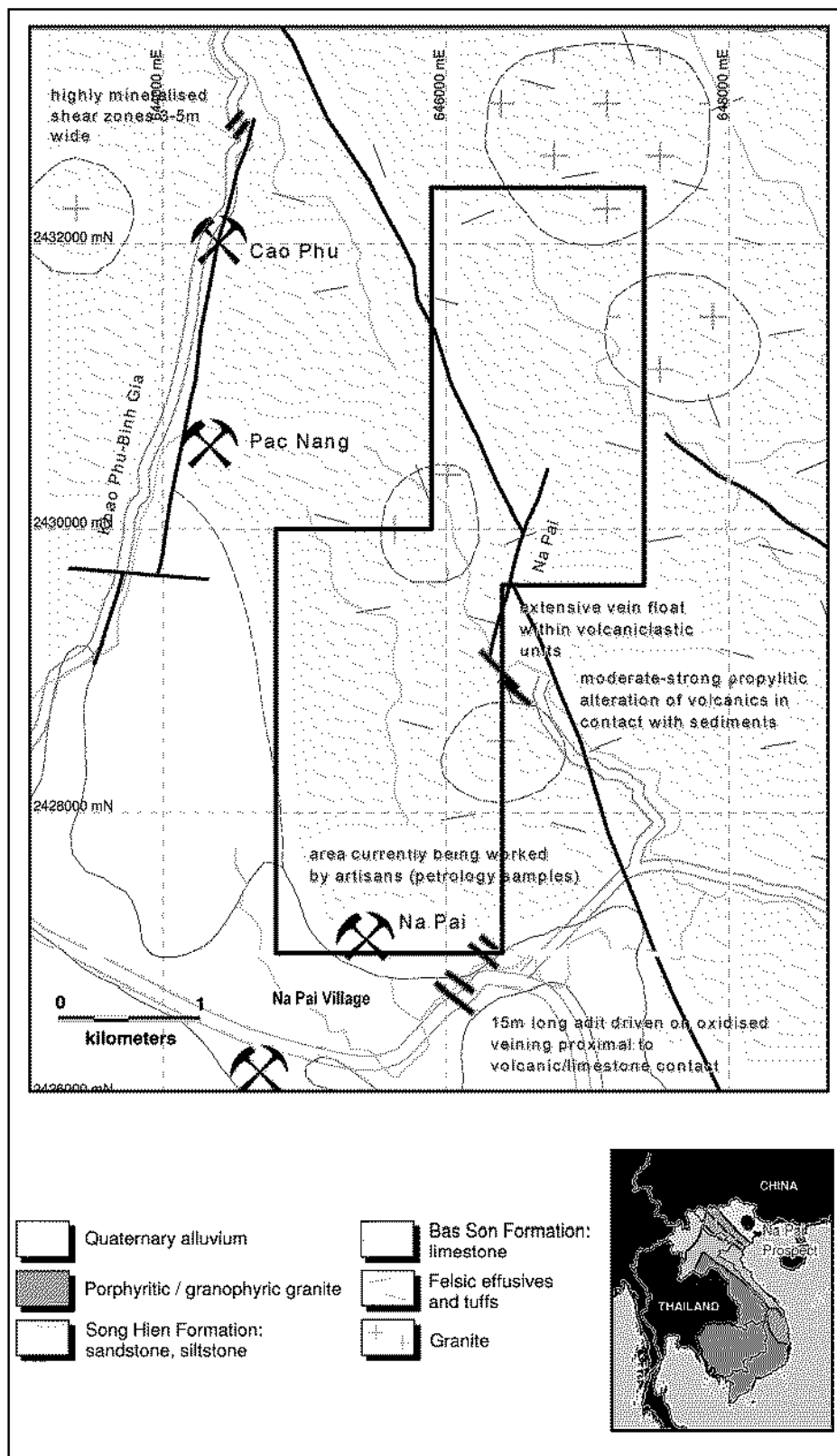


Figure 10
Geology of the Na Pai area Showing Alteration Systems and Old Workings

7.4.2 Geology

The oldest rocks in the project area are Permian to Triassic age basic volcanics that are overlain by, or in fault contact with, Triassic limestones. Ultrabasic material occurs locally in float in streams; these are probably Palaeozoic to early Mesozoic intrusions that occur in the basement sequence. Elsewhere in the area, Triassic ferruginous sediments have also been mapped. At Ban Phuong, a porphyritic alkalic porphyry intrusion, referred to as Hill 807, of unknown age has recently been identified. This is a large trachyte porphyry intrusion that covers about one and a half square kilometres and which is overlain to the east by a thin unit of siliceous grits and conglomerates, perhaps of Upper Cretaceous age.

Earliest mineral exploration of this area is thought to have been by the Chinese who mined oxide and carbonate copper shows in at least two locations. Vietnamese geologists investigated the area around Na Ka, one of the old Chinese pits in the 1960s. Soil sampling in this area revealed strong copper and nickel anomalies with highly elevated copper grades at Na Ka in the southeast of the licence area, but follow-up trench sampling gave discouraging results.

During exploration of the Ban Phuc nickel prospect area to the southeast in the 1990s, geophysical testing and soil sampling extended over Na Ka and reached as far north as Ban Phuong. This work confirmed the copper anomalies at Na Ka and detected another in the region of what is now known to be the Ban Phuong trachyte porphyry. This soil sampling revealed strong copper anomalies of up to 3% near the old Na Ka workings, and a channel sample returned 17 metres of 5.2% copper. Three diamond holes into the anomaly suggested the copper is very localised and has no depth extent. The best intercept was 1.5 metres of 4.5% copper in carbonaceous sediments which contain chalcocite and secondary oxide and carbonate copper mineralisation, but this drilling failed to demonstrate any depth extent or gradation to primary mineralisation. The anomaly at Ban Phuong, which ends abruptly laterally at the contact between the trachyte and overlying sediments, has not been followed up.

More recent work including that by Zedex has led to the discovery of the trachyte intrusion which is strongly potassic altered, locally silicified and bleached and intensely leached. Sulphides are extremely rare with only very rare molybdenite being seen on fractures in the adjacent fresher volcanics. The most intense alteration covers 500 metres by 300 metres of intense brecciation and flooding by fine hydrothermal potassium feldspar and chalcedonic quartz. The total alteration halo is about 1,800 metres by 600 metres but because leaching is intense and outcrop is poor the alteration zone may be larger than this.

Preliminary geochemical sampling has failed to give any strong geochemical signature in rocks but this possibly reflects the strong leaching at Ban Phuong. There is a 1,200 metre by 300 metre copper in soils anomaly exceeding 200 ppm over part of the intrusion and the highest copper soil sample returned 3.6% copper. The anomaly is open to the north and its source probably lies beneath a cover of quartzose sediments and conglomerates to the east. To the south it may extend to coalesce with the Na Ka anomaly.

The nature of the alteration and brecciation within the intrusion suggests that the area has been the locus of a porphyry style mineralising system of alkalic affinities. Such systems elsewhere in the Pacific Rim have produced significant orebodies in and around the margins of the intrusions. There is clear potential for the system to be developed at depth beneath the zone of leaching, especially where the porphyry might have punched through limestone host rocks and possibly formed high-grade skarn mineralisation.

The geology of the Ban Phuong project area is shown in Figure 11. A satellite image of the main part of the project area is shown in Figure 12.

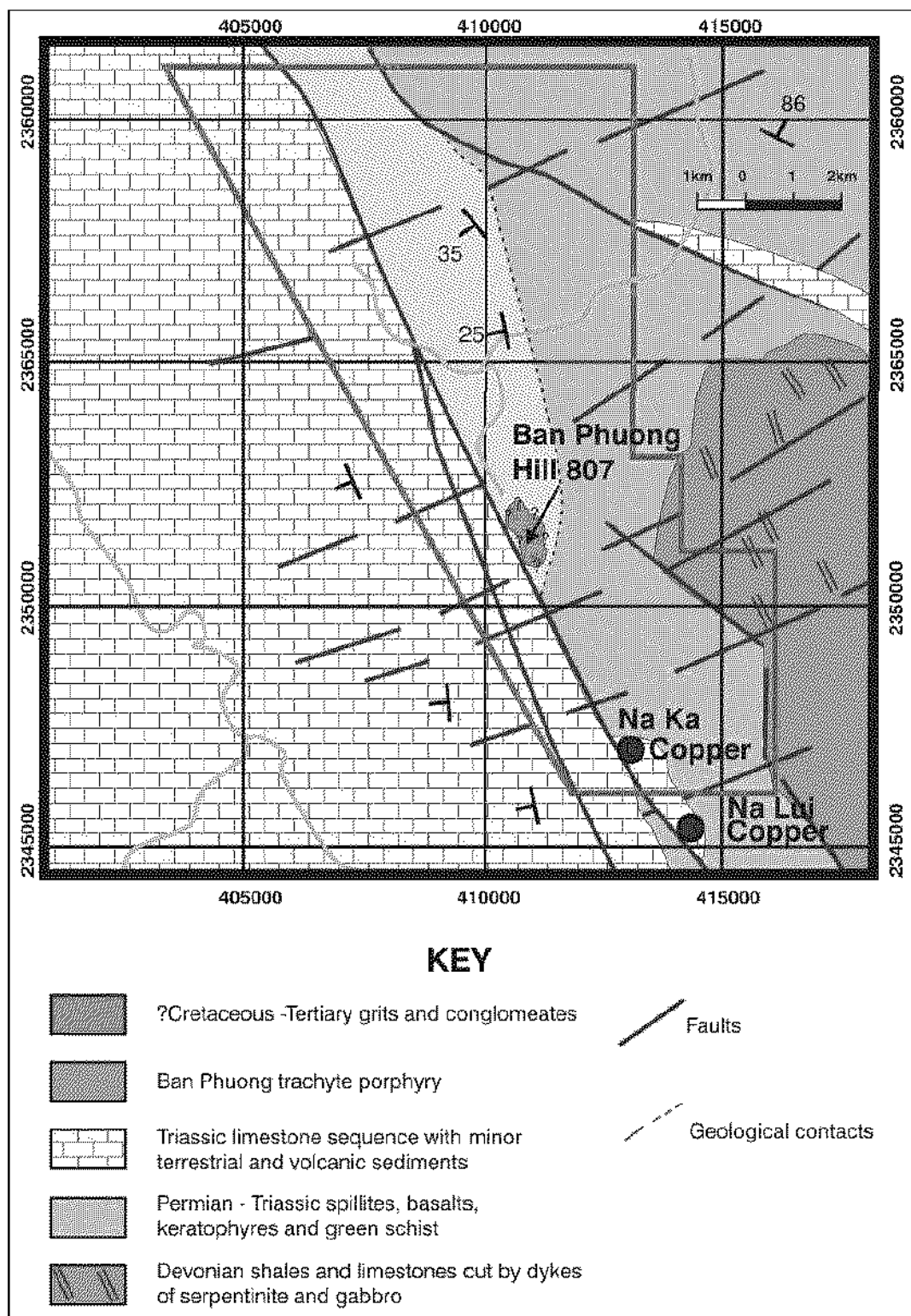


Figure 11
Geology of Ban Phuong

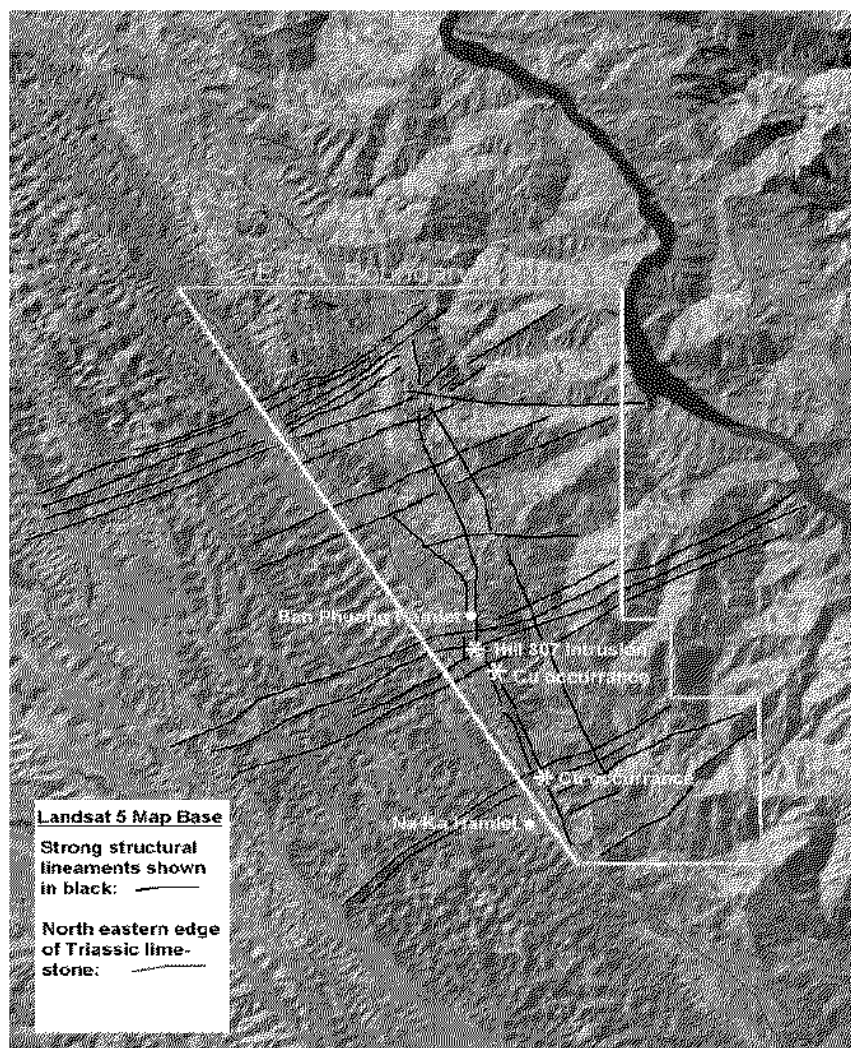


Figure 12
Satellite Image of Ban Phuong showing the Main Features of the Property

The other main target at Ban Phuong is supergene copper blankets at shallow depth beneath the leached caps. It is possible that Na Ka represents a lateral extension of a secondary copper zone from Ban Phuong. These ideas require testing by shallow drilling. Enrichment of this style occurs elsewhere at the Sepon deposit in central Laos, and at some of the exotic copper deposits in Chile.

At Na Ka, the best drill intercept was 1.5 metres of 4.5% copper. The copper values appear to be highest in sediments, especially in carbonaceous or calcareous units, whereas the surrounding basalts, although strongly copper anomalous, lack economically interesting grades. The results have been interpreted to indicate that the mineralisation is stratiform and occurs in selected horizons in the Mesozoic sediments. If so, this opens up another exploration target in the region, as Triassic age terrestrial to shallow marine red bed sediments are widespread in the district. The sediments at Na Ka, Na Lui, and elsewhere in the area locally contain chalcocite and secondary copper carbonates in selected stratigraphic horizons. If continuous beds can be located, significant tonnages of mineralisation may exist, and because of the difficulty in recognition of these beds, and their typical propensity to erosion, there may be beds that offer new targets. Such beds occur in Europe and in the Zambian copper belt in Africa and have produced significant tonnages of high-grade copper ore.

7.5 Tien Thuan and Hoai An

7.5.1 Background

These properties are in the moderately hilly terrain of the western Binh Dinh Province of central east Vietnam approximately 50 to 80 kilometres west-northwest of the port of Quy Nhon and 200 kilometres southeast of Da Nang. This district contains many known alluvial and hard rock gold occurrences, some of which were exploited by French colonialists prior to 1945 and there has been sporadic small-scale mining by local people since then.

7.5.2 Geology

Basement rocks in the district are Archaean high-grade metamorphic rocks, which include schists, gneisses, marbles charnockites, and amphibolites of the Kan Nak Formation and schists and graphitic gneisses of the Kim Son Formation. Probable Tertiary age sediments and basic volcanics unconformably overlie these basement rocks.

Intruded into the basement rocks are gabbros, diorites, granodiorites and granites of the Ben Giang intrusive complex of Permian age. A younger suite of intrusions is the biotite granite of the Deo Ca complex of Cretaceous age. These are believed to be genetically related to mineralisation in the district. Later intrusions include felsic dykes of the Phan Rang Complex of early Tertiary age, and basic dykes of the Cu Mong complex, also early Tertiary in age.

The oldest structures in the district are northwest trending sinistral strike slip faults that have associated ductile deformation and granitisation. These are pre-mineralisation structures. Younger structures are close to north south trending, dextral strike slip features with ductile-brittle fracture characteristics, and which host muscovite pegmatite veins, quartz-cassiterite veins, and quartz-gold mineralisation. These cut the Deo Ca intrusions but are post dated by the Tertiary sediments and volcanics. There are even younger sets of normal faults with brittle fracturing that postdate the mineralisation.

The geology of the Tien Thuan and Hoai An area is shown in Figure 13.

7.5.3 Tien Thuan Area

This application area covers about 22 square kilometres. About thirty known alluvial and hard rock gold occurrences lie within the project area.

At Tien Thuan itself, six sub parallel major north-northwest trending steeply dipping quartz lodes have been delineated in a granite host rock in an area of 800 metres by 2,000 metres. These veins were explored by Vietnamese geologists between 1990 and 1993. Recent work by Zedex's geologists has suggested that the largest of these veins may have a strike length of about 15 kilometres.

In all cases the wall rocks to the veins are sericite-chlorite altered granites. Ore microscopy has shown that the mineralisation is pyrite, sphalerite, chalcopryrite, and galena with accessory gold, cassiterite, pyrrhotite, magnetite, ilmenite, rutile, and supergene limonite, chalcocite, covellite and anglesite. These assemblages are interpreted to represent telescoping in the system, meaning that late stage low temperature minerals overprint earlier higher temperature mineralisation. The veins appear to be of the quartz sulphide type that formed under hypo- and mesothermal conditions.

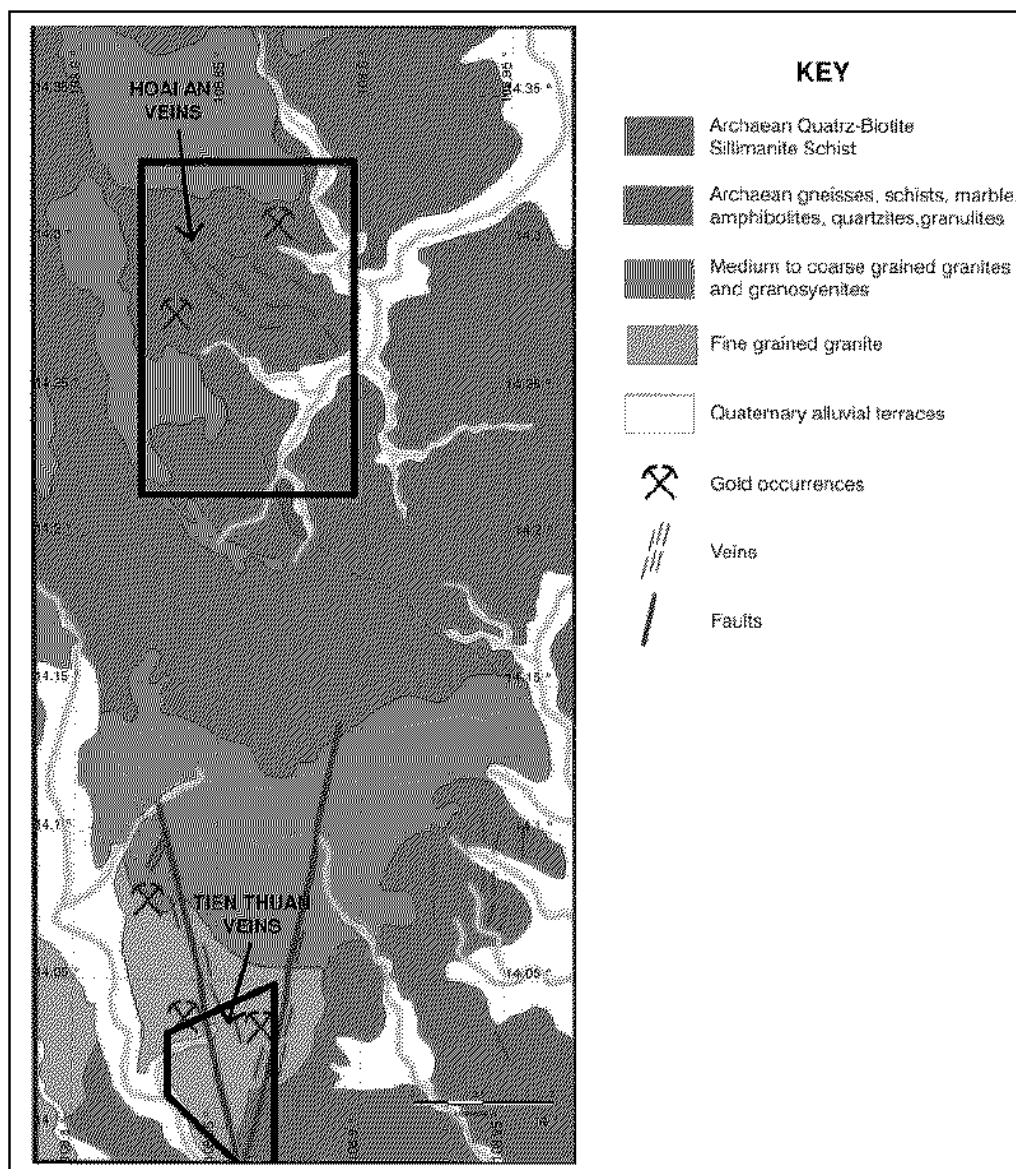


Figure 13
Geology of the Tien Thuan and Hoai An Prospect Areas

The mineralisation at Tien Thuan is within a distinctive flexure at Tien Thuan where the north-northeast fissure is intersected by an east northeast cross structure. Recent work by Zedex has shown that along the current known strike lengths of the vein zones, there are important changes in the character of the veining. In the central areas, structures attain widths of 6 to 8 metres and are massive with only local zones of brecciation with little evidence of clast transport. To the northwest and southeast, the fissures become broad zones of stockwork vein development, and in the former, there are signs of recent prospecting activities.

7.5.4 Hoai An Area

Hoai An is north of Tien Thuan and is 80 kilometres from the port of Quy Nhon. The project area covers some 100 square kilometres.

The area has an Archaean age basement of the Indochina craton, which is predominantly high-grade metamorphic gneiss and schist. This has been intruded by Proterozoic Phu My complex basic intrusives, and several phases of Palaeozoic age Que Son Complex and Mesozoic age Deo Ca granitoids.

Pleistocene and Holocene fluvial gravels, sand and silt form superficial terraces along the Hoai Son River and tributary creeks in places.

Within the Hoai An area there are two dominant young fault trends: a northwest to southeast set and a northeast to southwest set. Further sets of east-northeast and west-northwest trending lineaments are apparent in the satellite imagery for the project area.

Numerous gold shows occur in this area, in both hard rock and alluvial settings and these are reflected in the numerous gold anomalies obtained from pan concentrate stream sediment samples collected between 1994 and 1995 during regional mapping and exploration in this area. The main drainage is the Song Lon River that has extensive locally auriferous terraces.

Two main prospects, Ho Chuoi and Ho Khe, have been identified in this area.

Ho Chuoi is a system of east-west trending quartz-sulphide veins and lenses that occur in a 0.5 square kilometre area. These veins range in width from 40 centimetres to 20 metres, and are traceable over strike lengths of 10 to 70 metres. Three mineralised zones have been sampled in detail. The Da Den zone comprises four veins, which vary in width from 0.5 to 2 metres, averaging 1 metre, and these returned gold assays in the range 0.6 to 3.4 g/t. Ho Choi itself has three quartz-pyrite-arsenopyrite-chalcopyrite veins. One lens is up to 20 metres wide and is exposed over 60 metres of strike length. A bulk sample of 600 kilograms from this gave an average grade of 3.57 g/t gold. A second body is 1-2.5 metres wide and 70 metres long and assayed 1.6 g/t gold. A third lens is 100-400 millimetres wide and extends over 40 metres. Its gold grade varies from 0.2 to 3.2 g/t. The Cay Si zone comprises small lenses of 100 millimetres to one metre widths over 100 metres of strike length. Gold grades of 0.4 to 1.6 g/t have been obtained.

The Ho Khe vein system covers an area of 600 square metres and is similar to Ho Chuoi. Two zones have been studied to date. These are the Ho Khe zone itself and the Ho Sau zone.

The Ho Khe vein system consists of 4 known veins. The first strikes northwest and dips at shallow angles to the southwest. It ranges in width from a few millimetres to one metre, and has a known strike length of 360 metres. Assays range from 0.3 to 4.0 g/t gold. The second is a network of thin discontinuous veins with little strike persistence. French syndicates mined these veins before World War II to depths of 10 metres or so. A 600 kilogram bulk sample from the workings assayed 2.2 g/t gold. The third vein group includes a 50 centimetre wide vein which extends over a 70 metre strike length. It assayed 0.7 g/t gold. The fourth vein group has the largest and most persistent vein. It is 5 to 10 metres wide, exposed over 380 metres, and is near vertical. A bulk sample averaged a gold grade of 4.9 g/t.

The Ho Sau zone comprises three major northeast trending veins of varying widths up to 2.9 metres, and strike lengths up to 100 metres. The best gold grade recorded is 4 g/t from a 2.9 metre wide vein that was bulk sampled.

7.5.5 Summary

In the Binh Dinh Province there is both hard rock and placer mineralisation both of which show considerable potential. Hypo to mesothermal vein systems are hosted in Archaean basement rocks that have undergone several phases of intrusion. Previous work has suggested that these veins are genetically related to Cretaceous acid intrusions. The veins at Tien Thuan are, strong and continuous features, however at Hoai An they are typically of shorter strike length and of more variable widths.



Work to date has shown that there is potential for economically significant tonnes at reasonable gold grades in continuous veins at Tien Thuan, and in systems of discontinuous but combinable vein zones at Hoai An.

7.6 Work Program and Budget

The exploration work proposed on the Company's projects in Vietnam will be done in stages, with each successive stage being conditional upon favourable results from the preceding stage. The proposed work program and budget are therefore flexible and subject to change in response to results obtained during the course of exploration.

Contingent upon successful results from stage one, the second year's program will involve diamond drilling of selected targets. This drilling will be designed to obtain diagnostic drill intersections and confirm the indicated potential. Favourable results will justify more intensive drilling during subsequent years.

The proposed two year exploration budget is summarised in Table 4. The program for those project areas still under application will only commence upon granting of the relevant licence, the timing of which is uncertain.

Table 4
Proposed Exploration Budget, Vietnam Projects

Project	Year 1	Year 2	Total
Na Pai	\$100,000	\$100,000	\$200,000
Ban Phuong	\$125,000	\$165,000	\$290,000
Tien Thuan/Hoai An	\$215,000	\$345,000	\$560,000
Total	\$440,000	\$610,000	\$1,050,000

8. PRIOR REVIEWS AND VALUATIONS

We are unaware of any independent reviews or valuations of the assets reviewed in this report which have been published in the last two years.

9. STATUS OF TENEMENTS

We have not conducted our own independent review of the status of the mining and exploration tenements discussed in this report.

Rather, for the purpose of this report, we have relied on a report prepared by Middletons Solicitors for the Australian tenements, which is included elsewhere in this Prospectus. This report suggests that ELs 4619, 4702, 6502 and 6519 at Enmore in New South Wales are in good standing.

One of the Company's three exploration project areas in Vietnam has been granted, subject to the lodgement of a security deposit for US\$32,311, and two are still at the application stage. Further details of these applications are set out elsewhere in the Prospectus.



10. STATEMENT OF CAPABILITY AND RESPONSIBILITY

The principal author of this report is Mr Robert H Duffin. His brief CV is as follows:

Mr R H Duffin, BSc(Hons), MSc(Hons), Grad Dip Mgt, FAusIMM, a Chartered Professional of the Australasian Institute of Mining and Metallurgy, is Managing Director of Resource Equity Consultants Pty Ltd. Bob Duffin has over 35 years experience in resource exploration and project assessment, including almost 20 years experience in mining investment analysis, project valuations and assessments of fair value of securities. He has held senior positions in the exploration divisions of two of Australia's largest mining companies, is a former managing director of an international resource exploration consulting and contracting firm, and is a former head of research at an Australian stockbroking company.

Bob Duffin has written or contributed to over 100 independent reports on various mining projects which have been published pursuant to provisions of the Corporations Act or ASX listing rules. In addition, he has acted as an expert witness in several mining industry litigation cases. He has served as a non-executive director on boards of a number of listed and unlisted companies since 1986.

Bob Duffin holds Australian Financial Services Licence 223675 issued by ASIC, pursuant to which he is licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues and to carry on a financial services business to provide general financial product advice on securities to retail and wholesale clients. In addition, Mr Duffin is a member of Financial Services Complaints Services Limited, an organisation which provides mechanisms for resolution of disputes involving providers of financial product advice.

Mr Duffin has been a member of the panel of experts used by ASIC to prepare reports for compulsory acquisition of minority interests in companies pursuant to Section 667AA(2) of the *Corporations Act 2001* since February 2000.

The other contributor to this report is Dr R J Merchant. He contributed to Section 7 of this report only.

Dr Ray Merchant has BSc (Hons) and PhD degrees from the University of Auckland. He is a professional geologist with 29 years experience, mainly in gold and base metal exploration in Australia, New Zealand, the Pacific, South East Asia, South America and Eastern Europe.

Mr Duffin is a member of The Australasian Institute of Mining and Metallurgy and the Securities Institute of Australia, and is subject to the codes of ethics of those professional societies.

11. STATEMENT OF INDEPENDENCE

Resource Equity Consultants Pty Ltd, the principal author of this report and Dr Merchant are independent of Zedex and have no direct or indirect interest in the securities or assets of the Company. Resource Equity Consultants Pty Ltd has never previously had a business relationship with Zedex, but Dr Merchant has completed consulting assignments for the Zedex from time to time in the past.

Resource Equity Consultants Pty Ltd will receive a normal professional fee from Zedex for the preparation of this report. Settlement of our account and the quantum of the fee are not dependent on the success or otherwise of capital raising by Zedex which is the subject of this Prospectus.

12. LIMITATIONS AND RELIANCE ON INFORMATION SUPPLIED

This assessment of the Company's assets is based largely on our review of information provided to us by Zedex, supplemented by our own independent research.



The statements contained in this report represent our own independent assessments of the assets and securities reviewed, based on the information supplied to us. We believe that all of the information which has been presented to us by Zedex is true, complete as to material details, and that no misleading information has been presented to us.

A draft copy of this report has been provided to officers and independent directors of Zedex for comment as to any errors of fact or misinterpretation, or substantive disagreements by them as to the assumptions we have made. We specifically requested that no comments as to our conclusions or opinions be given.

Following receipt of feedback, certain areas in the initial draft of the report have been changed to reflect the comments received. We acknowledge the assistance provided by Zedex in providing comments on the draft report, which has helped facilitate the completion of our report.

The work which we have undertaken during the preparation of this report is not, and should not be regarded, as a technical or financial audit of Zedex or its gold and exploration projects.

Resource Equity Consultants Pty Ltd and the authors of this report have received indemnities from Zedex for any liabilities or other costs which arise as a result of the preparation and distribution of this report.

13. FINANCIAL SERVICES GUIDE

Our financial services guide is provided in Appendix 2.

14. CONSENT

Resource Equity Consultants Pty Ltd has consented to the inclusion of this report, in the form and context in which it appears, in the Prospectus.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R H Duffin', with a horizontal line underneath.

R H Duffin
Executive Director



APPENDIX 1 SOURCES OF INFORMATION

We made use of information (both published and proprietary reports) made available to us by Zedex during the course of the preparation of this report.

The principal published references on which we have relied include:

(a) *Enmore, New South Wales:*

Leitch E C, 1974, The geological development of the southern part of the New England Fold Belt, Geological Society of Australia, Journal 21, p133-156

Korsch, R, 1977, A framework for the Palaeozoic geology of the southern part of the New England Geosyncline, Geological Society of Australia, Journal 25 (6), p 339-355

(b) *Vietnam:*

Chen W, 1988: Mesozoic and Cenozoic sandstone-hosted copper deposits in South China; *Mineralium Deposita* 23 262-267

Corbett GJ and Leach TM, 1998: Southwest Pacific Rim Gold-Copper Systems: Structure, Alteration, and Mineralisation. SEG Special Publication No 6

Gustafson LB and Williams N, 1981: Sediment-Hosted Stratiform Deposits of Copper, Lead and Zinc, Econ Geol 75th Anniversary Vol pp 139-178

Manini T and Albert P, 2003: Exploration and Development of the Sepon Gold and Copper deposit Laos; in Asian Update on Mineral Exploration and Development; SMEDG -AIG Symposium October 2003

Sillitoe RH, 1995: Exploration and Discovery of Base and Precious Metal Deposits in the Circum-Pacific Region in the Last 25 years; MMAJ Special Volume

Tyrwhitt D, 1996: Porphyry Copper-Gold Deposits of the Indo-China Region *in* Porphyry related Copper and Gold Deposits of the Asia Pacific Region AMF Conference Proceedings, Cairns, August 1996



APPENDIX 2 FINANCIAL SERVICES GUIDE

1. Purpose

We are required to provide to retail clients a Financial Services Guide which is designed to help them to make decisions as to the use of the general financial product advice we offer and to ensure that we comply with our obligations as a financial services licensee.

2. Who Are We?

Mr Robert H Duffin of Resource Equity Consultants Pty Ltd ("we") holds Australian Financial Services ("AFS") license 223675 issued by the Australian Securities and Investments Commission. Further details about us can be found at our website, www.reconsultants.com.au.

3. Financial Services we are Licensed to Provide

Our AFS licence authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, to carry on a financial services business to provide general product advice for securities, to retail and wholesale clients.

We provide financial product advice pursuant to a contract of engagement to prepare a report, notwithstanding that our contract of engagement may be with another person or entity. Our report will include a description of the circumstances of our engagement. Persons who receive our report will do so generally because they have a connection with the person or entity which has engaged us to prepare it. Reports we prepare in that capacity are independent of the person or entity which engaged us.

4. General Financial Product Advice

We provide general financial product advice in our reports, not personal advice, because our reports are not prepared with regard to the personal circumstances of the persons who are entitled to read them. Persons who receive our reports should consider the appropriateness of our reports having regard to their own objectives, financial situation or needs. Where our advice relates to the acquisition of a financial product, readers of our report should obtain a product disclosure statement from the providers of that product. We do not provide financial products and do not provide product disclosure statements.

5. How we are Paid

We are paid in a manner set out in our contract of engagement and, for the provision of financial product advice this will be on the basis of a fixed fee or per diems basis, with recovery of disbursements, and GST, from the person or entity which engaged us. Our fees for the provision of financial product advice for which we are licensed are not success-based.

6. Resolution of Complaints

We have an internal complaints resolution process but if that process is unsatisfactory to authorised users of our reports complainants have the right to refer the matter to Financial Complaints Service Limited ("FICS"), an independent organisation to which we belong. FICS has been set up to provide advice to consumers of services in the financial services industry. Further details including ways of contacting FICS can be found at its website, www.fics.asn.au.



APPENDIX 3 GLOSSARY OF TECHNICAL TERMS

acid	an igneous rock containing more than 66 per cent silica
adamellite	a granular plutonic rock, less acid than a granite but less basic than a monzonite
adularia	a variety of orthoclase, a feldspar mineral common in many epithermal gold deposits
aeromagnetic	measurement of the strength of the earth's magnetic field from an aircraft
alkali	a metal of the alkali group: lithium, potassium, sodium, rubidium or caesium
alluvial	loose deposits previously collected in river systems
alteration	a change to the mineral composition of a rock, typically brought about by the action of hydrothermal fluids
amphibolite	a group of common rocks containing the more common rock forming minerals but with little or no quartz
andesite	a volcanic rock intermediate in composition between basalt (low in silica, or basic) and rhyolite (high in silica, or acid)
anomaly	value higher or lower than the expected or norm
anticline	a fold in rock strata that resembles an inverted trough
Archaean	the oldest rocks of the Precambrian
arenite	consolidated rock of the texture of sand
argillic	pertaining to clay minerals
arsenopyrite	a mineral; iron arsenic sulphide
assay	chemical analysis of rocks
auriferous	pertaining to gold
basalt	a fine grained, dark coloured lava
bismuthinite	a mineral; a sulphide of bismuth
boudin	a sausage shaped segment of a sequence of rocks
breccia	a rock composed of angular fragments of rock embedded in a matrix of younger age rock
Cainozoic	the last, ie youngest, era of geological time, from the present up to 65 million years old
Carboniferous	rocks of middle Palaeozoic age
chalcedony	fine grained quartz and chert; agate
chalcopryrite	an iron copper sulphide mineral; the most common ore mineral of copper
chert	a compact siliceous rock formed of silica of organic or precipitated origin
chromite	an iron chromium oxide mineral
chrysocolla	a mineral; an hydrated copper silicate, usually green to bluish green in colour
colloform	rounded masses of minerals which result from colloidal deposition
conformable	strata or groups of strata lying one above the other in parallel
costean	a slot cut from surface, usually by a backhoe, to allow examination of geological strata
Cretaceous	the youngest of the three periods in the Mesozoic era; the age of a rock
cross section	a profile perpendicular to the long axis of a tabular body
cyanide	a chemical, capable of taking gold and other metals into solution
dacite	an extrusive volcanic rock of intermediate composition
diamond drilling	rotary drilling using diamond bits, used to produce a solid core of rock
dilation	the process of widening an initial fissure allowing the injection of magma or fluids
diorite	a plutonic rock comprised essentially of feldspar and hornblende, biotite or pyroxene
disseminated	mineralisation distributed throughout a rock
dolerite	fresh basaltic rocks
en echelon	parallel strata that appears overlapped like roof shingles viewed end on

epithermal	a term applied to those mineral deposits formed in and along fissures or other openings in rocks at shallow depths from ascending solutions of moderate temperatures
fault	a break in rock strata continuity with strata remaining parallel but displaced relative to one another on either side of the fault
feasibility study	a technical and financial study of a project at sufficient level of accuracy and detail to allow a decision as to whether the project should proceed
feldspar	a group of abundant rock forming minerals
felsic	acid; light coloured rocks
g/t	grams per tonne (same as ppm - parts per million)
gabbro	a plutonic rock consisting of feldspar and pyroxene with other accessory minerals; loosely used for any coarse grained, dark igneous rock
galena	a mineral, lead sulphide; the dominant ore mineral of lead
geochemistry	the study of the abundances of elements in rocks
geophysics	exploration techniques which rely upon physical (as opposed to chemical) contrasts between rock or mineral species
gneiss	foliated rock formed by regional metamorphism
graben	a faulted block bounded by normal faults
grade	the relative quantity or percentage of metal or ore mineral contained in mineralisation
granite	coarse grained acid igneous rock containing quartz and feldspar
granitoid	a term applied to crystalline igneous rocks
granodiorite	a plutonic intrusive rock consisting of quartz, feldspar and mafic minerals
greenstone	altered basic igneous rocks
head grade	the grade of ore as delivered to a treatment plant
horizon	the various layers which comprise a sedimentary rock
hornfels	a fine grained metamorphic rock resulting from contact metamorphism
hydrothermal	pertaining to hot emanations of magma, rich in water
igneous	formed by solidification from a molten or partially molten state
indicated mineral resource	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable degree of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
induced polarisation	an electrical geophysical prospecting technique
infrastructure	the supporting installations and services that supply the needs of the project
inferred mineral resource	that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
interest	the undivided share held as tenant in common and pursuant to a joint venture or similar agreement in a mining tenement and all other property acquired in relation thereto
intrusive	having, while fluid, penetrated into or between other rocks, but solidifying before reaching the surface
limestone	a sedimentary rock comprised largely of calcium carbonate
limonite	a type of iron oxide
lithology	the physical characteristics of a rock
measured mineral resource	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling, and testing information gathered through appropriate techniques from locations

Merrill Crowe	such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity
Mesozoic	a method for recovering gold from a sodium cyanide solution on to zinc dust
metallurgy	a geological era (comprising the Cretaceous, Jurassic and Triassic Periods), corresponding to approximately 65 to 225 million years before present
mineral resource	the science and technology of metals
	a concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such form and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories.
mineralisation	the group of minerals of interest; generally taken to be sulphide or precious metal minerals
molybdenite	a mineral; a sulphide of molybdenum
monzonite	a granular plutonic rock containing two feldspars, and intermediate in composition between syenite and diorite
mylonite	a fine grained laminated rock formed by extreme milling of rocks on fault surfaces
nepheline	a sodium aluminium silicate mineral occurring in alkali-rich volcanic rocks
nepheline syenite	an igneous rock containing crystals of the mineral nepheline, and devoid of quartz
normal fault	a fault resulting in the lengthening of the earth's crust
open pit	the main type of mine designed to extract minerals close to the surface; also known as open cut
ophiolite	basic igneous rock associated with geosynclinal sediments, generally altered to rocks rich in serpentine, chlorite, epidote and albite
ore	material which can be mined and/or treated at a profit
orebody	a solid and fairly continuous mass of ore
ore reserve	the economically mineable part of a measured or indicated mineral resource. It includes diluting materials and allowances for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and government factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore reserves are sub-divided in order of increasing confidence into probable ore reserve or proved ore reserves
ore shoot	a restricted and relatively high concentration of minerals constituting ore within a lode or body of mineralisation
outcrop	the part of a rock formation which appears at the surface of the ground.
oxidised zone	zone in which sulphides have been altered to oxides by surface waters
Palaeozoic	an era of geological time, from 245 to 570 million years ago
percussion drilling	drilling method used for the recovery of samples using a hammer action to break the rock
Permian	a geological age generally associated with the laying down of coal seams
pluton	an igneous rock formed beneath the surface of the earth
porphyry	igneous rocks containing coarse phenocrysts in a fine grained ground mass
potassic	pertaining to potassium
pre-feasibility study	an initial technical and financial study of a project to assess whether further work is justified
Precambrian	the oldest geologically aged rock units
probable ore reserve	the economically mineable part of an indicated, or in some circumstances, measured mineral resource. It includes diluting materials and allowances for losses that may occur when the material is mined. Appropriate assessments,

	which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and government factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
Proterozoic	the younger of two Precambrian geological ages
proved ore reserve	the economically mineable part of a measured mineral resource. It includes diluting materials and allowances for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and government factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
pyrite	common iron sulphide mineral
quartz	silica or silicon dioxide, a very common mineral
RC drilling	reverse circulation percussion drilling; the drill hole is advanced by the hammer action of the drill bit and where the circulation of compressed air used to bring the samples to the surface is reversed to the normal to reduce sample contamination
refractory	ore which is difficult to treat
rhyolite	a fine grained igneous rock containing more than 65 per cent silica, often as quartz
sediment	rocks formed by transportation of particles by air, water or ice
sericite	a fine grained mica, usually muscovite
silica	silicon dioxide, ie quartz mineral
silicified	the introduction of, or replacement by, silica
soil sampling	systematic collection of soil samples at a series of different locations to study the distribution of soil geochemical values
sphalerite	a mineral, zinc sulphide; the dominant ore mineral of zinc
splay	divergent small faults marginal to larger features
stock	a body of plutonic rock which has steeply dipping sides and is generally discordant
stratabound	contained within or parallel to strata
stratiform	specific variety of stratabound deposit in which the deposit is conformable with the enclosing units
stratigraphic	pertaining to rocks of a generally layered nature, in a geometric or time sense
strike	the course or bearing of the outcrop of an inclined bed on a level surface
stringer	a narrow vein or irregular filament of mineral traversing a rock mass of different composition
sulphide	a mineral compound characterised by the linkage of sulphur with a metal
supergene	secondary ores or minerals formed by redeposition from downward circulating waters
syenite	a plutonic igneous rock consisting principally of alkali feldspar with one or more mafic minerals
tectonic	structures resulting from the deformation of the earth's crust
tuff	a rock formed of compacted volcanic fragments
ultramafic rock	igneous rocks containing less than 45 per cent silica and no quartz; ultrabasic
volcanic	pertaining to the activities, structures or rock types of a volcano
volcaniclastic	layered rocks formed under volcanic conditions
volcanogenic	rocks having a volcanic affinity

Section 6

INDEPENDENT ACCOUNTANT'S REPORT



19 April 2006
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ACN 115 470 598

Dear Sirs

INDEPENDENT ACCOUNTANT'S REPORT

This report has been prepared for inclusion in a Prospectus ("the Prospectus") to be issued on or about the 19th of April 2006 by Zedex Minerals Limited ("Zedex") pursuant to a capital raising and proposed listing of Zedex on the Australian Stock Exchange ("ASX"). The rights and obligations of investors in the ordinary shares to be offered by Zedex are set out in the Prospectus. Expressions defined in the Prospectus are afforded the same meaning as this report.

Scope

You have requested DFK Collins Chartered Accountants to prepare an Independent Accountant's report covering the following historical financial information (collectively the "Financial Information"):

- (a) the unaudited Balance Sheet of Zedex as at 31 December 2005 and unaudited Income Statement, Statement of Movements in Equity, and Cash Flow Statement for the period then ended as set out in Section 6 of the Prospectus; and
- (b) the proforma Balance Sheet of Zedex as at 31 December 2005, and Statement of Movements in Equity for the period then ended, assuming that the proposed capital raising and a number of related transactions had taken place at that date, as described in Section 6 of the Prospectus.

This report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report or on the Financial Information to which it relates for any purposes other than for which it was prepared.

Financial Information

The directors are responsible for the preparation and presentation of the Financial Information. The Balance Sheet of Zedex as at 31 December 2005 has been extracted from the unaudited accounts of Zedex.

We have conducted our review of the Financial Information in accordance with Australian Auditing and Assurance Standard AUS902 "Review of Financial Reports". We have made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- (a) examination of work papers, accounting records and other documents;
- (b) a review of the assumptions used to compile the financial statements;
- (c) comparison of consistency in application of the recognition and measurement principles of applicable Accounting Standards, other mandatory professional reporting requirements and the accounting policies adopted by Zedex; and
- (d) inquiry of the directors and management.

These review procedures were substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards, the purpose of which is the expression of an opinion on financial statements taken as a whole. Accordingly, we do not express such an opinion.

Opinion on Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe:

- (a) the Financial Information as set out in Section 6 of the Prospectus does not fairly represent the financial position of Zedex as at 31 December 2005 and its financial performance and cash flows for the period then ended in accordance with:
 - i. the accounting policies of Zedex; and
 - ii. the bases and methods of accounting prescribed in applicable Accounting Standards and other mandatory professional reporting requirements;
- (b) the proforma transactions do not form a reasonable basis for the proforma financial information; and
- (c) the proforma Balance Sheet as at 31 December 2005, and Statement of Movements in Equity for the period then ended, has not been properly prepared on the basis of the proforma transactions.

Subsequent Events

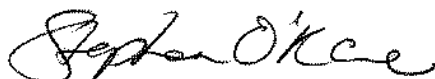
To the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 31 December 2005 that are not otherwise disclosed in the Prospectus which require comment on, or adjustment to, the information referred to in this report or which would cause such information to be misleading.

Declaration

DFK Collins Chartered Accountants do not have any interest in the outcome of this issue other than in the preparation of its Independent Accountant's Report and participation in due diligence procedures for which normal professional fees will be received.

Yours faithfully

DFK COLLINS PTY LTD
CHARTERED ACCOUNTANTS



Stephen O'Kane
Director

ZEDEX MINERALS LIMITED

FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED
31 DECEMBER 2005

INCOME STATEMENT

FOR THE NINE MONTHS ENDED 31 DECEMBER 2005

	Period To 31 December 2005 \$AUD	Year To 31 March 2005 \$AUD
INCOME		
Interest Received	118,992	93,770
Foreign Exchange Variance	–	27,554
Profit on sale of Joint Venture Interest	–	639,011
Gain on settlement of related party loan balances	–	222,437
	<hr/> 118,992	<hr/> 982,772
EXPENSES		
Depreciation	3,587	2,701
Directors Fees (Note 2)	6,992	9,323
Foreign Exchange Variance	7,085	28,472
Rent	3,356	8,355
Write off of advances	–	20,212
Consulting fees	404,460	394,444
Legal fees	65,433	146,985
Other Expenses	103,266	174,042
	<hr/> 594,179	<hr/> 784,534
Operating Profit (Loss) Before Associate	(475,187)	198,238
Share of loss in Associate	(397,993)	(268,266)
Operating Profit (Loss)/ Net	<hr/> (873,180)	<hr/> (70,028)
Surplus (Deficit) Before Tax	(873,180)	(70,028)
Less Taxation Expense (Note 3)	–	–
Net Surplus (Deficit)	<hr/> (873,180)	<hr/> (70,028)

The accompanying notes form part of these financial statements.

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE NINE MONTHS ENDED 31 DECEMBER 2005

	Proforma Period to 31 December 2005 \$AUD	Period To 31 December 2005 \$AUD	Year To 31 March 2005 \$AUD
Net Surplus (Deficit)	(873,180)	(873,180)	(70,028)
Share Capital issued (Note 4)	5,000,000	–	3,714,329
Foreign Currency Translation Reserve (Note 18)	406,067	406,067	27,279
Movement in Equity	4,532,887	(467,113)	3,671,580
Equity at beginning of the period	6,402,767	6,402,767	2,731,187
EQUITY AT 31 DECEMBER 2005	10,935,654	5,935,654	6,402,767

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 31 DECEMBER 2005

	Notes	Proforma Period To 31 December 2005 \$AUD	Period To 31 December 2005 \$AUD	Year To 31 March 2005 \$AUD
SHAREHOLDERS' EQUITY				
Share Capital	4	15,456,580	10,456,580	10,456,580
Retained Earnings (Deficit)	5	(4,424,959)	(4,424,959)	(3,551,780)
Foreign Currency Translation Reserve	18	(95,967)	(95,967)	(502,033)
TOTAL SHAREHOLDERS' EQUITY		10,935,654	5,935,654	6,402,767
Represented by:				
CURRENT ASSETS				
Cash	6	5,809,580	809,580	3,344,417
Accounts Receivable	7	48,376	48,376	19,168
Advances	8	–	–	40,062
Tax Refund Due	3	–	–	1,598
GST Refund Due		3,399	3,399	10,379
		5,861,355	861,355	3,415,624
NON CURRENT ASSETS				
Shares in and Advances to Subsidiary Companies	9	–	–	–
Fixed Assets	10	11,844	11,844	9,076
Bonds	–	9,970	9,970	–
Advances	8	202,919	202,919	–
Investments	11	5,028,810	5,028,810	3,029,048
		5,253,543	5,253,543	3,038,124
Total Assets		11,114,898	6,114,898	6,453,748
CURRENT LIABILITIES				
Accounts Payable	12	179,244	179,244	50,981
Total Liabilities		179,244	179,244	50,981
NET ASSETS		10,935,654	5,935,654	6,402,767

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED 31 DECEMBER 2005

Notes	Period To 31 December 2005 \$AUD	Year To 31 March 2005 \$AUD
Cashflows From Operating Activities		
Cash was provided from:		
Sale of Short Term Investments	–	9,196
Interest Received	126,908	74,602
Income Tax Refund	1,598	1,382
Cash was disbursed to:		
Payments to Suppliers	(635,766)	(890,483)
Tax paid	–	(1,598)
Net Cashflows (Used In)		
Operating Activities	(507,260)	(806,901)
Cashflows From Investing Activities		
Cash was provided from:		
Proceeds on repayment of note receivable	–	3,515,663
Proceeds on repayment of loan balances previously written off	–	135,744
Cash was applied to:		
Purchase of shares	(1,808,333)	–
Purchase of note receivable	–	(25,338)
Payment for bonds	(9,970)	–
Advances	(202,919)	–
Purchase of plant and equipment	(6,355)	(9,252)
Net Cash From (Used In) Investing Activities	(2,027,577)	3,616,817
Cashflows from Financing Activities		
Cash was provided from:		
Issue of Share Capital	–	197,080
Cash was applied to:		
Costs of issue of Share Capital	–	(1,549)
Net Cashflows From Financing Activities	–	195,531
Net (decrease)/increase in Cash Held	(2,534,837)	3,005,447
Opening Cash Brought Forward	3,344,417	338,970
Ending Cash Carried Forward	809,580	3,344,417

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT – continued
FOR THE NINE MONTHS ENDED 31 DECEMBER 2005

Notes	Period To 31 December 2005 \$AUD	Year To 31 March 2005 \$AUD
Reconciliation of Net Profit (Loss) after Taxation with Cash from Operating Activities		
Net Surplus (Deficit) after Taxation and before share of Associate	(475,187)	198,238
Non Cash Items		
Depreciation	3,587	2,701
Exchange Variance	–	28,473
Profit on sale of JV interest	–	(639,011)
Gain on settlement of loan balances	–	(222,437)
	(471,600)	(632,036)
Items Classified as Financing or Investing Activities		
Change in Advance Accounts	–	20,212
	–	20,212
Movement in Working Capital:		
Increase (decrease) in Accounts Payable	(15,031)	(196,462)
(Increase) decrease in Accounts Receivable	(20,630)	(8,577)
(Increase) decrease in Tax Refund Due	–	(216)
(Increase) decrease in Short Term Investments	–	10,180
	(35,661)	(195,075)
Net Cashflows from Operating Activities	(507,261)	(806,899)

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2005

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The financial information included in this report has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 and we have made such disclosures as are considered necessary.

The Group consists of Zedex Minerals Limited, its subsidiaries and associates. The company owns subsidiaries which have no assets and no liabilities and therefore the group accounts would be equivalent to the parent company financial statements that have been presented.

The financial information of Zedex Minerals Limited and controlled entities comply with all Australian equivalents to International Financial Reporting Standards (IFRS). The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

All amounts are disclosed in Australian dollars unless otherwise stated. The reporting period is for 9 months ending 31 December 2005, and the comparative period is for 12 months ending 31 March 2005.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the group.

SPECIFIC ACCOUNTING POLICIES

Specific accounting policies which materially affect the measurement of results and financial performance and the financial position have been applied as follows:

(i) Investments – Associate Companies

The associate companies are companies in which the Zedex Group holds substantial shareholdings and in whose commercial and financial policy decisions it participates. Associate companies have been reflected in the parent's financial statements on an equity accounting basis, which shows the Zedex Group's share of retained surpluses or deficits in the Income Statement, and its share of post acquisition increases or decreases in net assets in the Balance Sheet. The Company's share of associate's assets and liabilities have been translated at the 31 December 2005 foreign exchange rate, being the date of the accounts used to equity account their share. The difference between the Company's share of associate's assets and liabilities at the start of the period translated at 1 April and 31 December exchange rates is recorded in the Foreign Currency Translation Reserve.

(ii) Valuation of Assets

Accounts Receivable: Trade debtors are valued at estimated realisable value. All known bad debts are written off in the period in which they become evident. All other accounts receivable are stated at cost.

Short Term Investments: Short Term Investments are valued at cost.

Investments: Term investments have been valued at cost less any amounts for impairment. Cost of investments includes costs normally associated with share purchases e.g. broker fees.

Fixed Assets: All fixed assets are recorded at cost less depreciation written off to date. The Group has one class of fixed assets, Office and Computer equipment.

Depreciation: Depreciation has been provided on a diminishing value basis over the estimated useful life of the assets concerned. The depreciation rate for the class of asset, Office and Computer equipment, is 2% – 50%.

(iii) Taxation

The income tax expense charged to the revenue statement includes both the current year's provision and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised if there is virtual certainty of realisation.

(iv) Financial Instruments

Financial instruments recognised in the Balance Sheet include: cash balances, receivables, payables, investments and loans to others. Members of the Group are not party to financial instruments with off-balance sheet risk. Revenues and expenses in relation to all financial instruments are recognised in the Income Statement unless stated otherwise in these policies.

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE PERIOD ENDED 31 DECEMBER 2005

1. STATEMENT OF ACCOUNTING POLICIES – continued

(v) Foreign Currencies

Transactions in foreign currencies were converted at the New Zealand rate of exchange ruling at the date of the transaction.

At balance date, foreign monetary assets and liabilities were initially translated at the closing New Zealand rate, and exchange variations arising from these translations were recognised in the Income Statement.

All balances were subsequently translated into Australian dollars at the year end exchange rate.

(vi) Cash Flows

For the purpose of the statement of cash flows, cash includes cash on hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts.

(vii) Options

The fair value of options issued to third party consultants is expensed in the period the service is undertaken.

(viii) Mining Properties and Rights

Minerals properties and mining rights are valued at the cost of acquisition, exploration and development. Mineral Properties and Mining Rights are deferred until the properties to which they relate are placed into production, sold or where management has determined there to be an impairment. Depletion and amortisation are calculated over the expected production (proved reserves) of the mine properties on a unit production basis. Proved reserves are defined as those reserves that are commercially recoverable under current technological and economic conditions.

2. DIRECTORS' REMUNERATION

	Period To 31 December 2005 \$	Year To 31 March 2005 \$
Directors Fees	6,992	9,323

3. TAXATION

Net Profit/(Loss) Before Taxation and Associate	(475,187)	198,238
Prima Facie Taxation	(156,811)	65,419
Non Deductible Items	–	15,383
Non-assessable capital profit on sale of joint venture interest	–	(210,874)
Tax Expense / Benefit not taken up as an Asset	(156,811)	(130,072)
Income Tax Expense	–	–
Tax Paid	–	1,598
Provision for Taxation	–	–
Tax Refund Due	–	1,598

The Company has estimated tax losses of approximately \$1,800,000 (31 March 2005 \$1,580,000) carried forward to future years subject to continuing compliance with the tax legislation.

Imputation Credit Account

Balance at 1 April 2005	1,598	1,382
Tax Refunded	(1,598)	(1,382)
Tax Paid	–	1,598
Balance 31 December 2005	–	1,598

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE PERIOD ENDED 31 DECEMBER 2005

	Proforma Period To 31 December 2005 \$	Period To 31 December 2005 \$	Year To 31 March 2005 \$
4. SHARE CAPITAL			
Balance at 1 April 2005	10,456,580	10,456,580	6,742,252
Issue of 17,375,000 shares at A\$0.20 on purchase of note receivable	–	–	3,518,796
Exercise options at A\$0.20 370 shares	–	–	78
Share Placement at A\$0.18 1,071,178 shares	–	–	197,466
Costs of share issues	–	–	(2,012)
Issue of 25,000,000 shares at A\$0.20	5,000,000	–	–
TOTAL SHARE CAPITAL	15,456,580	10,456,580	10,456,580

The capital of the Company comprises 106,036,193 (31 March 2005 – 106,036,193) ordinary shares fully paid up. All shares have equal voting rights and share equally in dividends and surplus on winding up.

OPTIONS

The Company has 49,955,145 options on issue (31 March 2005 – 49,955,145), exercisable at \$A0.20, on or before 30 November 2008.

	Period To 31 December 2005 \$	Year To 31 March 2005 \$
5. RETAINED EARNINGS		
Balance at 1 April 2005	(3,551,780)	(3,481,751)
Net Surplus (Deficit)	(873,179)	(70,029)
Distribution to owners	–	–
Balance at 31 Dec. 2005	(4,424,959)	(3,551,780)
Proforma		

	Proforma Period To 31 December 2005 \$	Period To 31 December 2005 \$	Year To 31 March 2005 \$
6. CASH			
Petty Cash	186	186	186
Bank Accounts	5,076,759	76,759	304,235
Term Deposits	732,635	732,635	3,039,996
	5,809,580	809,580	3,344,417

	Period To 31 December 2005 \$	Year To 31 March 2005 \$
7. ACCOUNTS RECEIVABLE		
Accounts Receivable	48,376	19,168

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE PERIOD ENDED 31 DECEMBER 2005

	Period To 31 December 2005 \$	Year To 31 March 2005 \$
8. ADVANCES		
CURRENT		
Other Advances	–	40,062
NON-CURRENT		
Other Advances (refer note 13)	202,919	–

9. SHARES AND ADVANCES TO SUBSIDIARY COMPANIES

The subsidiaries of the company are:

	Percentage Held			
	Dec 2005	Mar 2005	Balance Date	Activity
NP Mining Limited	100%	100%	31 March	Non-trading
OVMC Limited	100%	100%	31 March	Non-trading
KS Mining Limited	100%	100%	31 March	Non-trading

The companies were incorporated in Western Samoa, did not trade during the year and do not have any assets and liabilities. The carrying value of the investments in the parent company is \$nil.

	Period To 31 December 2005 \$	Year To 31 March 2005 \$
10. FIXED ASSETS		
Office and Computer Equipment at cost	33,833	27,478
Accumulated Depreciation	(21,989)	(18,402)
Total Fixed Assets	11,844	9,076

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE PERIOD ENDED 31 DECEMBER 2005

	Period To 31 December 2005 \$	Year To 31 March 2005 \$
11. INVESTMENTS		
Cost of Investment in Olympus Pacific Minerals Inc.	8,511,693	6,520,005
Foreign Currency Translation Reserve	(95,967)	(502,033)
Less: Share of Associate's Loss	(3,386,916)	(2,988,922)
Balance as at 31 Dec. 2005	5,028,810	3,029,048

	Percent Held		
	Dec 2005	Mar 2005	Balance Date
Olympus Pacific Minerals Inc.	17.4%	17.6%	31 December
Zedex Minerals Limited holds 23,142,591 (31 March 2005 – 17,227,130) ordinary shares in the capital of Olympus Pacific Minerals Inc ("Olympus"), a Toronto, Canada listed company. That company is a mining company with mining interests in Vietnam.			

Olympus reported the following results:

	9 months ended 30 Sept 2005 CDN\$	Year ended 31 December 2004 CDN\$
Total revenue	256,101	47,748
Total expenses	(2,351,282)	(2,230,207)
Loss for the year	(2,095,181)	(2,182,459)
Tax expense	–	–
Extraordinary items	–	–

Total expenses and Loss for the period ended 30 September 2005 noted above are prior to an adjustment in the Olympus financial statements to reflect the adoption of the fair-value method of accounting for incentive options issued to directors and staff.

At 31 December 2005 the shares were quoted on the Toronto Exchange at \$C0.36 per share giving the investment a value of \$AUD9,735,436 (31 March 2005 – \$AUD4,938,722). Subsequent to balance date the shares have been trading within a range of \$C0.31 to \$C0.74. The directors believe the investment is not permanently impaired.

	Period To 31 December 2005 \$	Year To 31 March 2005 \$
12. ACCOUNTS PAYABLE		
Creditors	179,244	32,335
Accrued Expenses	–	18,646
	179,244	50,981

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE PERIOD ENDED 31 DECEMBER 2005

13. COMMITMENTS

There are no Capital Expenditure commitments at balance date.

There are no commitments under non-cancellable operating leases.

In October 2005, the Company entered into an agreement (varied in February 2006) to acquire GR Enmore Pty Ltd, the company which holds the option to purchase the rights to an interest in a gold exploration project ("Project") in New South Wales, Australia. The principal terms of the agreement are:

- The agreement is subject to completion of a due diligence review by the Company and to the Company listing on a recognised stock exchange by 31 May 2006.
- Consideration payable by the Company is the issue of 8,992,606 shares.
- The Company has, subject to completion of a satisfactory feasibility study, the right to acquire an 80% interest in the Project.
- The Company agreed to advance to GR Enmore Pty Ltd up to \$AUD500,000 (of which \$AUD200,000 was advanced as at 31 December 2005) to fund an agreed exploration programme on the Project. The advance is non-refundable if the agreement does not settle.

The Company has entered into a service agreement with the Lloyd Beaumont Trust to provide the services of its employee Paul Frederick Selon to undertake all functions, duties, role and authorities which the company would require of a person engaged as Managing Director of the Company. The fee payable to the Lloyd Beaumont Trust is \$AUD180,000 per annum plus out of pocket expenses.

The Company has entered into a service agreement with Geologix Consulting to provide the services of its employee Rodney Murfitt for the purposes of management and geological consulting work. The fee payable to Geologix Consulting is \$US90,000 per annum plus out of pocket expenses.

14. FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments which are potentially subject to credit risk principally consist of bank balances, accounts receivable and advances. The Company performs credit evaluations on all customers requiring credit and generally does not require collateral.

Maximum exposures to credit risk as at balance date are:

	This year	Last Year
	\$	\$
Bank	809,580	3,344,417
Accounts Receivable	48,376	19,168
Advances	202,919	40,062

Interest Rate Risk

The company has no interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE PERIOD ENDED 31 DECEMBER 2005

14. FINANCIAL INSTRUMENTS - continued

Currency Risk

The Company has exposure to foreign exchange risk as a result of its normal trading activities. Some of the assets and liabilities are denominated in US dollars, Australian dollars and Canadian dollars and their value varies with foreign exchange movements.

The Company has the following foreign exchange currency denominated monetary assets and liabilities:

	31 Dec 2005	31 March 2005
	\$	\$
Current Assets		
Australian dollar	AUD\$764,193	AUD\$3,318,825
Canadian dollar	Nil	Nil
US dollar	Nil	Nil
Non-Current Assets		
Australian dollar	Nil	Nil
Canadian dollar	C\$4,303,525	C\$2,799,951
US dollar	Nil	Nil
Current Liabilities		
Australian dollar	AUD\$64,183	AUD\$13,901
Canadian dollar	C\$87,560	C\$1,493
US dollar	Nil	Nil
Non-Current Liabilities		
Australian dollar	Nil	Nil
Canadian dollar	Nil	Nil
US dollar	Nil	Nil

Market Risk

The Company has significant market risk. The Company's investment in Olympus Pacific Minerals Inc represents 85% (31 March 2005 – 47%) of Total Shareholders' Equity. The value of this investment is subject to the variations in the quoted value of the shares on the Toronto Stock Exchange (Note 11).

Fair Values

The carrying amount is considered to be the fair value for each of the financial instruments (bank accounts, accounts receivable, and accounts payable) except:

- interest in Olympus – market ranges which these shares have been trading are disclosed in note 11.

15. RELATED PARTY TRANSACTIONS

Trusts of which Mr P F Seton and Mr J A G Seton are potential beneficiaries have provided services to the company. Payments for these services during the period were \$89,728 (31 March 2005 \$AUD76,498) and \$30,336 (31 March 2005 \$AUD50,440) respectively.

A Company of which Mr J A G Seton is a director has provided services for the Company. Payments for these services during the period were \$nil (31 March 2005 \$AUD54,475).

A law firm of which Mr J A G Seton is a principal has provided legal and office services for the Company. Payments for these services during the period were \$nil (31 March 2005 \$AUD9,120).

The Company employed Mr R J McElwee as a bookkeeper. Mr R J McElwee is related to Mr J A G Seton by marriage. Payments for these services during the period were \$3,650 (31 March 2005 \$AUD3,681).

Mr P J Jobson, a director, provided accounting services to the Company during the period for \$9,256 (31 March 2005 \$AUD21,771).

All related party transactions are or have been on arm's length terms. No related party debts have been forgiven or written off during the period.

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE PERIOD ENDED 31 DECEMBER 2005

16. GEOGRAPHICAL SEGMENTS

Investments at book value of \$5,028,810 (31 March 2005 – \$3,029,048) are held in Olympus Pacific Minerals Inc. which has mineral project interests in Vietnam and is based in Canada.

All current activities of the Company relate to exploration and mining development activities in Vietnam.

17. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 1 January 2006 Zedex Minerals limited entered into an Assignment Agreement with Ivanhoe Mines Limited and Olympus Pacific Minerals Inc to acquire the rights to a gross production royalty in respect of Olympus' share gold production at the Bong Mieu gold project in Vietnam (US\$1,700,000) and debt owed by Olympus Pacific Minerals Inc (US\$1,024,225). The total acquisition amount was US\$2,725,225 (A\$3,700,400), and the acquisition settled on 14 March 2006.

The acquisition was funded through debt finance agreements entered into on 27 February 2006, listed below:

Institution	Amount Financed	Interest Rate	Options Issued *	Repayment Date
Macquarie Bank Limited	\$1,000,000	10%	5,000,000	27 February 2008
Westpac Custodian Nominees Limited	\$2,000,000	10%	10,000,000	27 February 2008
Claymore Trustees Limited	\$1,235,000	10%	6,175,000	27 February 2008
Nessock Custodians Limited	\$200,000	10%	1,000,000	27 February 2008

* The institutions have been issued with options to acquire one fully paid share in Zedex Minerals Limited at an exercise price of \$0.20 as part of the consideration for the facility provided. The options expire on 28 February 2008.

On 17 March 2006 the debt owing by Olympus Pacific Minerals Inc (US\$1,024,225) was settled by the issue by Olympus of 3,406,758 shares (at CAD\$0.34).

In addition to the shares acquired mentioned above Zedex Minerals limited has acquired a further 432,500 shares in Olympus Pacific Minerals Inc at a total cost of \$CAD224,350 since 1 January 2006.

18. FOREIGN CURRENCY TRANSLATION RESERVE

	31 Dec 2005	31 March 2005
	\$	\$
Balance at 1 April 2005	(502,033)	(529,312)
Investment in associate (refer note 11)	406,067	27,279
Balance at 31 December 2005	<u>(95,697)</u>	<u>(502,033)</u>

19. ACTUAL AND PROPOSED TRANSACTIONS TO ARRIVE AT PRO-FORMA UNAUDITED BALANCE SHEET

The proforma balance sheet reflects the 31 December 2005 balance sheet adjusted to reflect the effect of the actual and proposed transactions pursuant to the proposed capital raising and assumes full subscription of shares. The transactions reflected in the proforma are as follows:

- The raising of \$5,000,000 by the issue of 25,000,000 ordinary shares at 20 cents each pursuant to the Prospectus.

The funds raised by the issue of shares under the Prospectus will be utilised to:

- Explore the company's properties;
- Acquire additional properties;
- Meet interest payments on loans;
- Provide working capital to meet administration costs for the next two years; and
- Meet the expenses of the prospectus offer of approximately \$350,000.

Section 7
SOLICITORS' REPORT ON AUSTRALIAN MINERAL LICENCES

middletons
lawyers

19 April 2006

Sydney | Melbourne

The Directors
Zedex Minerals Limited
Level 2
63 Fort Street
AUCKLAND NEW ZEALAND

Our reference
SFIS.BEVA.1769686

Dear Sirs

ZEDEX MINERALS LIMITED - SOLICITOR'S REPORT

This report is prepared for inclusion in a prospectus dated on or about 21 April 2006 to be issued by Zedex Minerals Limited (**the Company**) for the issue of up to 25 million fully paid ordinary shares at 20 cents per share (and 12,500,000 accompanying options) in the Company to raise up to \$5,000,000.

We have been asked to report on four mining tenements, being Exploration Licence 4619 *Mining Act 1992* (**EL 4619**), Exploration Licence 4702 *Mining Act 1992* (**EL 4702**), Exploration Licence 6502 *Mining Act 1992* (**EL 6502**) and Exploration Licence 6519 *Mining Act 1992* (**EL 6519**) (**the Tenements**). GR Enmore Pty Ltd (**GR Enmore**) (the Company's soon to be acquired subsidiary) may become entitled to an 80% interest in EL 4619 and EL 4702 pursuant to the terms of an "Option Agreement" dated 5 November 2004 between GR Enmore and Providence Gold and Minerals Pty Ltd (**Providence**) (which is the current holder of EL 4619 and EL 4702). The Company is the current holder of EL 6502 and EL 6519.

Details of the Tenements are included in the Schedule of Mining Tenements (**Schedule**) which, along with the Notes in the Schedule (**Notes**), form part of this report.

1. Searches

Our search agent conducted searches of:

- a) the Tenements in the register maintained by the New South Wales Department of Primary Industries – Minerals and Petroleum (**Department**) on 1 March 2006 (for EL 4619, EL 4702 and EL 6502) and 23 March 2006 (for EL 6519);

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- b) the register maintained by the National Native Title Tribunal (NNTT) to ascertain whether there are any registered native title claims or registered indigenous land use agreements (ILUAs) over the area covered by the Tenements; and
- c) the Aboriginal Heritage Information Management System maintained by the New South Wales Department of Environment and Conservation to ascertain whether there are any Aboriginal objects or places on the area covered by the Tenements.

On the basis of the searches referred to in (a) - (c) above, and subject to our comments below, we consider that this report provides an accurate statement as at 1 March 2006 as to the status of EL 4619, EL 4702 and EL 6502 and as at 23 March 2006 as to the status of EL 6519.

2. The Tenements

All of the information contained in the Schedule and the Notes is taken from the searches obtained from the Department and the NNTT. We have assumed that the information disclosed by those searches is accurate and complete. We note, however, that the Department's register does not have the effect of establishing title indefeasibility. Accordingly, no complete assurance can be given about the existence or otherwise of any encumbrances affecting the Tenement.

The holder's interest in the Tenements is subject to compliance with the *Mining Act 1992* (the **Mining Act**) and any conditions of the Tenements (**Conditions**). We have not summarised all of the provisions of the Conditions but have commented on some key aspects of them (such as the security and expenditure requirements) in the Schedule.

Confirmation was sought from the Department that the various conditions of the Tenements have been complied with. The Department has advised that all reporting requirements have been satisfied in relation to EL 4619 and EL 4702. EL 6502 was only granted on 3 January 2006 and EL 6519 was only granted on 6 March 2006 so reporting obligations under these Exploration Licences are yet to fall due.

The Department has also advised that as at 1 March 2006 the annual expenditure on EL 4619 and EL 4702 (which were reported as a group) is satisfactory. The next interim report for EL 4619 and EL 4702 is due on 18 June 2006. The expenditure obligations of the recently granted EL 6502 and EL 6519 have not yet fallen due.

3. General comments about exploration licences

3.1. Rights under an exploration licence

The Tenements consist of four exploration licences granted under Division 3 of Part 3 of the Mining Act.

The Mining Act authorises the holder of an exploration licence to prospect on the land specified in the licence for the group or groups of minerals specified in the licence. However, an exploration licence:

1. does not permit mining (and a licence holder will not necessarily be permitted to mine in the future if a discovery is made); and

2. is subject to such conditions as the Minister may, when granting or renewing the licence, impose. Failure by the holder of an exploration licence to comply with these conditions may render the exploration licence liable to cancellation.

The conditions of an exploration licence will generally require the holder of the licence to lodge security (usually in the form of cash deposit or an unconditional banker's undertaking) with the Department to guarantee the performance of its obligations arising under the licence.

Exploration licences generally also include conditions which:

- impose minimum annual expenditure requirements on the holder;
- require the holder to pay royalties to the Minister or to the Crown on any minerals recovered under the licence; and
- require the holder to "rehabilitate" or restore the land affected by the licence holder's exploration activities.

Exploration licences and other mining tenements in New South Wales may also be subject to statutory requirements of certain other Acts including, but not limited to, the *Mine Health & Safety Act 2004*, the *Contaminated Land Management Act 1997*, the *Environmental Planning and Assessment Act 1979*, the *Fisheries Management Act 1994*, the *National Parks and Wildlife Act 1974*, the *Native Vegetation Act 2003*, the *Protection of the Environment Operations Act 1997* and the *Rivers and Foreshores Improvement Act 1948*.

3.2. Term, renewal and transfer of exploration licences

Exploration licences are usually granted and, upon application, renewed for terms of 2 years (although the Mining Act allows for the grant and renewal of exploration licences for periods of up to 5 years).

An exploration licence will not usually be renewed over an area that is larger than that which is half the number of units comprising the original exploration licence area unless the Minister is satisfied that special circumstances exist to justify the renewal over an area that is larger than the original exploration licence area. (Note: a unit is the area bounded by 1 minute of latitude by 1 minute of longitude and, depending upon the part of New South Wales in which it is located, comprises an area of approximately 300 hectares).

An exploration licence may be transferred to another party upon application to, and approval by, the Minister for Mineral Resources. In approving a transfer, the Minister may impose amended or additional licence conditions on the transferee.

An exploration licence will not be taken to have been transferred to the transferee until an application for registration of the transfer has been submitted to the Director-General of the Department and the Director-General has registered the transfer pursuant to section 122 of the Mining Act.

Bearing this in mind, if, pursuant to the terms of the Option Agreement between Providence and GR Enmore dated 5 November 2004, GR Enmore acquires an 80% interest in EL 4619 and EL 4702, the interest so acquired will have no effect under the Mining Act until:

1. the application to transfer the 80% interest from Providence to GR Enmore has been approved by the Minister; and
2. an application to register the relevant transfer has been submitted to the Director-General of the Department and the Director-General has registered that transfer.

We have not reviewed in detail the terms of the abovementioned Option Agreement. The focus of this report is on the standing of the Tenements rather than the terms of the Option Agreement.

4. Mining leases

Under the Mining Act any person may apply for a mining lease.

An applicant for a mining lease will usually be required to lodge an environmental impact assessment and obtain development consent before the lease is granted.

An applicant for a mining lease will also be required to comply with the provisions of the *Native Title Act 1993 (Cth)*. This may require compliance with the "right to negotiate" and other "future act" provisions of the *Native Title Act 1992 (Cth)* (CNTA).

A mining lease, if granted:

1. permits the holder to mine the minerals (in respect of which the lease is granted) within the mining lease area during the term of the lease; and
2. remains in force for a maximum period of 21 years or such longer period as may be determined by the Minister (with the concurrence of the Premier).

A mining lease may be renewed for a maximum period of 21 years and may be transferred to another person upon application to, and approval by, the Minister for Mineral Resources.

In approving a transfer, the Minister may impose amended or additional conditions on the holder of the mining lease.

5. Native Title

Generally, the Australian courts have recognised the existence of native title rights and interests over land where:

- (a) the native title claimants are able to establish that they have maintained a continuous connection with, or occupation of, the land in accordance with their traditional laws and customs; and
- (b) those native title rights have not been lawfully extinguished.

The CNTA provides for the statutory recognition, regulation, protection and, in some cases, extinguishment of native title rights and interests. Among other things, the Act:

- establishes a regime for making and determining native title claims;
- validates certain "past acts" and "intermediate period acts" which might otherwise be invalid because of native title;
- sets up a procedural process for "future acts" (such as the grant, transfer and renewal of mining tenements) to occur and the conditions that must be complied with before such "future acts" are permitted (such as, for example, the native title claimants' rights to be consulted and compensated for the effects of any "future acts"); and
- provides a process by which claims for native title and compensation are to be determined.

An application for a determination of native title may be lodged by a claimant with the Federal Court. Upon receipt of a claim the Court will refer the application to the Registrar of the National Native Title Tribunal who must notify various parties (including the applicable State and Territory governments) of the claim and determine whether it satisfies the requirements to become a registered claim. These requirements are set out in the CNTA.

Once its claim is registered, a native title claimant is afforded certain procedural rights under the CNTA including rights to be notified about proposed "future acts." In some instances, a native title claimant may be given the "right to negotiate" before the proposed "future act" (which may include the grant of a mining lease or, in some cases, the grant of an exploration licence) is permitted to occur.

The fact that a native title claim has been lodged over an area does not necessarily mean that native title will be determined by a Court to exist over that area. Similarly, the fact that no claim has been lodged over an area does not necessarily mean that native title has been extinguished over that area.

The existence or non-existence of native title rights and interests over a particular area of land (and the nature and extent of those rights and interests) is determined by the Federal Court (although the CNTA does allow the parties to a native title claim separately to reach a binding negotiated agreement concerning the nature and extent of any native title rights and interests over a particular area).

We are instructed by our search agents that there are no registered native title claims or registered indigenous land use agreements over the area covered by the Tenements.

We have not conducted land tenure searches or undertaken the other searches that would be required in order to determine the likelihood of any native title claims being made in the future over the area covered by the Tenements.

5.1. Validity of the Tenements

(a) *Tenements granted prior to 1 January 1994*

The CNTA permits a State or Territory to validate certain "past acts" and "intermediate period acts" that may otherwise be invalid due to the operation of the CNTA.

Under the *Native Title (New South Wales) Act 1994*, mining tenements granted in New South Wales before 1 January 1994 are taken to be valid.

As EL 4619 was granted before 1 January 1994 its grant will have been validated by section 8 of the *Native Title (New South Wales) Act 1994*; however, such validation will not (of itself) have extinguished any native title rights and interests over the area covered by EL 4619.

(b) *Tenements granted between 1 January 1994 and 23 December 1996*

In New South Wales, the *Native Title (New South Wales) Amendment Act 1998* confirmed the validity of certain acts by the State between 1 January 1994 and 23 December 1996 provided such acts complied with various conditions set out in the CNTA.

As EL 4702 was granted during this period its grant will have been validated by section 8A of the *Native Title (New South Wales) Act 1994*; however, such validation will not (of itself) have extinguished any native title rights and interests over the area covered by EL 4702.

(c) *Tenements granted after 23 December 1996*

Mining tenements granted in New South Wales since 23 December 1996 over land which is or may be affected by native title rights and interests will be valid if the processes set out in the CNTA for the validation of "future acts" have been followed.

The current approach to the grant of exploration licences in New South Wales is for the Minister for Mineral Resources to grant any new exploration licences subject to the applicant electing to:

1. comply with the "right to negotiate" provisions of the CNTA before the grant of the licence; or
2. have the licence granted subject to a condition that the holder of the licence may not prospect on land over which native title exists unless and until the holder has obtained the prior written consent of the Minister. These exploration licences are commonly referred to as "exclusion condition" exploration licences.

So far as (1) above is concerned, the "right to negotiate" provisions of the CNTA require notification and advertising of the proposed grant of an exploration licence (or other mining tenement that creates a "right to mine" as defined under the CNTA).

Upon such notification, the CNTA provides for a minimum 6 month period of negotiation between the State or Territory Government, the tenement applicant and the relevant registered native title claimants and their representative body. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the NNTT, which then has a

further 6 months to reach a decision. The decision of the NNTT may be reviewed by the relevant Federal Minister.

In relation to (2) above, the Minister's consent to prospect on land covered by an "exclusion condition" exploration licence (which is subject to native title rights and interests) will not be given until the holder has complied with the "right to negotiate" (see the *Native Title (Right to Negotiate) (Inclusion) – NSW Land) Approval No. 1 of 1996*).

Until such Ministerial consent is given, the holder is free to prospect on non-native title land (that is, land which is not subject to native title rights and interests). Option (2) above is generally selected by applicants where a significant portion of the proposed licence area is not subject to native title rights and interests.

Although EL 4619 and EL 4702 were originally granted before 23 December 1996, each has subsequently been renewed subject to the "exclusion condition." This effectively prohibits the holder from prospecting on any land or waters on which native title exists without the prior consent of the Minister. Clause 8 of the conditions attached to EL 6502 and EL 6519 specifically prohibits the holder from prospecting on any land or waters on which native title exists without the prior written consent of the Minister.

5.2. Low impact exploration licences

In addition to options (1) and (2) referred to in paragraph 5.1 above, Division 5 of Part 3 of the Mining Act allows the Minister to grant a "low-impact exploration licence." The applicant for a low impact exploration licence will not be required to comply with the "right to negotiate" provisions of the CNTA because that process does not apply to the grant of a "low impact exploration licence."

An applicant for a "low impact exploration licence" is, however, required to enter into an access arrangement with the "landholder." The definition of "landholder" in the Mining Act includes registered native title bodies corporate and any other person who holds native title (which may include registered native title claimants).

This may require applicants to provide to relevant registered native title bodies corporate and registered native title claimants a minimum of 4 months' notice of an application for a "low impact exploration licence."

None of the Tenements is a low-impact exploration licence.

5.3. Future Tenement Grants

An applicant for a mining tenement (including an exploration licence) over land where native title has not been extinguished will generally be required to comply with the "right to negotiate" procedures of the CNTA (as described in paragraph 5.1 above).

However, in some circumstances an expedited process is available which, if it is determined to apply to the proposed grant of a mining tenement, avoids the obligation on the applicant and government to negotiate with native title parties.

The proposed grant of a mining tenement will be an act attracting the "expedited procedure" if:

- (a) the act is not likely to interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land or waters concerned;
- (b) the act is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of the native title in relation to the land or waters concerned; and
- (c) the act is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

Where the "expedited procedure" applies, an interested party has until 3 months after the notification date to take steps to become a native title party in relation to the proposed grant of the tenement.

The future act may be done unless, within four months after the notification day, a native title party lodges an objection with the NNTT against the inclusion of a statement that the proposed grant of the tenement is an act attracting the "expedited procedure."

If one or more native title parties object to the statement, the NNTT must determine whether the act is an act attracting the "expedited procedure." If the NNTT determines that it is, the State or Territory may do the future act (i.e. grant the tenement).

Further, the right to negotiate process does not have to be pursued in cases where an indigenous land use agreement (ILUA) is negotiated with the relevant native title claimants and other interested parties and that ILUA is registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of a tenement. These procedures will vary depending on the terms of the ILUA.

None of the Tenements is subject to a registered ILUA.

5.4. Renewal and extensions of tenements

Renewals and extensions of mining tenements (including exploration licences) granted prior to 1 January 1994, to the extent the renewals were invalid due to native title, have been validated by legislation.

Renewals of mining tenements (including exploration licences) granted in New South Wales between 1 January 1994 and 23 December 1996 have been similarly validated.

Under section 26D of the CNTA, renewals made after 23 December 1996 of tenements validly granted before that date will not be subject to the right to negotiate process provided:

- (a) the area to which the earlier right is made is not extended;
- (b) the term of the new right is not longer than the term of the earlier right; and

(c) the rights to be created are not greater than the rights conferred by the earlier grant.

There is doubt as to whether the "right to negotiate" process applies to second and subsequent renewals but this matter is yet to be determined by the Courts.

Other than as stated above or as otherwise provided by the CNTA, renewals of mining tenements are subject to the same "right to negotiate" process as described above.

6. Aboriginal Heritage

There may be sites of Aboriginal heritage significance located on the land on which the Tenements are situated.

The *National Parks and Wildlife Act 1974 (NPW Act)* allows for the Governor to reserve land as an "Aboriginal area."

Land within an "Aboriginal area" will be deemed to have been reserved for the purpose of preserving, protecting and preventing damage to "Aboriginal objects" or areas declared by the Minister to be "Aboriginal places" within the "Aboriginal area".

The NPW Act also authorises the Minister to declare lands on which an "Aboriginal object" or "Aboriginal place" is situated to be a "protected archaeological area." An "Aboriginal place" is any area declared by the Minister to be a place that is or was of special significance to Aboriginal culture.

The Director-General of National Parks and Wildlife may give directions prohibiting or regulating the entry on and use of land within a "protected archaeological area." A person may not enter, remain on or use, lands within a "protected archaeological area" in a manner which is contrary to a direction given by the Director-General.

The NPW Act makes it an offence to destroy, deface or damage, or knowingly permit the destruction, defacement of or damage to, an "Aboriginal object" or "Aboriginal place" without the consent of the Director-General of National Parks and Wildlife. The NPW Act also creates a range of offences including for, but limited to, disturbing or taking possession of an "Aboriginal object" in a manner that is not permitted under the NPW Act.

As at 21 March 2006 there were no "Aboriginal places" or "Aboriginal objects" appearing on the Aboriginal Heritage Information Management System which is maintained by the Department of Environment and Conservation (the **Heritage Register**) within the areas covered by the Tenements.

However, to ensure fully that the Company (or, more correctly, GR Enmore Pty Ltd as one of the prospective holders of two of the Tenements) does not contravene the provisions of the NPW Act in carrying out prospecting operations on the area covered by the Tenements, it may be necessary to conduct heritage surveys and consult the traditional owners of the land (if any) to determine whether any areas of Aboriginal heritage significance (which may not necessarily be recorded in the Heritage Register) exist and then ensure that any interference with or disturbance of those sites is in accordance with the NPW Act.

7. Risk Factors

The existence of native title and native title claims in relation to the land the subject of the Tenements may have an adverse impact on the Company's activities and its ability to fund those activities.

We are unable at this stage to quantify the impact that these matters may have on the Company's operations but the main risks include:

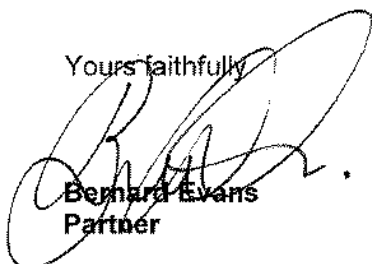
- (a) delays in obtaining the grant of any further tenements, as a result of the "right to negotiate" process. Further, if the parties to the "right to negotiate" process cannot reach agreement the matter may be referred to the NNTT for arbitration. The NNTT may determine that the application cannot be granted or only granted on conditions unacceptable to the Company;
- (b) compensation may be payable by the Company as a result of agreements made pursuant to the "right to negotiate" or as a result of a compensation order made by the Federal Court in the event native title has been determined to exist. The amount of such compensation is not quantifiable at this stage;
- (c) if native title were found to exist the nature of the native title may be such that consent to mining is required from the native title holders but is withheld or only granted on conditions unacceptable to the Company; and
- (d) the risk that "Aboriginal areas", "Aboriginal places", "Aboriginal objects" and "protected archaeological areas" (or other heritage sites) exist on the land the subject of the Tenements, the existence of which may preclude or limit mining activities in certain areas of the Tenements. Further, the disturbance of any of the above is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

Consent

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Despite the foregoing, Middletons consent to the inclusion of this report in the prospectus and have not withdrawn that consent before the lodgement of the prospectus with the Australian Securities and Investments Commission.

Yours faithfully



Bernard Evans
Partner

Schedule of Mining Tenements

Tenement	Holder/Applicant	Status	Grant/Application Date	Expiry Date	Registered Dealings	Notes
EL 4619	Providence Gold and Minerals Pty Ltd (holder as to 100%)	Current	19 November 1993 (grant date)	9 October 2007	Agreement dated 5 November 2004 between the holder and GR Enmore Pty Ltd.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13.
EL 4702	Providence Gold and Minerals Pty Ltd (holder as to 100%)	Current	10 October 1994 (grant date)	9 October 2007	Agreement dated 5 November 2004 between the holder and GR Enmore Pty Ltd.	2, 4, 5, 6, 7, 9, 12, 13, 14, 15 and 16.
EL 6502	Zedex Minerals Limited (holder as to 100%)	Current	3 January 2006 (grant date)	2 January 2008	Nil	2, 4, 12, 13, 17, 19, 20 and 21.
EL 6519	Zedex Minerals Limited (holder as to 100%)	Current	6 March 2006 (grant date)	5 March 2008	Nil	2, 4, 12, 13, 18, 19, 20 and 22.

Notes

1. EL 4619 is located approximately 32 kilometres south, south east of Armidale in New South Wales. The conditions of EL 4619 authorise the holder to prospect and explore for all group 1 minerals. Group 1 minerals are the metallic minerals (including but not limited to gold, silver, platinum, lead and zinc) prescribed as such by Schedule 3 to the *Mining Regulation 2003 (NSW)*. The tenement covers 4 units of land being units c, d, e and h in the Department's Armidale map

reference 2398. A unit is the area bounded by 1 minute of latitude by 1 minute of longitude and, depending upon the part of NSW in which it is located, comprises an area of approximately 300 hectares.

2. Any land vested in the Commonwealth of Australia is excluded from the area covered by the tenement as is any other land (such as, for example land that falls within a national park, historic site, nature reserve or Aboriginal area) that may be excluded by the *National Parks and Wildlife Act 1974 (NSW)* (**NPW Act**) or other legislation. We have not conducted any inquiries to identify whether (and if so, to what extent) the area covered by the tenement includes any of the abovementioned excluded areas. We note however that the NPW Act provides a degree of protection for "existing interests." Such protection may include the right to continue an activity which is permitted under an "existing interest" which is in force as at the date of reservation of the relevant national park, historic site etc. An "existing interest" includes an exploration licence granted under the Mining Act.
3. The tenement includes a condition prohibiting the holder from prospecting on the area of the proposed addition to Oxley Wild Rivers National Park without the written consent of the Director-General of the Department of Primary Industries and subject to such conditions as he or she may prescribe.
4. The tenement includes a condition prohibiting the holder from knowingly destroying, defacing or damaging any "Aboriginal object" or "Aboriginal place" (as those terms are defined in the NPW Act) except in accordance with an authority issued under and in accordance with the NPW Act. The licence holder is also required to "take every precaution in drilling, excavating or disturbing the land against any such destruction, defacement or damage" of an Aboriginal object or Aboriginal place.
5. An agreement between GR Enmore Pty Ltd and Providence Gold and Minerals Pty Ltd was registered against the tenement on 1 April 2005. That agreement grants an option (in favour of GR Enmore Pty Ltd) to acquire an 80% interest in EL 4619 and EL 4702 upon satisfaction of certain conditions set out in the agreement. In consideration of the grant of the option, GR Enmore Pty Ltd is required to (among other things) conduct and fund various prospecting activities on the abovementioned tenements. The terms of the agreement are summarised more fully in the material contracts review contained in the prospectus. Investors should refer to that review for a full summary of the terms of the agreement.
6. There is no surface exception or depth restriction on the exploration activity. Royalty on any Group 1 minerals recovered under the tenement (if any) is to be paid at the prescribed rate per tonne recovered as set out in Schedule 7 to the *Mining Regulation 2003 (NSW)*.
7. The security required and held by the Department in respect of the tenement is \$10,000. The security held is a banker's undertaking given by the Commonwealth Bank of Australia Limited.
8. The conditions of the tenement require a minimum annual expenditure by the holder of \$14,000 (see clause 7 of the *Conditions of Authority (EL) (2003A)*). Information obtained from the Department indicates that the actual expenditure on the tenement for the year ended 18 November 2004 was \$6,000. For the year ended 18 November 2003, the expenditure was \$11,000. The Department advises that as at 1 March 2006 expenditure on EL 4619 (which was reported as a group with EL 4702) is satisfactory.
9. The tenement was originally held by Warren Jay Holdings Pty Limited. On or about 23 March 2000, Warren Jay Holdings Pty Ltd changed its name to Providence Gold and Minerals Pty Ltd. The change of name was recorded by the Department on 23 November 2000.

10. Since it was granted on 19 November 1993, the tenement has been renewed on 5 occasions (being on 7 February 1997, 17 December 1999, 18 May 2001, 14 October 2003 and 12 December 2005).
11. All of Mining Lease No 996 (**ML 996**), which consists of a land area of approximately 11.2 hectares, falls entirely within the external boundaries of EL 4619. Accordingly, all of the area covered by ML 996 is excluded from EL 4619 (see section 19 of the Mining Act). ML 996 was granted under the provisions of the *Mining Act 1973 (NSW)* and authorises the holder (being Hillgrove Mining Pty Limited which, we understand from the Department's records, is a subsidiary of Hillgrove Gold NL) to mine for copper, silver and gold by "shaft sinking" and "tunnelling" methods. ML 996 was granted on 28 July 1982 and was due to expire on 27 July 1992. A renewal application for ML 996 is still pending so ML 996 remains current pursuant to section 117 of the Mining Act. If ML 996 is not renewed, all of the land covered by ML 996 will become subject to the tenement when ML 996 ceases to have effect (see section 25(3) of the Mining Act). We note in passing that ML 996 appears to have been originally granted to S. J. Lacey and transferred to Omega Mines Ltd on or about 19 June 1987. It was subsequently transferred to Centfield Mining Pty Limited (apparently another Hillgrove Gold NL group company) on or about 26 August 1994. ML 996 was later transferred from Centfield Mining Pty Ltd to the current holder on 5 February 2003.
12. The tenement is not subject to any registered native title claims or registered indigenous land use agreements. We understand that the area covered by the tenement includes a significant portion of freehold land although we have not undertaken any tenure searches to confirm this. The tenement is subject to the "exclusion condition" which provides that the holder of the tenement may not prospect on land over which native title exists unless and until the holder has obtained the prior written consent of the Minister (see paragraph 5 of our report).
13. We are not aware of and hence have not reviewed the terms of any access arrangement that is in place with any landholder (including any native title holder or claimant) in respect of the tenement.
14. EL 4702 is located approximately 29 kilometres east, south east of Uralla in New South Wales. The conditions of EL 4702 authorise the holder to prospect and explore for all group 1 minerals. Group 1 minerals are the metallic minerals (including, but not limited to, gold, silver, platinum, lead and zinc) prescribed as such by Schedule 3 to the *Mining Regulation 2003 (NSW)*. The tenement covers 8 units of land being units v and w in the Department's Armidale map reference 2327, units a, b, f and g in the Department's Armidale map reference 2398 and units a and b in the Department's Armidale map reference 2399. A unit is the area bounded by 1 minute of latitude by 1 minute of longitude and, depending upon the part of NSW in which it is located, comprises an area of approximately 300 hectares.
15. The conditions of the tenement require a minimum annual expenditure by the holder of \$38,000 (see clause 7 of the *Conditions of Authority (EL) (2003A)*) which apply to EL 4702. Information obtained from the Department indicates that the actual expenditure on the tenement for the year ended 18 November 2004 was \$18,400. For the year ended 18 November 2003, it was \$28,100. The Department advises that as at 1 March 2006 expenditure on EL 4702 (which was reported as a group with EL 4619) is satisfactory.
16. Since it was granted on 10 October 1994, the tenement has been renewed on 5 occasions (being on 15 October 1997, 17 December 1999, 15 March 2001, 12 December 2003 and 27 January 2006).
17. EL 6502 is located approximately 25.58 kilometres south, south east of Armidale in New South Wales. The conditions of EL 6502 authorise the holder to prospect and explore for all Group 1

minerals. Group 1 minerals are the metallic minerals (including, but not limited to, gold, silver, platinum, lead and zinc) prescribed as such by Schedule 3 to the *Mining Regulation 2003 (NSW)*. The tenement covers 87 units of land being units o, p, r, s, t, u, w, x, y and z in the Department's Armidale map reference 2253, units l, m, n, q, r, s, v, w and x in the Department's Armidale map reference 2254, unit z in the Department's Armidale map reference 2324, units a, b, c, d, f, g, h, j, l, m, n, o, p, q, r, s, t, u, v, w, x, y and z in the Department's Armidale map reference 2325, units l, m, n, o, p, q, r, s, t, u, v, w, x, y and z in the Department's Armidale map reference 2326, units q, r and x in the Department's Armidale map reference 2327, units e, k, p, t and u in the Department's Armidale map reference 2396, units a, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, and u in the Department's Armidale map reference 2397 and unit c in the Department's Armidale map reference 2399. A unit is the area bounded by 1 minute of latitude by 1 minute of longitude and, depending upon the part of NSW in which it is located, comprises an area of approximately 300 hectares.

18. EL 6519 is located approximately 35.16 kilometres south east of Armidale in New South Wales. The conditions of EL 6519 authorise the holder to prospect and explore for all Group 1 minerals. Group 1 minerals are the metallic minerals (including, but not limited to, gold, silver, platinum, lead and zinc) prescribed as such by Schedule 3 to the *Mining Regulation 2003 (NSW)*. The application covers 11 units of land being units y and z in the Department's Armidale map reference 2327, units j and k in the Department's Armidale map reference 2398 and units d, e, f, g, h, j and k in the Department's Armidale map reference 2399. A unit is the area bounded by 1 minute of latitude by 1 minute of longitude and, depending upon the part of NSW in which it is located, comprises an area of approximately 300 hectares.
19. There is no surface exception or depth restriction on the exploration activity.
20. The security required and held by the Department in respect of the tenement is \$10,000. The security held is cash.
21. The conditions of the tenement require a minimum annual expenditure by the holder of \$63,500 (see clause 40 of the *Exploration Licence Conditions 2004*). As the tenement has only recently been granted, no expenditure obligations have arisen as at the date of this report.
22. The conditions of the tenement require a minimum annual expenditure by the holder of \$25,500 (see clause 40 of the *Exploration Licence Conditions 2004*). As the tenement has only recently been granted, no expenditure obligations have arisen as at the date of this report.

Section 8

VIETNAM LICENCE AND LICENCE APPLICATIONS AND RELATED INFORMATION

8.1 VIETNAM LICENCE AND LICENCE APPLICATIONS

The following table summarises Zedex's exploration licence applications in Vietnam:

Property	Licence/Licence Applications held by:	Licence/Licence Applications	Area	Interest of the Company
No Pai	NPML ⁽¹⁾	EL x 1 ⁽²⁾	8.8 sq kms	100% ⁽³⁾
Hooi An	KSML ⁽⁴⁾	ELA x 1 ⁽⁵⁾	100 sq kms	100% ⁽³⁾
Tien Thuan	KSML ⁽⁴⁾	ELA x 1 ⁽⁶⁾	22 sq kms	100% ⁽³⁾
Ban Phuong	OVMC ⁽⁷⁾	ELA x 1 ⁽⁸⁾	98 sq kms	100% ⁽³⁾

Notes:

- (1) Refers to NP Mining Limited (a Western Samoa company). Zedex owns 100%.
- (2) Refers to Exploration Licence number 272/GP-BTNMT granted on 15 March 2006. The issue of the licence is subject to the lodgement of security guarantee for US\$32,312.
- (3) Subject to between 15% and 30% Vietnamese joint venture interests on development.
- (4) Refers to KS Mining Limited (a Western Samoa company). Zedex owns 100%.
- (5) Refers to Exploration Licence Application dated 20 November 2003.
- (6) Refer to Exploration Licence Application dated 20 December 2003.
- (7) Refers to OVMC Limited (a Western Samoa company). Zedex owns 100%.
- (8) Refers to Exploration Licence Application dated 20 November 2003.

8.2 MINERALS SECTOR INVESTMENT IN VIETNAM

(a) Introduction

Vietnam is a one thousand mile strip of land (330,000 sq km) in South East Asia bordering the Gulf of Thailand, the Gulf of Tonkin and the South China Sea. It has land borders with China in the north and Laos and Cambodia to the west. Three quarters of the country is made up of mountains and hills with one quarter afforested. There are two main cultivated areas – the Red River Delta (15,000 sq km) in the north and the Mekong Delta (60,000 sq km) in the south.

(b) Investing in Vietnam

The Vietnamese foreign investment regime expressly guarantees (a) that foreign capital will not be expropriated or nationalized, and (b) the right of foreign investors to repatriate capital and profits. The Law on Foreign Investment imposes no minimum or maximum amounts of investment and, in theory, does not limit the maximum percentage of foreign ownership in investment projects. While the Law on Foreign Investment sets out the framework of the investment regime, there are many other relevant, specific legal documents which govern various matters including foreign exchange, immigration, customs, taxation, accounting, imports and exports, public security. These legal documents are issued by the government and the Ministries that have jurisdiction over each relevant area.

(c) Forms of Foreign Investment

The Law on Foreign Investment permits foreigners to establish a wholly foreign owned enterprise, establish a joint venture with a local Vietnamese entity or enter into a business cooperation contract. All three enterprises have a restricted timeframe, written into the investment licence, which must not exceed 50 years. The government may extend the period up to a maximum of 70 years.

The joint venture is a common form of foreign investment vehicle. It is an agreement between a foreign and a local party – the joint venture enterprise is typically established in the form of a limited liability company, which is a legal entity subject to the laws of Vietnam. There is no ceiling to the proportion of the contribution made by the foreign party to the prescribed capital of the joint venture, but the minimum contribution of the foreign party must be at least 30%. Contributions may be made by the parties in either cash or kind.

A business cooperation contract is an agreement to do business with a Vietnamese partner, similar to an unincorporated joint venture, and does not create a new legal entity.

A wholly foreign owned enterprise must be in the form of a limited liability company, and is a legal entity under Vietnamese law. It does not require a Vietnamese partner. As a matter of practice, wholly owned foreign enterprises are not permitted in certain sectors of the Vietnamese economy, including mining.

At the exploration stage of mining projects in Vietnam, foreign mining companies have the option of either establishing a joint venture with a Vietnamese company or undertaking the exploration activities in their own name. However, investment during the mining and processing stages are expressly restricted to the forms of a joint venture or a business cooperation contract under the Law on Foreign Investment in Vietnam.

(d) Taxes and Duties

The standard rate of business income tax ("BIT") is 28%, although in certain cases (for example, where the investment is made in a region listed as having difficult economic-social conditions) enterprises are entitled to preferential BIT treatment including BIT "holidays" and/or reductions in the rate of BIT applicable to the project. The BIT treatment of the project will be stated in the company's investment licence.

Royalties are payable in respect of the exploitation of natural resources. The calculation of royalties is based on the quantity of commercial resources actually exploited, the taxable value and the tax rate. The taxable value is the sale price of each unit of production at the place of exploitation. The tax rates of a number of metals/minerals are provided, e.g. the royalty payable for alluvial gold is 2%, hard-rock gold is 3%, and copper is 3%.

(e) The Mining Laws

All aspects of mining, including onshore and offshore surveying, exploration, mining and processing of minerals are governed in detail by the Law on Minerals passed by the National Assembly on 20 March 1996 (as subsequently amended on 14 June 2005) (**Mineral Law**) and Decree 160/2005/ND-CP dated 27 December 2005 implementing the Mineral Law (together referred to as the Mining Legislation). The Mining Legislation provides that mineral resources located within the land, islands, internal waters, sea territory, exclusive economic zones and continental shelf of Vietnam are owned by the people and managed by the State. The Ministry of Natural Resources and the Environment ("MNRE") is the Ministry in charge of State management of mining activities through the Department of Geology and Mineral Resources of Vietnam.

(f) Licences for Commercial Scale Mining

The Mining Legislation provides for four types of licences available for commercial scale mining. Brief descriptions of these licences are provided below.

(i) Mineral Prospecting Permit ("Prospecting Permit")

In order to conduct prospecting activities in unexplored/unexploited areas, a Prospecting Permit must be obtained. The duration of a Prospecting Permit is not to exceed twelve (12) months. The Prospecting Permit may be extended once, for a period of not more than twelve (12) months. It is non-exclusive and non-transferable.

(ii) Mineral Exploration Licence ("Exploration Licence")

An Exploration Licence entitles the holder to undertake exploration activities in areas not already under licence. An exploration area ranges from 2 square kilometres for minerals used as common construction materials, 2 square kilometres for mineral water or natural thermal water, 50 square kilometres for precious metals and minerals, 100 square kilometres for coal, non-precious metals and non-metallic minerals and 200 square kilometres for exploration activities in the continental shelf.

The duration of an Exploration Licence, including the time for preparing a report on exploration results and a feasibility study on mining activities, is to be at least six (6) months but no more than twenty-four (24) months. The Exploration Licence may be extended twice, but the total extended duration still may not exceed twenty-four (24) months. In practice, replacement exploration licences have been granted.

An Exploration Licence is exclusive in respect of the area over which it applies and is transferable under certain conditions.

(iii) Mineral Mining Licence ("**Mining Licence**")

Article 31 of the Mining Law expressly confers on the holder of an Exploration Licence the "special" right to apply for a Mining Licence until the date which is 6 months from the expiry of the Exploration Licence. The Vietnamese authorities have argued that this is the same as an exclusive right, but this "special right" can generally be regarded as meaning that the holder of an Exploration Licence will have a right to a Mining Licence provided that it has satisfied all of the conditions under which it held the Exploration licence and it has duly applied for the Mining Licence within the prescribed period, failing which a new exploration licence or a mining licence may be granted to a different organisation over the same area. Where a foreign company applies for a Mining Licence, that licence is to be issued at the same time as, or subsequent to, the issue of an investment licence under the Law on Foreign Investment in Vietnam.

The duration of the Mining Licence is determined on the basis of the feasibility study submitted as part of the application for the investment licence, but cannot exceed 30 years. It may be extended several times under certain conditions, but the total duration of the extensions must not exceed 20 years.

(iv) Mineral Processing Licence ("**Processing Licence**")

A Processing Licence is required for all processing activities except where they are associated with licensed mineral activities. Its duration is based on the feasibility of the project and the investment licence, and the Processing Licence is transferable. However, because the Vietnamese State wants to encourage processing within Vietnam, the export of minerals will be within the discretion of the Vietnamese State, not an absolute right. The holder of a Processing licence can purchase the minerals and transport and market them within Vietnam and export the processed minerals.

(g) Exploration Licence Application Process

The MNRE is the authorised Vietnamese governmental authority primarily responsible for the management of all mineral prospecting, exploration, mining and processing activities in Vietnam, including the issuance of exploration licences.

The Department of Geology and Minerals of Vietnam (**DGMV**) is the agency within the MNRE delegated to receive and evaluate all exploration licence applications to support the decision making process of the MNRE. The DGMV is responsible for delivery of exploration licences to the applicant or for providing a written response to the applicant on the reasons for its refusal to issue such licence.

The issuance of an exploration licence is subject to certain criteria, including:

- The proposed project is in accordance with the development strategy of the national mining industry;
- The proposed project is in accordance with the mining master plan of a specific locality;
- The commercial effectiveness of the proposed mining project;
- Legal status of the applicant (the investor); and
- Written approval of the local People's Committee in relation to the proposed exploration area (where applicable).

The DGMV is required to complete the evaluation of an exploration licence application within 60 days from the date of lodging the application. This time period excludes the time the DGMV takes to consult with other relevant Vietnamese governmental authorities prior to submission to the MNRE for approval, therefore it is unclear under Vietnamese mining legislation the exact period of time it will take for the MNRE to issue an exploration licence from the date the applicant lodges the application to the DGMV.

At the exploration stage, priority is given to the first applicant for a project area and once the DGMV accepts to process a complete exploration licence application from an applicant, the DGMV will not accept any application from any other applicants over the same proposed exploration area. The applicant is not entitled to any right, including the right to explore, over the submitted licence area until an Exploration Licence is awarded.

Section 9

SUMMARY OF MATERIAL CONTRACTS

Set out below are summaries of the more important provisions of contracts to which Zedex is a party and which are or may be material in terms of the Offer or the operations of Zedex or otherwise or may be relevant to an investor who is contemplating the Offer.

9.1 Option Agreement – Providence Gold and Minerals Pty Ltd and GR Enmore Pty Ltd

On 5 November 2004, Providence Gold and Minerals Pty Ltd ("**PGM**") entered into an Option Agreement with GR Enmore Pty Ltd ("**GR**") in respect of EL 4702 and EL 4619 ("**Tenements**"). These Tenements are located in the Enmore Goldfield in northern New South Wales, Australia.

The agreement sets out the terms and conditions pursuant to which GR proposes to acquire an interest in the Tenements and subsequently to form a mining and development joint venture with PGM in respect of the Tenements.

Under the agreement PGM granted an exclusive option to GR to earn an interest in the Tenements. GR paid \$5,000 to PGM on the commencement date of the option, being 5 November 2004 ("**Commencement Date**"), and must continue to pay \$5,000 on each anniversary of the Commencement Date, during the option period. GR shall have sole and exclusive rights to explore the Tenements at all times during the option period.

The option period began on the Commencement Date and remains in force until either:

- (a) GR decides not to undertake further exploration activities on the Tenements. GR is to use its best endeavours to provide PGM with a non-binding indication of its intentions every six months and may withdraw from the agreement at any time after spending an initial \$100,000 on exploration activity;
- (b) GR completes a feasibility study and a subsequent development and mining joint venture is formed to undertake mining development and mining operations on the Tenements; or
- (c) the agreement is terminated by either party as a result of the other party committing a material breach of the agreement, such breach not being remedied by the other party within 30 days of receiving written notification of the breach.

During the option period, GR agrees to incur the following minimum exploration expenditure:

- for the period of 12 months from the Commencement Date – \$150,000; and
- for each 12 month period thereafter – \$150,000.

The manner of expenditure of the funds is at GR's sole discretion, except that GR agrees to drill at least 2 holes at Sunnyside. If GR incurs expenditure in excess of the minimum exploration expenditure, the amount of the excess shall be carried forward and form part of the exploration expenditure for the following period.

Each party shall have a first right of refusal to all or any part of the other party's interest in the agreement. Should one party propose to sell its interest to a third party, it must first offer its interest to the other party to the agreement on the same terms. The other party has 30 days to notify the party in writing that it wishes to purchase that interest, and a further 60 days for settlement.

Either party may assign the agreement to an affiliate, being a company in which such party holds no less than a 50% interest, without the consent of the other party.

Upon GR completing a feasibility study which is:

- (a) based on a JORC-calculated reserve of no less than 200,000 ounces of gold and is acceptable to any bank or appropriate lending institution for the purpose of debt financing; or
- (b) acceptable to financiers who commit to funding the project.

GR will be deemed to have earned an 80% interest in the Tenements. Upon GR obtaining its interest in 80% of the Tenements, PGM and GR will immediately form a development and mining joint venture on the following principal terms (and otherwise in accordance with standard commercial mining joint venture terms in Australia):

- (a) initially, GR will hold an 80% interest and PGM will hold a 20% interest in the Tenements;
- (b) GR will be the operator of the joint venture;
- (c) GR will offer PGM access to any project finance it arranges on the same terms as for GR and PGM will have 60 days to agree and accept the financing package or else provide its own project finance;
- (d) the expenditure incurred by the parties during the option period will be recouped from the net proceeds of production on a priority, pro rata basis. It is agreed that at the Commencement Date PGM's expenditure to date totals \$250,000 and GR's expenditure to date totals \$20,000;

- (e) GR will have the right to acquire PGM's interest in the joint venture and the Tenements for the following consideration:
 - (i) \$800,000 within 2 years after the Commencement Date;
 - (ii) \$1,000,000 after 2 years and within 3 years of the Commencement Date;
 - (iii) \$1,200,000 after 3 years and within 4 years of the Commencement Date; and
 - (iv) \$1,400,000 after 4 years from the Commencement Date,
 plus a gross production royalty of 1% of any mineral production payable to PGM from the Tenements. The parties agree to negotiate in good faith to give PGM the right to receive all or part of the consideration and royalty in the form of shares in any company that GR may subsequently form to hold its interest in the Tenements;
- (f) each party will have a first right of refusal to all or any part of the other party's interest in the joint venture; and
- (g) if a party fails to contribute its pro rata share of joint venture expenditure, the respective participating interests of the parties in the joint venture will be re-calculated such that the interests will reflect the proportion that each party has contributed as a proportion of the sum of all contributions made by both parties.

If GR completes a feasibility study on the terms referred to above and which shows that the operation at least breaks even at a AUD\$520/oz gold price yet is unacceptable to banks for the purpose of debt financing or unacceptable to financiers to commit to funding the project, then a development and mining joint venture may, at GR's discretion, be formed between PGM and GR in accordance with the principal terms of joint venture set out above, and otherwise in accordance with standard commercial mining joint venture terms in Australia.

PGM may elect at any time to revert its entire interests in the joint venture in consideration for a 2.5% gross production royalty of any mineral production from the Tenements.

PGM provides usual commercial warranties under the agreement.

The agreement is governed by the laws of New South Wales.

9.2 Share Sale Agreement – Acquisition of GR Enmore Pty Ltd

On 13 October 2005, the Company entered into a Share Sale Agreement (as amended by a letter agreement dated 31 January 2006) ("**Agreement**") with Golden Rainbow Holdings Pty Ltd ATF GR Unit Trust, Charles Alexander Barclay, David Alan Fernandez, Victor Cecil and Linda Karen Vilas, PL Gunzberg ATF Bricklandring Superfund Account, Johann Baumann, Gregor John Barclay and Simon Charles Blackwell ATF Abergeldie Trust Account, Wildcoast Securities Ltd, TT Yap, Allen Wright, Thomas Bruentrup and Robert Judd, Stuart Victor and Jennifer Burhop, Hindustan Consulting TO, Skandus Pty Ltd, D&G Powell Holdings Pty Ltd ATF Powell Golden Rainbow Trust, Colin David Patterson, Vacuum State Electronics Inc and Dellfield Holdings Pty Ltd (collectively the "**Vendors**"), Golden Rainbow Holdings Pty Ltd ATF GR Unit Trust and D&G Powell Holdings Pty Ltd ATF Powell Golden Rainbow Trust (collectively the "**Covenantors**") and GR Enmore Pty Ltd ("**GR**").

Under the Agreement the Company agrees to acquire from the Vendors title to all of the issued share capital in GR ("**GR Shares**"), free from all encumbrances.

The consideration payable by the Company to the Vendors for the GR Shares will be the issue of a total of 8,992,606 fully paid ordinary shares in the capital of the Company ("**Shares**").

Settlement is subject to and conditional upon (as conditions precedent):

- (a) the completion by the Company of a legal and financial due diligence on GR, to the sole and absolute satisfaction of the Company; and
- (b) the ASX (or any other recognised exchange) indicating in writing that it will, subject only to customary pre-qualification conditions, grant permission for the admission of the Company to the official list of ASX (or any other recognised exchange), and the Company satisfying those pre-qualification conditions except for completion under the Agreement.

If these conditions are not satisfied or waived or an extension of time not given by 31 May 2006 or such other date as is agreed, the Agreement will be deemed to be at an end and of no force or effect with no party being subject to any of the obligations contained in the Agreement and with no party claiming any rights at law or in equity against any other party save for the performance of those covenants and agreements (if any) which should have already been performed and all damages for breach of the same.

Settlement will occur 5 business days after the satisfaction of the conditions, or such other date as agreed. Among other things, at or prior to settlement, the Covenantors and the Vendors (if relevant), if required by the Company, will deliver or cause to be delivered to the Company all documents and records maintained and relating to GR, including financial records, cheque books, title documents and contracts. Further, the Covenantors and the Vendors must procure a directors' meeting of GR is held to, if applicable, attend to, among other things, the approval of the registration of the transfers of the GR Shares to the Company and the appointment of those persons nominated by the Company as directors and secretaries of GR (where required by the Company) in place of the existing officers.

Prior to settlement, the Covenantors and GR jointly and severally covenant with the Company that the Company will not, except as contemplated by the Agreement or with the prior written consent of the Company, undertake certain corporate or other actions including entering into, terminating or altering any term of any material contract or commitment; incurring any material liabilities; acquiring or disposing of material asset; allotting or issuing any share or loan capital or resolving any programs or budgets in relation to GR. If, prior to settlement, an event occurs which has or may have a material effect on the profitability or value of the GR Shares, or the value of GR's business, the Covenantors must, immediately upon becoming aware of that event, give written notice to the Company fully describing that event.

The Company covenants and agrees with the Vendors and the Covenantors that prior to settlement it will not, without the prior written consent of the Covenantors (which consent will not be unreasonably withheld), issue any Shares to any party at an issue price of less than \$0.08 per Share. The detailed representations and warranties provided by the Vendors to the Company are of the type standard to agreements of this nature and relate to title, no consents required for transfer, no legal impediments to the transaction contemplated by the Agreement, solvency and authorisation. Each Vendor severally indemnifies and agrees to indemnify the Company against any claim, action, proceeding, judgment, damage, loss, cost, expense or liability incurred by or to or made or recovered by or against the Company as a result of a breach of any of the warranties and representations given by it.

The detailed representations and warranties provided by the Covenantors to the Company are of the type standard to agreements of this nature and relate to issued capital being fully paid, no person having a right to subscribe for further shares in GR, no outstanding options, no obligation to allot securities, solvency, authorisation, no litigation, no investigations, no tax investigations, compliance with legislation, no inconsistencies with any other contracts to which GR is a party, subsidiaries, contracts and no breaches of contracts, no consents required if GR has change in control, accuracy of last accounts, no material adverse change since last accounts, no material effect on GR's operations, business carried on in normal course since last accounts, permits, assets, no encumbrances, good standing of tenements, no notice of revocation regarding tenements, no breach of tenement conditions, mining information disclosure, compliance with environmental laws, records and constituent documents and taxes and duties. Each of the Covenantors jointly and severally indemnifies and agrees to indemnify the Company against any claim, action, proceeding, judgment, damage, loss, cost, expense or liability incurred by or to or made or recovered by or against the Company as a result of a breach of any of the warranties and representations given by it.

The maximum liability of each of the Vendors (other than the Covenantors) under the Agreement (including for any breach of warranty) is limited (in aggregate) to:

- (a) if the Vendor has not sold any of the Shares issued to it by the Company as consideration, the number of Shares received by the Vendor to the intent that in the event of a breach, the relevant Vendor agrees to either cancel their Shares or transfer their Shares to a third party at the direction of the Company for no consideration; and
- (b) if the Vendor has sold their Shares, the value of the Shares received by each of the relevant Vendors as at the time of issue based on the offer price to the public under the prospectus issued by the Company.

The maximum liability of each of the Covenantors under the Agreement (including for any breach of warranty) is limited (in aggregate) to the number of Shares received by the relevant Covenantor to the intent that in the event of a breach, the Covenantors agree to either cancel their Shares or transfer their Shares to a third party at the direction of the Company for no consideration.

The parties agree and acknowledge that:

- (a) as part of the agreed exploration program, the Covenantors have the right on or before 1 March 2006 to nominate drilling targets for up to a total of 500 metres of drilling;
- (b) the target drilling will be funded by the Company and completed on or before 30 June 2006 (or such later date as agreed by the parties); and
- (c) provided the Covenantors nominate drilling targets in accordance with paragraph (a) above, if the Company does not complete the target drilling on or before 30 June 2006, the Company will pay the Vendors (pro rata in accordance with their holding of the GR Shares) the amount of \$150,000 within 7 business days of 30 June 2006.

If either party defaults in the observance or performance of any of their obligations under the Agreement and the default continues for 7 days after notice from any of the other parties then the non-defaulting party may without further notice to the defaulting party:

- (a) rescind the Agreement and be entitled to such damages as to which the non-defaulting party would be entitled at common law or in equity; and/or
- (b) sue the defaulting party for specific performance.

No party may assign any or all of its right and obligations under the Agreement to any person except with the prior written consent of the other parties, which consent shall not unreasonably be withheld.

9.3 Na Pai – Vimico Agreement

By agreement dated 26 November 2003 Zedex (through its wholly-owned subsidiary, NP Mining Ltd) and Vietnam Minerals Corporation (“Vimico”) agreed to jointly apply to the Ministry of Resources and Environment for Prospecting and Exploration licence Applications in respect of the Na Pai area, for the purpose of exploring for gold and associated minerals in commercial quantities. Zedex is required to fund all expenditure to completion of the exploration phase. It was also agreed to establish a Joint Venture Agreement to mine, process and sell any gold and/or associated minerals produced from the licence area if exploration results indicate the presence of gold and/or associated minerals in commercial quantities. The terms of the joint venture will be negotiated at the end of the exploration period should a commercial deposit be identified (Zedex expects that Vimico would be entitled to between 15% and 30% of any such joint venture). This agreement replaces an earlier business cooperation contract.

9.4 Hoai An/Tien Thuan Agreement

By agreement dated 1 December 2003 Zedex (through its wholly-owned subsidiary KS Mining Ltd) and Binh Dinh Minerals Joint Stocks Company (“Bimico”) agreed to jointly apply to the Ministry of Resources and Environment for Prospecting and Exploration licence Applications in respect of the Hoai An and Tien Thuan areas, for the purpose of exploring for gold and associated minerals in commercial quantities. Zedex is required to fund all expenditure to completion of the exploration phase. It was also agreed to establish a Joint Venture Agreement to mine, process and sell any gold and/or associated minerals produced from the licence area if exploration results indicate the presence of gold and/or associated minerals in commercial quantities. Zedex expects that Bimico would be entitled to between 15% and 30% of any such joint venture.

9.5 Ban Phuong Agreement

By agreement dated 9 February 2004 Zedex (through its wholly-owned subsidiary OVMC Ltd) and Son La People’s Committee (“Son La”) agreed to jointly apply to the Ministry of Resources and Environment for Prospecting and Exploration licence Applications in respect of the Ban Phuong area, for the purpose of exploring for gold and associated minerals in commercial quantities. Zedex is required to fund all expenditure to completion of the exploration phase. It was also agreed to establish a Joint Venture Agreement to mine, process and sell any gold and/or associated minerals produced from the licence area if exploration results indicate the presence of gold and/or associated minerals in commercial quantities. Zedex expects that Son La would be entitled to between 15% and 30% of any such joint venture.

9.6 Deed of Assignment – Bong Mieu Royalty

Under an agreement dated 1 January 2006 between Ivanhoe, the Company and Olympus (“**Assignment Agreement**”), Ivanhoe agreed to assign all of its royalty interest under the Definitive Agreement dated 26 February 1997 between Ivanhoe, Olympus and the Company (“**Definitive Agreement**”) to the Company.

In consideration of the assignment of Ivanhoe’s interest in the royalty agreement, the Company paid US\$1,700,000 to Ivanhoe.

Under the Definitive Agreement, Ivanhoe sold to Olympus the total issued capital of Formwell Holdings Limited which owned the Property. As part consideration of the sale, Ivanhoe was granted a 2% gross production royalty.

For refined gold and refined silver (together “**Precious Metals**”) and all metals and minerals other than Precious Metals (“**Other Metals**”) mined from the Property, Olympus, Formwell Holdings Limited, Bong Mieu Holdings Ltd and their respective successors and assignees (“**Concessionaire**”) will pay to Ivanhoe and its successors and assignees (“**Beneficiary**”) a royalty as follows:

- (a) for Precious Metals, at Ivanhoe’s option, either 2% of the gross value of all Precious Metals, in cash; or 2% of Gold Production and Silver Production, as the case may be, in kind; and
- (b) for Other Metals, 2% of the gross value of all Other Metals, in cash.

Ivanhoe will reimburse the Concessionaire for an amount equal to 2% of the costs incurred by the Concessionaire for delivery to a refiner outside Vietnam.

If the Concessionaire sells raw ores mined from the Property, then, for the purposes of calculating gross value, Gold Production, Silver Production and Other Metal Production will, in each case, be equal to the gold, silver and other metals contained in such raw ores sold in a specified month multiplied by:

- (a) the recovery rate contractually determined on an arm’s length basis between the Concessionaire and the refiner; or
- (b) in the absence of a contractually determined recovery rate, an assumed recovery rate equal to the average actual recovery rate for such metal during beneficiation by or on behalf of the Concessionaire for the latest calendar quarter ended prior to such month in which ores of such metal from the Property were beneficiated by or on behalf of the Concessionaire.

If such ores have not been so benefited by or on behalf of the Concessionaire during any such calendar quarter, the recovery rate will be the actual recovery rate experienced by the purchaser of such ores determined in good faith by the Concessionaire.

The Concessionaire's share of all tailings, residues, waste rock, spoiled leach materials, and other materials ("**Materials**") resulting from its operations conducted on the Property will be deemed to be the Concessionaire's property. If the processing of the Materials results in the production of Precious Metals or Other Metals, the Concessionaire will have to pay a royalty to the Beneficiary in accordance with the terms of the royalty agreement.

If the Concessionaire intends to abandon any of its interests in the Property ("**Abandonment Property**"), the Concessionaire must first give 45 days' notice of such intention to the Beneficiary. If the Beneficiary notifies the Concessionaire not later than 10 days before the proposed abandonment date, the Concessionaire will convey the Abandonment Property to the Beneficiary.

The Concessionaire may, at any time upon 30 days' prior written notice to the Beneficiary, elect to purchase from the Beneficiary one-half of the Beneficiary's interest in the royalty in consideration for a cash payment of US\$1,500,000.

The royalty agreement and the Assignment Agreement are governed by the laws of the Province of British Columbia, Canada.

Capitalised terms used in this Section 9.6 without definition have the following meanings:

"**Gold Production**" means the quantity of refined gold returned to the Concessionaire's account for gold produced from the Property during a calendar month;

"**Silver Production**" means the quantity of refined silver returned to the Concessionaire's account for silver produced from the Property during a calendar month;

"**Property**" means the areas in Vietnam covered by Exploration Permit 582 CNNg/KTM dated 22 July 1992, Exploration license 362 GP/KHKT dated 14 June 1993, the Tien Ha Exploration License Application and any licenses and permits derived from such licenses and permits, together with any amendments and any additional licenses and permits geographically contiguous with the Property acquired by or on behalf of Formwell Holdings Limited, Bong Mieu Holdings Ltd., Bong Mieu Gold Mining Company Limited and their respective successors.

9.7 Facility Agreements

The Company entered into separate facility agreements with each of Macquarie Bank Limited, Westpac Custodian Nominees Limited, Nessoock Custodians Limited and Claymore Trustees Limited on 27 February 2006, pursuant to which:

- (a) Macquarie Bank Limited agreed to provide a facility of \$1,000,000 to the Company;
- (b) Westpac Custodian Nominees Limited agreed to provide a facility of \$2,000,000 to the Company;
- (c) Nessoock Custodians Limited agreed to provide a facility of \$200,000 to the Company; and
- (d) Claymore Trustees Limited agreed to provide a facility of \$1,235,000 to the Company. Mr John Seton is a trustee of Claymore Trustees Limited, but has no beneficial interest in the facility agreement.

The other principal terms of each facility agreement are identical and are summarised below.

The purpose of the facilities is to provide funds for the Company to meet its obligations under the Deed of Assignment made 1 January 2006 between Ivanhoe Mines Ltd, the Company and Olympus, the terms of which are summarised in Section 9.7.

The repayment date under each facility agreement is 27 February 2008.

The loan amount under each facility agreement bears interest at the fixed rate of 10% on a daily basis on the outstanding balance of the loan and such interest is payable six-monthly in arrears on 30 June and 31 December of each year during the term of the facility and on 27 February 2008. Interest will accrue daily on any overdue amounts at the rate of 10% plus a margin of 4% and may be compounded by the bank.

As security for the loan, the Company entered into a Specific Security Agreement with Macquarie Bank Limited, Westpac Custodian Nominees Limited, Nessoock Custodians Limited and Claymore Trustees Limited by which the Company agreed to grant a security interest in favour of each of the banks over the 2% gross production royalty and the Company's shares in Olympus.

As part consideration of the lenders providing the facilities, the Company issued the following number of Lender Options to each of the lenders:

- (a) 5,000,000 to Macquarie Bank Limited;
- (b) 10,000,000 to Westpac Custodian Nominees Limited;
- (c) 1,000,000 to Nessock Custodians Limited; and
- (d) 6,175,000 to Claymore Trustees Limited.

The terms of the Lender Options are summarised in Section 11.7.

If any one of the lenders exercises its Lender Options, the purchase consideration for the underlying Shares will first be applied to any outstanding balance under the facility with the balance being given to the Company.

If any specified event of default occurs, each lender may terminate the facility by written notice and any outstanding balance is immediately due and payable to Macquarie without further notice.

The Company is to indemnify each lender against any loss which the lenders may sustain as a result of any payable sum not paid by the Company when due, any specified event of default, termination of the facility for any reason or the Company making an early repayment of any portion of the loan.

The Company has given warranties and representations to the lenders which are usual in facility agreements of such nature.

Each lender may assign or transfer all of any part of its rights and obligations under the facility agreement or in relation to its security interests. The Company cannot assign any of its rights in relation to the facility or the securities provided without each lender's consent.

The facility agreements are governed by the laws of New Zealand.

9.8 Consultancy Agreement – Paul Seton

The Company entered into a consultancy agreement with Avora Ltd as trustee for the Lloyd Beaumont No.2 Trust ("**LBT**") on 31 March 2006 ("**Consultancy Agreement**"). In accordance with the terms of the Consultancy Agreement, LBT has agreed to provide the services of its employee, Paul Seton, to undertake all functions, duties, roles and authorities which the Company would require of a person engaged as an executive Director of the Company, including any executive activities for any related bodies of the Company.

The Company must pay LBT consultancy fees of \$180,000 per annum gross of tax and exclusive of GST, to be paid on a monthly basis, in arrears. The Company must also reimburse LBT for all reasonable expenses incurred by LBT in carrying out its consultancy services to the Company. The agreement may be terminated by either party upon notice of three months.

9.9 Consultancy Agreement – Rodney Murfitt

Pursuant to a letter of offer dated 10 February 2006 and accepted by Geologix Consulting ("**Geologix**") on 13 February 2006 ("**Consultancy Agreement**"), Geologix has agreed to provide the services of its employee, Rodney Murfitt, for the purposes of management and geological consulting work. Mr Murfitt is required to commit 75% of his time to Zedex (with the remaining 25% being consultancy services to Olympus).

The Company must pay Geologix consultancy fees of US\$90,000 per annum gross of tax and exclusive of GST, to be paid on a monthly basis, in arrears. The Company must also reimburse Geologix for all reasonable expenses incurred by Geologix in carrying out its consultancy services to the Company.

Section 10

RISK FACTORS

10.1 Introduction

This Section identifies the areas the Directors regard as the major risks associated with an investment in Zedex. Investors should be aware that an investment in Zedex involves many risks, which 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 Zedex intends to operate before any decision is made to apply for Shares and 2008 Options.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with Zedex's business and its involvement in the exploration and mining industry. These risk factors are largely beyond the control of Zedex and its directors because of the nature of the proposed business of Zedex. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

Neither the Company nor the Directors provide any assurances or guarantees of future profitability, distributions, payment of dividends, return of capital or performance of the Company or its Shares.

Prospective investors should carefully consider the risks described below, together with all other information contained in this Prospectus, before deciding whether to invest in Zedex Shares and 2008 Options. These risks have the potential to materially adversely affect the Company's business, financial condition and/or results of operations. In such case, an investor may lose all or part of his or her investment. Investors are accordingly advised to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

The principal risk factors associated with an investment in the Company include, but are not limited to, the following:

10.2 General Securities Risks

Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the Shares and Options trade may fluctuate in response to a number of factors.

Further, the stock market and in particular the market for mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. These factors may materially affect the market price of the Shares and 2008 Options regardless of the Company's operational performance.

Share market conditions

The market price of the Shares and Options may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Historic price performance of the Shares and Options should not be deemed to provide any indication as to future performance and there can be no guarantee that prevailing trading prices will be sustained. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

10.3 Risks Specific to Mineral Exploration Companies

Exploration and mining risks

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. There is no certainty that the expenditures made by Zedex towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, a number of years can elapse from the initial phase of drilling until commercial operations are commenced. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Zedex not receiving an adequate return on invested capital. Most of the above factors are beyond the control of Zedex.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to

hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

Infrastructure

Mining, processing, development and exploration activities depend, to varying degrees, on adequate infrastructure. Reliable roads, bridges, power and water supply are important determinants that affect capital and operating costs. There can be no guarantee that adequate infrastructure will be available to successfully develop any identified mineral resources.

Environmental risks

All phases of Zedex's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Zedex's operations. Environmental hazards may exist on the properties on which Zedex holds interests which are unknown to Zedex at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

Economic and price risks

The demand for, and price of, gold and other minerals is dependent on a variety of factors which are beyond Zedex's control, including international supply and demand, international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. Fluctuations in mineral prices will often have a material adverse effect on exploration and mining companies' businesses, financial condition and results of operations. The price of gold and other precious and base metals has fluctuated widely in recent years, and future price declines could cause any development of and commercial production from Zedex's mineral interests to be impracticable. There can not ever be any assurance that mineral prices will be such that properties can be mined at a profit.

Competition

There is substantial competition between resource sector companies with some of the companies in the sector having had greater financial and other resources than others, as a result, some companies will often be in stronger positions to compete for future business opportunities than other companies in the sector.

10.4 Risks Specific to Zedex

Title

All of the licences in which Zedex has an interest will be subject to applications for renewal or are subject to application for granting (and are likely to be subject to applications for renewal), the success of which cannot be guaranteed. If a licence is not granted or renewed, Zedex may suffer significant damage through loss of the opportunity to discover and develop any mineral resources on that licence.

Native Title

Refer to Section 7 for a detailed discussion on the risks associated with native title in relation to Zedex's projects in Australia.

Reliance on key personnel

The loss of any one or more of the Directors could have an adverse impact on the performance and prospects of the Company.

Retention of key business relationships

Zedex relies on strategic relationships with other entities such as local partners, joint venture farm-in parties and also on good relationships with regulatory and governmental departments. It will also rely upon third parties to provide essential contracting services.

While the Directors have no reason to believe otherwise, there can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance, which causes the early termination or non-renewal of one or more of these key business alliances or contracts, could adversely impact Zedex, its business, operating results and prospects.

Country and Sovereign Risk

Certain of the mineral projects in which Zedex has an interest (whether directly held through the granted licence or licence applications or indirectly through Zedex's investment in Olympus) are currently situated in Vietnam and Laos. As such, Zedex's operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licences, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Vietnam (or in other Asia Pacific countries that the Company may in the future secure additional exploration tenements) may adversely affect Zedex's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

In particular, with the Tien Thuan application in Vietnam the Department of Geology and Minerals of Vietnam, ("DGMV") has advised that exploration activities are required to comply with a master plan approved by a competent state authority and as no master plan has been approved for in the proposed exploration area, the DGMV has no legal basis to proceed with further processing of the Tien Thuan application. The Binh Dinh Province People's Committee has however written to the Vietnam Ministry of Natural Resources and Environment (the ministry responsible for the DGMV) expressing strong support for K.S Mining Ltd's (a wholly-owned subsidiary of Zedex) proposed investment in the Tien Thuan area. Zedex will be undertaking any further necessary procedure to progress the DGMV's evaluation of the Tien Thuan application.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on Zedex's operations or profitability.

Foreign exchange risk

Zedex's operations will incur expenditures in the local currencies of Australia, New Zealand and Vietnam and also in US dollars. As a result of the use of these different currencies, Zedex is subject to foreign currency fluctuations which may materially affect its financial position and operating results.

Payment obligations

Under the exploration licences and licence applications (if granted) 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, licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the licences. Failure to meet these work commitments will render the permit 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 other parties, this could result in dilution or forfeiture of interests held by the Company.

Exploration costs

The exploration costs for the properties described in this Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Insurance

Insurance against all risks associated with mineral exploration is not always available or affordable. Zedex will maintain insurance where it is considered appropriate for its needs; however, it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Future capital needs and funding

Further funding is likely to be required by Zedex to support its activities and operations and if Zedex seeks to maintain its current percentage interest in Olympus. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance may adversely affect the business and financial condition of Zedex and, consequently, its performance.

Loan repayment and Finance Requirements

If any of the Lender Options issued under the various facility agreements (described in Section 9.8) entered into by the Company are not exercised before 27 February 2008, the Company will need to repay the outstanding loan amounts in cash. The Company is currently at the exploration stage in respect of the development of its direct mineral interests, and the investment in Olympus does not yet yield dividend income. Except for revenue that may be earned pursuant to the Bong Mieu Royalty, the quantum of which is uncertain (refer Section 4.5 of this Prospectus), the Company is wholly reliant upon either (i) external financing or (ii) disposal of investments, to fund its debt and capital requirements. There can be no assurance that such financing (or the ability to dispose of its investments for sufficient consideration) will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of Shareholders in the net assets of the Company may be diluted. Any failure of the Company to obtain required financing (or dispose of investments) on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations and liquidity and require the Company to cancel or postpone planned capital investments.

Developing Legal System in Vietnam

The Vietnamese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, because these laws and regulations are relatively new, interpretation and enforcement of these laws and regulations involve uncertainties. In addition, as the Vietnamese legal system develops, changes in such laws and regulations, their interpretation or their enforcement may have a material adverse effect on business operations.

Any material adverse changes in government policies or legislation in Vietnam that affects mineral exploration, development or mining activities, may adversely affect the viability and profitability of the Company's Vietnamese assets.

No History of Mining Operations or Profitability

Zedex does not have a history of mining operations, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Zedex has incurred operating losses since incorporation, and the exploration of Zedex's mineral interests is at an early stage. It is therefore not possible to evaluate future prospects based on past performance. There can be no certainty that Zedex will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

Dividend Policy

No dividends on the Shares have been paid to date. Zedex anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of Zedex's Board after taking into account many factors, including Zedex's operating results, financial condition and current and anticipated cash needs.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Shares in the public markets, or the potential for such sales, could decrease the trading price of the Shares and could impair Zedex's ability to raise capital through future sales of Shares. Zedex has previously completed issued Shares at prices per share which are lower than the issue price of Shares pursuant to this prospectus. Accordingly, a number of Shareholders have an investment profit in the Shares that they may seek to liquidate.

Proposed changes to taxation law in New Zealand

Proposed changes to the tax treatment in New Zealand of investments were made public in April 2006. The proposed changes include that investors holding shares in companies domiciled outside of New Zealand and Australia will be taxed on 85% of their capital gains (realised and unrealised). The taxable gain in any one year is proposed to be capped at 5% of the market value of the holdings at the start of the year.

The proposed changes are scheduled to be introduced into the New Zealand Parliament in May 2006, and if passed into legislation are intended to come into effect on 1 April 2007.

Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by Zedex or by investors in Zedex. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Zedex and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be 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.

Potential investors should consider that the investment in Zedex is speculative and should consult their professional advisers before deciding whether to apply for Shares in Zedex.

Section 11

ADDITIONAL INFORMATION

11.1 Incorporation

Zedex Limited was incorporated in New Zealand on 23 February 1999. The name of the Company was changed to Zedex Minerals Limited on 20 November 2003. The Company was registered as a foreign company in Australia on 12 February 2004 with ARBN 107 523 428.

11.2 Company Tax Status and Financial Year

The directors expect the Company to be a resident of New Zealand for tax purposes and to be taxed in New Zealand in accordance with the income tax legislation of that country. New Zealand imputation (franking) credits will not be creditable in Australia by Australian resident investors. However the availability of such imputation credits in New Zealand will reduce or extinguish liability for New Zealand non-resident withholding tax on dividend payments to Australian investors.

The financial year of the Company ends on 31 March annually.

11.3 Legal Proceedings

The Directors are not aware of any litigation of a material nature pending or threatened which may significantly affect Zedex.

11.4 Rights Attaching to Shares

There is only one class of shares on issue in the Company being fully paid ordinary shares. The rights attaching to Shares in the Company are:

- (a) set out in the constitution of the Company, a copy of which is available for inspection at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the New Zealand Companies Act 1993, the Listing Rules, the ASX Settlement Rules and the general law.

The following is a summary of the principal rights of the holders of Shares in the Company.

Voting

A shareholder may exercise the right to vote either by being present in person or by proxy. A body corporate which is a shareholder may appoint a representative to attend a meeting of shareholders in the same manner as that in which it could appoint a proxy or by way of power of attorney. Voting at a meeting of shareholders is determined by either voting by voice or by a show of hands, as determined by the chairperson of the meeting. A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded.

A poll may be demanded by not less than five shareholders having the right to vote at a meeting or a shareholder or shareholders representing not less than 10% of either the total voting rights of all shareholders or not less than an aggregate amount of 10% of the total amount paid up on all shares that confer a right to vote.

Transfer of Shares

The Company may participate in any share transfer system approved under the Securities Act 1991 (NZ). A market transfer in accordance with CHESS (for more details about CHESS, please see Section 2.8), pursuant to the ASX Settlement Rules, is an approved system under the Securities Act 1991 (NZ). Alternatively, a shareholder may transfer Shares in any other usual form or in any form approved by the Directors in accordance with the constitution of the Company.

There will be no restriction on the transfer of Shares except where required by law or the rules of any stock exchange upon which the Shares may be quoted; or where the Board refuses to register the transfer if the transfer is not accompanied by evidence as the Board may reasonably require to show the transferor's right to make the transfer or the Board considers that to effect the transfer would result in a breach of the law or the Company's constitution. The Board however must not prevent delay or in any way interfere with the registration of a market transfer in accordance with CHESS.

Meetings and Notice

Each shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of the Company.

Winding up

The Company has only issued one class of shares, which all rank equally in the event of liquidation. Shareholders have the right to an equal share in the distribution of surplus assets of the company.

Shareholder Liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Board and will therefore not become liable for forfeiture.

ASX Listing Rules

If the Company is admitted to the Official List, then despite anything in the constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the constitution to contain a provision or not to contain a provision the constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of the inconsistency.

11.5 Terms of 2008 Options and Incentive Options

The terms of the 2008 Options are set out below. The Incentive Options will be issued on the same terms as the 2008 Options referred to below, except that the Incentive Options shall expire at 5pm AEST on 30 June 2009; Shares allotted to option holders on exercise of Incentive Options shall be issued at 25 cents each; and the Incentive Options shall be non-transferable.

- (a) No monies will be payable for the issue of the 2008 Options.
- (b) A holding statement or a certificate will be issued for the 2008 Options.
- (c) The 2008 Options shall expire at 5pm AEST on 30 November 2008 ("**Expiry Date**").
- (d) The 2008 Option is a right in favour of the option holder to subscribe for one Share.
- (e) The option holder may exercise 2008 Options any time prior to the Expiry Date.
- (f) Shares allotted to option holders on exercise of 2008 Options shall be issued at 20 cents each ("**Exercise Price**").
- (g) The Exercise Price of Shares the subject of the 2008 Options shall be payable in full on exercise of the 2008 Options.
- (h) 2008 Options shall be exercisable by the delivery to the share registry of a completed exercise of option form stating the intention of the option holder to:
 - (i) exercise all or a specified number of 2008 Options; and
 - (ii) pay the subscription monies in full for the exercise of each 2008 Option.

The form must be accompanied by the option certificate (if applicable) and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some 2008 Options shall not affect the rights of the option holder to the balance of the 2008 Options held by the option holder.

- (i) The Company shall allot the resultant Shares and deliver the holding statement within 5 business days of the exercise of the 2008 Option.
- (j) Subject to any restrictions on transfer agreed between the Company and the option holder, the 2008 Options shall be freely transferable.
- (k) Shares allotted pursuant to an exercise of 2008 Options shall rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects.
- (l) If the Company is admitted to the official list of a recognised stock exchange, the Company shall in accordance with the rules of that stock exchange make application to have Shares allotted pursuant to an exercise of 2008 Options listed for official quotation.
- (m) In the event of any re-organisation of the issued capital of the Company (including consolidation, subdivisions, reduction or return), the rights of an option holder will be changed to the extent necessary to comply with the listing rules applying to a re-organisation of capital at the time of the re-organisation.
- (n) The 2008 Options will not give any right to participate in dividends, bonus issues or entitlement issues until Shares are allotted pursuant to the exercise of the relevant 2008 Options. There is no right to change the exercise price of 2008 Options nor the number of underlying Shares over which the 2008 Options can be exercised, if the Company completes a bonus or entitlements issue.

11.6 Terms of Lender Options

The terms of the Lender Options are set out below:

- (a) No monies will be payable for the issue of the Lender Options.
- (b) A holding statement or a certificate will be issued for the Lender Options.
- (c) The Lender Options shall expire at 5pm (AEST) on 27 February 2008 ("**Expiry Date**").
- (d) The Lender Option is a right in favour of the option holder of the Lender Option ("**Option Holder**") to subscribe for one Share.
- (e) The Option Holder may exercise Lender Options any time prior to the Expiry Date.

- (f) Shares allotted to Option Holders on exercise of Lender Options shall be issued at A20 cents each ("**Exercise Price**").
- (g) The Exercise Price of Shares the subject of the Lender Options shall be payable in full on exercise of the Lender Options.
- (h) Lender Options shall be exercisable, in multiples of 100,000 Shares, by the delivery to the company secretary of Zedex Minerals Limited ("Company") of a completed exercise of option form stating the intention of the Option Holder to:
 - (i) exercise all or a specified number of Lender Options; and
 - (ii) pay the subscription monies in full for the exercise of each Lender Option.
 The form must be accompanied by the option certificate (if applicable) and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Lender Options shall not affect the rights of the Option Holder to the balance of the Lender Options held by the Option Holder.
- (i) The Company shall allot the resultant Shares and deliver the holding statement within 5 business days of the exercise of the Lender Options. The Company shall also issue and deliver a replacement option certificate or a holding statement (whichever applicable) for any unexercised Lender Options to the Option Holder within 5 business days of the exercise of the Lender Options.
- (j) Subject to any restrictions on transfer agreed between the Company and the Option Holder, the Lender Options shall be freely transferable.
- (k) Shares allotted pursuant to an exercise of Lender Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- (l) If the Company is admitted to the official list of a recognised stock exchange, the Company shall in accordance with the rules of that stock exchange make application to have Shares allotted pursuant to an exercise of Options listed for official quotation.
- (m) In the event of any re-organisation of the issued capital of the Company (including consolidation, subdivisions, reduction or return), the rights of an Option Holder will be changed to the extent necessary to comply with the listing rules applying to a re-organisation of capital at the time of the re-organisation.
- (n) The Lender Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Lender Options.
- (o) The Company shall give the Option Holder written notice of any new issue of Shares or other securities in the Company offered to existing shareholders of the Company at least 15 business days before the record date for any such new issue. The Option Holder can participate in the new issue to the extent that it has exercised its Lender Options on a date being 10 business days before the books closing date of the new issue.
- (p) The Company shall ensure that any necessary shareholder and ASX approvals have been obtained and sufficient nominal but unissued and unallotted Share capital is available at all times to enable exercise of the Lender Options.
- (q) If the last traded price for the Shares is more than double the Exercise Price for each of 30 consecutive trading days on ASX ("30 Day Period"), the Borrower may, within 10 business days commencing on the first business day after the end of that 30 Day Period, by written notice to the Option Holder require the Option Holder to exercise all of the outstanding Lender Options held by it. Within 20 banking days of receipt by the Option Holder of such written notice, the Option Holder must exercise each Lender Option held by it at that time.

11.7 Corporate Governance Statement

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Ten Essential Corporate Governance Principles and Best Practice Recommendations ("Recommendations") as published by ASX Corporate Governance Council.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

Principle 1 Recommendation 1.1

Notification of Departure:

The Company has not formally disclosed the functions reserved to the Board and those delegated to management. The appointment of non-executive directors to the Board are not formalised in writing by way of a letter or other agreement.

Explanation for Departure:

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management. The Board has established an informal framework for the management of the Company and the roles and responsibilities of the Board and management. Due to the small size of the Board and of the Company, the Board of Directors do not think that it is necessary to formally document the roles of Board and management as it believes that these roles are being carried out in practice and are clearly understood by all members of the Board and management. The Board is responsible for the strategic direction of the company, establishing goals for management and monitoring the achievement of these goals, monitoring the overall corporate governance of the Company and ensuring that shareholder value is increased. The Company has two executives, being the Managing Director and the executive director of the Company. The Managing Director is responsible for ensuring that the Company achieves the goals established by the Board.

The appointment of non-executive directors are formalised in accordance with the regulatory requirements and the Company's constitution.

Principle 2 Recommendations 2.1 and 2.2

Notification of departure

Mr John Seton, non-executive chair, is not independent in accordance with the test of independence as set out in Box 2.1 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. In addition the Company does not have a majority of independent directors, with only one of the four Board members being independent.

Explanation for departure

The Board considers that the current composition of the Board is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business. The current Board structure presently consists of a chair who is independent, the managing director, one executive director and one non-executive director, who is independent. The Company considers that each of the directors possess skills and experience suitable for building the Company. The Board takes the responsibilities of best practice in corporate governance seriously.

Principle 2 Recommendation 2.4 and Principle 4 Recommendations 4.2 and 4.3

Notification of Departure

Separate audit and nomination committees have not been formed, however the Company adopted the Audit Committee Charter on 13 April 2006 and the Nomination Committee Charter on 13 April 2006.

Explanation for Departure

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

In particular, the full Board considers those matters that would usually be the responsibility of an audit committee and a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate audit committee or a separate nomination committee.

Principle 3 Recommendation 3.1

Notification of Departure:

The Company has not established a formal code of conduct.

Explanation for Departure:

The Board considers that its business practices, as led by the Board and key executives, are the equivalent of a code of conduct.

Principle 5 Recommendation 5.1

Notification of Departure:

The Company has not established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance.

Explanation for Departure:

The Company has in place informal procedures which it believes are sufficient for ensuring compliance with ASX Listing Rule disclosure requirements and accountability for compliance. The Board has nominated the Managing Director and the company secretary as being responsible for all matters relating to disclosure.

Principle 6 Recommendation 6.1

Notification of Departure:

The Company has not established a formal shareholder communication strategy.

Explanation for Departure:

While the Company has not established a formal shareholder communication strategy, it intends, once it is listed, to actively communicate with its shareholders in order to identify the expectations of its shareholders and actively promote shareholder involvement in the Company. It will achieve this by posting on its website, copies of all information which is lodged with the ASX. Shareholders with internet access will also be encouraged to provide their email addresses to receive electronic copies of information distributed by the Company. Alternatively, hard copies of information distributed by the Company will be available on request.

Principle 7 Recommendation 7.1

Notification of Departure:

The Company has an informal risk oversight and management policy and internal compliance and control system.

Explanation for Departure:

The Board does not currently have formal procedures in place but is aware of the various risks that affect the Company and its particular business. Section 10 of this Prospectus provides a summary of the relevant risk factors that will affect the Company. As the Company develops, the Board will develop appropriate procedures to deal with risk oversight and management and internal compliance, taking into account the size of the company and the stage of development of its projects.

Principle 8 Recommendation 8.1

Notification of Departure:

The Company does not have in place a formal process for evaluation of the Board, its committees, individual directors and key executives.

Explanation for Departure:

An evaluation of the Board has been carried out on a continuing and informal basis as part of the Company's preparations for the initial public offering and proposed listing on ASX. The Company will put in place a process for evaluating the Board, individual directors and key executives once it has been listed and has had an opportunity to put into effect its business plan as disclosed in this Prospectus.

Principle 9 Recommendations 9.1, 9.2, 9.3, 9.4

Explanation for departure:

The Company does not have a formal remuneration policy and has not established a separate remuneration committee. Non-executive directors may receive options.

Explanation for Departure:

The current remuneration of the Company's directors is disclosed in Section 11.8 of the Prospectus. Non-executive directors receive a fixed fee for their services and may also receive options. The issue of options to non-executive directors is considered an appropriate method of providing sufficient incentive and reward whilst maintaining cash reserves.

Due to the early stage of development and small size of the Company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the directors and key executives. The Board considers that it is more appropriate to set aside time at two Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. In addition, all matters of remuneration will continue to be in accordance with regulatory requirements, especially in respect of related party transactions. That is, none of the directors participate in any deliberations regarding their own remuneration or related issues.

11.8 Directors' Interests

Except as disclosed in this Prospectus, no Director or proposed Director holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director or proposed Director to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

Over the past two years, the following associated entities of Mr John Seton have been paid various amounts for services provided to the Company or its subsidiaries:

- Gregory John Barclay and John Walters as trustees for the Jura Trust has been paid \$106,371 (plus GST). Mr John Seton and his family are potential beneficiaries of the Jura Trust;
- Claymore Management Ltd ("CML") has been paid \$51,846 (plus GST). Mr John Seton is a director of CML. Gregory John Barclay and Simon Charles Blackwell as trustees for the Abergeldie Trust ("Abergeldie Trust") hold 50% of CML's issued capital. Mr Seton and his family are potential beneficiaries of the Abergeldie Trust; and
- Claymore Law, a law firm of which Mr John Seton is a principal, has been paid \$8,918 (plus GST).

Mr John Seton was also issued 1,000,000 Incentive Options in March 2006.

Over the past two years, Avora Ltd as trustee for the Lloyd Beaumont No. 2 Trust ("Lloyd Beaumont No. 2 Trust") has been paid \$194,725 (plus GST). Mr Paul Seton and his family are potential beneficiaries of the Lloyd Beaumont Trust. Mr Paul Seton was also issued 1,250,000 Incentive Options in March 2006.

Over the past two years, Mr Rodney Murfitt has been paid a total of \$10,468 for services provided to the Company or its subsidiaries. Mr Murfitt was also issued 750,000 Incentive Options in March 2006.

Over the past two years, Mr Peter Jobson has been paid a total of \$52,395 for services provided to the Company or its subsidiaries. Mr Jobson was also issued 250,000 Incentive Options in March 2006.

Shareholding Qualifications

Neither the New Zealand Companies Act 1993, nor the constitution of the Company, requires the Directors to hold any Shares in the Company.

Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company as at the date of this Prospectus:

Director	Number of Shares	Number of 2008 Options	Number of Incentive Options
John Seton ¹	8,946,103	5,306,384	1,000,000
Paul Seton ²	8,231,448	4,949,057	1,250,000
Rodney Murfitt ³	120,833	60,417	750,000
Peter Jobson ⁴	266,666	248,334	250,000

Notes:

1. John Seton's interests are held by the following related parties:
 - 8,175,435 Shares and 4,921,050 2008 Options are held by the Abergeldie Trust, a trust of which Mr Seton and his family are potential beneficiaries.
 - 770,668 Shares and 385,334 2008 Options are held by Moondance Ventures Limited (in liquidation) ("Moondance"). John Seton is the liquidator of Moondance, but does not have a beneficial interest in any of the securities owned by Moondance other than in his capacity as liquidator.

1,000,000 Incentive Options are held directly by John Seton.

The Abergeldie Trust holds ordinary shares in GR Enmore Pty Ltd. Upon completion of the GR Enmore Agreement the Abergeldie Trust will receive a further 100,000 Shares.

The Abergeldie Trust also holds 448,473 ordinary shares in Olympus and 955,000 options to acquire an ordinary share in Olympus at an average exercise price of CAD\$0.43, each option expiring 5 years from the date of grant. Such options held by the Abergeldie Trust expire on various dates.

2. Paul Seton's interests are held by the following related parties:
 - 7,912,630 Shares and 4,789,648 2008 Options are held by the Lloyd-Beaumont No.2 Trust, a trust of which Paul Seton and his family are potential beneficiaries.
 - 277,168 Shares and 138,584 2008 Options are held jointly by Paul and Vivienne Seton (Paul's spouse).
 - 5,550 Shares and 2,775 2008 Options are held by Vivienne Seton.
 - 5,550 Shares and 2,775 2008 Options are held by Florencia Seton (Paul's daughter).

30,550 Shares, 15,275 2008 Options and 1,250,000 Incentive Options are held directly by Paul Seton.

The Lloyd-Beaumont No. 2 Trust also holds 222,603 ordinary shares in Olympus and 42,000 options to acquire an ordinary share in Olympus at an exercise price of CAD\$0.60, each option expiring on 11 February 2007.
3. 120,833 Shares, 60,417 2008 Options and 750,000 Incentive Options are held directly by Rodney Murfitt. Rodney Murfitt also holds 10,000 ordinary shares and 580,180 options to acquire an ordinary share in Olympus.
4. Peter Jobson's interests are held by the following related party:
 - 108,333 Shares and 54,167 2008 Options are held by Elaine Wendy Jobson (Peter's spouse).
 - 158,333 Shares, 194,167 2008 Options and 250,000 Incentive Options are held directly by Peter Jobson.

Save as set out above, none of the Directors has any interest in the share capital of the Company. The Directors may subscribe for Shares and 2008 Options under this Prospectus.

Remuneration of Directors

The Board may authorise the payment of remuneration or the provision of other benefits to a Director for services as a director or in any other capacity, if the Board is satisfied that to do so is fair to the Company. The Directors who vote in favour of authorising such remuneration or benefits must sign a certificate stating that this is fair to the Company, and the grounds for that opinion. Any Director or a Director's firm may act in a professional capacity for the Company, and the Director or Director's firm may receive remuneration for such services as if the Director was not a Director. A Director may also hold any other office or place of profit in the Company (other than auditor) in conjunction with the Director's office of director on terms determined by the Board.

The Board has approved payment of directors' fees to non-executive directors of \$25,000 per year each and \$50,000 per year for a non-executive chairman.

The Non-Executive Chairman, John Seton, will receive a director's fee of \$50,000 per year.

The services of the Managing Director, Paul Seton, are provided pursuant to a Consultancy Agreement made 31 March 2006 between Avora Limited as trustee of the Lloyd Beaumont No. 2 Trust (of which Paul Seton is a potential beneficiary) and Zedex, the terms of which are summarised in Section 9.8. A consulting fee of \$180,000 (plus GST) per year is payable to the Lloyd Beaumont No. 2 Trust.

The Services of Executive Director, Rodney Murfitt, are provided pursuant to a letter agreement dated 13 February 2006 between Zedex and Geologix Consulting (a business associated with Rodney Murfitt), the terms of which are summarised in Section 9.9. A consulting fee of USD\$90,000 (plus GST) per year is payable to Geologix Consulting.

Non-Executive Director, Peter Jobson, will receive a director's fee of \$25,000 per year.

Other Interests

The Company has entered into Deeds of Insurance, Indemnity and Access with each of the Directors under which the Company agrees to indemnify the Directors against certain liabilities incurred by the Directors while acting as Director of the Company, to insure the Directors against certain risks to which the Directors are exposed as a Director of the Company and to grant to the Director a right of access to certain records of the Company after the Director ceases to be a director.

11.9 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with the ASIC and the issue of securities in response to an electronic application form, subject to compliance with certain provisions.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at general@zedex.com.au and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus (or in the case of an investor in New Zealand, the New Zealand Investment Statement) or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

11.10 Interests of Named Persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Blakiston & Crabb have acted as solicitors to the Offer and in that capacity have been involved in providing general legal advice to the Company in relation to the Offer. The Company will pay approximately \$40,000 to Blakiston & Crabb for these services. Blakiston & Crabb have provided other professional services to the Company during the last two years. The Company has paid approximately \$60,000 for these other professional services.

Resource Equity Consultants Pty Ltd has prepared the Independent Technical Report included in Section 5. In respect of this work the Company has agreed to pay approximately \$22,000 for these services.

Patersons Securities Limited has been mandated by the Company on 17 February 2006 to act as Lead Manager to the Offer. For this work, Patersons Securities Limited will receive a selling fee of 6.0% of the gross amount raised under the Offer, excluding GST, and be reimbursed reasonable out-of-pocket expenses. A senior client adviser of the Lead Manager has declared an interest as at the date of this Prospectus in 3.18 million Shares and 1.59 million 2008 Options. Patersons Securities Limited as principal, its directors and staff, upon their respective own volition but without any obligation whatsoever to do so, may apply for Securities offered by this Prospectus.

DFK Collins Pty Ltd Chartered Accountants has prepared the Independent Accountant's Report included in Section 6 and has assisted in the conduct of the due diligence programme related to preparation of this Prospectus and the Offer. In respect of this work the Company will pay approximately \$15,000.

Middletons has prepared the Independent Title Report included in Section 7. In respect of this work the Company has agreed to pay approximately \$8,000 for these services.

The amounts disclosed above are exclusive of any amount of GST payable by the Company in respect of those amounts.

11.11 Consents

Patersons Securities Limited was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Patersons Securities Limited makes no express or implied representation or warranty in relation to Zedex, this Prospectus or the Offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons Securities Limited. To the maximum extent permitted by law, Patersons Securities Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Each of the other parties referred to in this Section 11.11:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Resource Equity Consultants Pty Ltd has given its written consent to the inclusion in this Prospectus of its Independent Technical Report and all statements referring to the report in the form and context in which they are included and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

DFK Collins Pty Ltd Chartered Accountants has given its written consent to the inclusion in this Prospectus of its Independent Accountant's Report and all statements referring to that report in the form and context in which they are included and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Middletons has given its written consent to the inclusion in this Prospectus of its Solicitor's Report and all statements referring to the report in the form and context in which they are included and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Olympus Pacific Minerals Inc has given its written consent to the inclusion in this Prospectus of all statements made by Olympus or attributed to or derived from those statements in the form and context in which they are included, and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Blakiston & Crabb as solicitors to the Company in Australia;
- (b) Frasers Law Company as legal counsel to the Company in Vietnam;
- (c) Resource Equity Consultants Pty Ltd as Independent Technical Specialist;
- (d) DFK Collins Pty Ltd Chartered Accountants as Independent Accountants;
- (e) Middletons as Independent Title Solicitors in Australia;
- (f) Ernst & Young as auditor to the Company;
- (g) Patersons Securities Limited as Lead Manager to the Offer;
- (h) Computershare Investor Services Pty Limited as the Australian share registry of the Company; and
- (i) Computershare Investor Services Limited as the New Zealand share registry of the Company.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

11.12 Costs of the Issue

The total estimated costs of the Issue, including legal fees incurred, registration fees, fees for other advisers, Prospectus design, printing and advertising expenses and other miscellaneous expenses, will be approximately \$350,000 (exclusive of any GST which may be payable on that amount).

11.13 Privacy Disclosure Statement

The Company collects information about each Applicant from an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, (including mailing houses), ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. You may request access to your personal information that we, a related body corporate or a third party service provider holds in relation to your investment.

11.14 Issue to Vendors

Subject to Section 2.9, this Prospectus is also for the issue of 8,992,606 Shares to the Vendors under the Share Sale Agreement.

An application for the Shares to be issued to the Vendors can only be made on the separate looseleaf application form accompanying this Prospectus entitled "Vendor Application Form".

No consideration is payable by the Vendors with the Vendor Application Form. The completed Vendor Application Form is to be lodged by the Vendor prior to the Closing Date at the Company's registered office:

Zedex Minerals Limited
30 Ledger Road
BALCATTA WA 6021

Attention: The Company Secretary

By lodging the Vendor Application Form, the relevant Vendor agrees with the Company that upon issue of the Shares, the Company will have satisfied its obligation to issue Shares to the relevant Vendor under the Share Sale Agreement.

11.15 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 any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of Shares and Options pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 21 April 2006



Signed for and on behalf of
Zedex Minerals Limited
by Patrick Flint
Secretary

Section 12

DEFINED TERMS

The following definitions apply throughout this document unless the context requires otherwise.

2008 Option	An option to subscribe for a Share at 20 cents each and expiring at 5.00pm AEST on 30 November 2008, and otherwise on the terms and conditions set out in Section 11.5.
\$	All dollar amounts noted in this Prospectus are denominated in Australian dollars unless otherwise stated.
Applicant(s)	Person(s) who submit valid Application Forms pursuant to this Prospectus.
Application	A valid application made to subscribe for a specified number of Shares pursuant to this Prospectus.
Application Form	The form so described which is attached to this Prospectus (or if you are an investor in New Zealand, the application contained in the New Zealand Investment Statement).
ASIC	Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.
ASTC Settlement Rules	Operating Rules of ASTC.
ASX	Australian Stock Exchange Limited ABN 008 624 691.
Board	The board of Directors.
Bong Mieu Royalty	The Company's royalty interest under the Deed of Assignment, as summarised in Section 9.6.
CAD\$ or C\$	Canadian dollars.
Closing Date	5.00pm AEST on 12 May 2006.
Company or Zedex	Zedex Minerals Limited ARBN 107 523 428.
Corporations Act	Corporations Act 2001 (Cth).
Directors	The directors of the Company.
Electronic Prospectus	An electronic version of the Prospectus.
Enmore Gold Project	The project in the Enmore – Melrose Goldfield New South Wales, as described in Section 4.2.
GST	Goods and services tax (at the relevant rate in either Australia or New Zealand as the case may be).
GR Enmore Agreement	The agreement summarised in Section 9.1.
Incentive Option	An option to subscribe for a Share at 25 cents each and expiring at 5.00pm AEST on 30 June 2009, and otherwise on the terms and conditions set out in Section 11.5.
Lender Option	An option to subscribe for a Share at 20 cents each and expiring at 5.00pm (AEST) on 27 February 2008, and otherwise on the terms and conditions set out in Section 11.6.
Listing Rules	The official listing rules of ASX.
Na Pai Project	The Na Pai epithermal gold prospect as described in Section 4.3.
NZ	New Zealand.
New Zealand Investment Statement	The investment statement prepared for New Zealand investors in accordance with the Securities Act 1978 (NZ).
Offer	The invitation to the public made in this Prospectus to subscribe for Shares and 2008 Options.
Official List	The official list of ASX.
Olympus	Olympus Pacific Minerals Inc.
Prospectus	This Prospectus and includes the Electronic Prospectus.
Section	A section of this Prospectus.
Securities	The Shares and 2008 Options offered pursuant to the Prospectus.
Share(s)	Fully paid ordinary share(s) in the Company.
Share Sale Agreement	The agreement summarised in Section 9.2.
State	The State of Vietnam.
Subscription Amount	The amount of \$5,000,000.
TSX	Toronto Stock Exchange.
Vendors	The parties selling shares in GR Enmore Pty Ltd to the Company and defined as the "Vendors" in Section 9.2.
Vendor Application Form	The application form so described relating to the issue of Shares to the Vendors under the Share Sale Agreement, which accompanies this Prospectus, for completion by the Vendors.

ZEDEX MINERALS LIMITED ARBN 107 523 428

APPLICATION FORM

Please read all instructions on reverse of this form

A Number of Shares (with accompanying Options on a 1 for 2 basis) applied for (minimum 10,000 and then multiples of 2,500 Shares.)

at \$0.20 per Share =

B Total amount payable cheque(s) to equal this amount

A\$

you may be allocated all of the Shares above or a lesser number

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

E Full postal address

Number/street

Suburb/town

State/postcode

G CHESS HIN (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to "Zedex Minerals Limited – Float Account"

Drawer	Cheque number	BSB number	Account number	Total amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

I Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares and 2008 Options in the Company. I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares and 2008 Options (or if you are an investor in New Zealand, the Application Form contained in the New Zealand Investment Statement).

No signature is required.

You should read the Prospectus dated 21 April 2006 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form) (or if you are an investor in New Zealand, the New Zealand Investment Statement).

Share Registrars use only	
Broker reference – stamp only	
Broker code	Adviser Code

D Tax file number(s)
Or exemption category

Applicant 1/company

Joint applicant 2/ trust

Joint applicant 3/exemption

F Contact details

Contact name

Contact daytime telephone

Contact email address

Guide to the Zedex Minerals Limited Application Form

This Application Form relates to the Offer of 25,000,000 Shares in Zedex Minerals Limited at \$0.20 per Share pursuant to the Prospectus dated 21 April 2006. One free 2008 Option will be granted for every two (2) Shares applied for. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares and 2008 Options of the Company and it is advisable to read this document before applying for Shares and 2008 Options. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable) (or if you are an investor in New Zealand, the New Zealand Investment Statement). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

- A** Insert 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 2,500 Shares.
- B** Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by the sum of \$0.20. One free 2008 Option will be granted for every two Shares successfully applied for.
- C** Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G** The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted.
- If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to the relevant section of the Prospectus.
- H** Please complete cheque details as requested:
- Make your cheque payable to "Zedex Minerals limited – Float Account" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I** Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares and 2008 Options in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

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 the Company. 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 title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Lodgement of Applications

Return your completed Application Form with cheque(s) attached to:

By post:

Zedex Minerals Limited
c/- Computershare Investor Services Limited
GPO Box D182
PERTH WA 6840

By delivery:

Zedex Minerals Limited
c/- Computershare Investor Services Limited
Level 2 Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Application Forms must be received no later than 5:00pm AEST time on 12 May 2006.

ZEDEX MINERALS LIMITED

ARBN 107 523 428

APPLICATION FORM

Please read all instructions on reverse of this form

A Number of Shares (with accompanying Options on a 1 for 2 basis) applied for (minimum 10,000 and then multiples of 2,500 Shares.)

at \$0.20 per Share =

B Total amount payable cheque(s) to equal this amount

 A\$

you may be allocated all of the Shares above or a lesser number

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

E Full postal address

Number/street

Suburb/town

State/postcode

G CHESS HIN (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to "Zedex Minerals Limited – Float Account"

Drawer	Cheque number	BSB number	Account number	Total amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

I Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares and 2008 Options in the Company. I/We declare that:

- this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
- I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares and 2008 Options (or if you are an investor in New Zealand, the Application Form contained in the New Zealand Investment Statement).

No signature is required.

You should read the Prospectus dated 21 April 2006 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form) (or if you are an investor in New Zealand, the New Zealand Investment Statement).

Share Registrars use only

Broker reference – stamp only

Broker code

Adviser Code

D Tax file number(s)

Or exemption category

Applicant 1/company

Joint applicant 2/ trust

Joint applicant 3/exemption

F Contact details

Contact name

Contact daytime telephone

Contact email address

Guide to the Zedex Minerals Limited Application Form

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Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
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By post:

Zedex Minerals Limited
c/- Computershare Investor Services Limited
GPO Box D182
PERTH WA 6840

By delivery:

Zedex Minerals Limited
c/- Computershare Investor Services Limited
Level 2 Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Application Forms must be received no later than 5:00pm AEST time on 12 May 2006.

