



Prospectus

Exalt Resources Limited

ACN 145 327 617

PROPOSED ASX CODE: ERD

For the issue of 15,625,000 Shares at an issue price of \$0.20 To raise \$3,125,000, together with one free attaching option exercisable at \$0.20 for every three Shares subscribed for.



Important Notice

Shares and Options offered by this Prospectus should be considered speculative and potential investors should refer to Section 7 for further details concerning the Risk Factors.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

Neither Exalt Resources Limited ("Exalt") or any other person guarantees the performance of the Shares or Options offered pursuant to this Prospectus, or the performance of Exalt, or the return of any investment.

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Important Information

The Prospectus is available in electronic form from the internet at www.exaltresources.com.au. Persons who access the Electronic Prospectus should ensure that they download and read the entire Prospectus. Persons having received a copy of this Prospectus in its electronic form may obtain a paper copy of the Prospectus (free of charge) during the life of this Prospectus by contacting the Company Secretary at the Company's principal place of business. Applications for Shares and Options may only be made on the Application Form attached to the Prospectus in its paper form or as downloaded in its entirety from the Company's website.

This Prospectus is dated 25 March 2011 and was lodged with ASIC on 25 March 2011. Neither ASIC nor ASX take any responsibility as to the contents of this Prospectus. No Securities will be issued or transferred on the basis of this Prospectus later than thirteen (13) months after the date of issue of this Prospectus.

The Securities offered under this Prospectus should be considered speculative. The risks associated with an investment in Exalt are significant. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. Potential investors should carefully consider the factors in light of their personal circumstances and consult with their professional advisers before deciding whether to apply for Shares and Options. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities.

Forward Looking Statements

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way implicitly portrayed in this Prospectus. These risks, uncertainties and other factors include, but are not limited to, the matters described in Section 7 and in the Independent Geologist's Report in Section 8 of this Prospectus. The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward looking statements will be achieved.

Foreign Jurisdiction

The Offer does not constitute a public offer in any jurisdiction other than Australia. The distribution of this Prospectus outside Australia may be restricted by law and therefore any person who resides outside Australia and who receives this Prospectus should seek advice on and observe any such restrictions. The Company will not offer to sell, solicit or offer to purchase, any Securities in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

Exposure Period

The Company will not accept Applications for Shares and Options offered under this Prospectus during the Exposure Period. The Exposure Period is a seven (7) day period that commences on the date of this Prospectus, which may be extended by ASIC by a further seven (7) days. The purpose

of the Exposure Period is to enable examination of the Prospectus by market participants prior to the offering of Shares and Options. That examination may result in the identification of deficiencies in the Prospectus, in which case any Application received may need to be dealt with in accordance with Section 724 of the Corporations Act. If the Exposure Period is extended, Applications will not be processed until after the end of the extended Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

Prospectus Availability

This Prospectus is available in electronic form at www.exaltresources.com.au. Any person receiving this Prospectus electronically and who may lawfully purchase the Securities offered under this Prospectus will on request be sent a paper copy of this Prospectus (and attached Application Form) by Exalt free of charge during the period of the Offer.

Electronic Prospectus

The Application Form may only be distributed as attached to a complete and unaltered copy of this Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form.

Exalt will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of this Prospectus or if it has reason to believe that the Application Forms or electronic copy of this Prospectus has been altered or tampered with in any way.

While Exalt believes that it is extremely unlikely that during the period of the Offer the electronic version of this Prospectus will be tampered with or altered in any way, Exalt cannot give any absolute assurance that this will not occur. Any investor in doubt concerning the validity or integrity of an electronic copy of this Prospectus should immediately request a paper copy of this Prospectus directly from Exalt.

Definitions and Abbreviations

Defined terms and abbreviations used in this Prospectus are explained in the Glossary at the end of this Prospectus.

Miscellaneous

The financial amounts in this Prospectus are expressed in Australian dollars unless stated otherwise. Items and undertakings displayed in photographs in this Prospectus are not necessarily assets owned by Exalt. The inclusion of photographs supplied by persons or entities other than Exalt does not constitute an endorsement or recommendation by those persons or entities of Shares or Options offered under this Prospectus.

AEST

All references in this Prospectus to AEST refer to Sydney, Australia AEST, unless stated otherwise.

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Investment Highlights and Overview

2.1. IMPORTANT NOTICE

This Section is not intended to provide full information for investors intending to apply for Shares and Options offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

2.2. INVESTMENT HIGHLIGHTS

Two exciting foundation Projects	<ul style="list-style-type: none">• Exalt owns 100% of the Mineral Hill South Project covering 116km² of land located 3km to the south of the Mineral Hill Mine in NSW.
Mineral Hill South Project Located close to exciting discoveries	<ul style="list-style-type: none">• The Company's Mineral Hill South Project is adjacent to the Mineral Hill Project owned by Kimberley Metals Ltd and approximately 3km south of the recently discovered Pearse South Deposit (JORC Inferred Resource – 281,000t grading 7.3 g/t gold and 83 g/t silver).• Mineral Hill South Project is also situated approximately 2.1km from the recently announced discovery by Kidman Resources Ltd at its Blind Calf Prospect which has been reported to contain 27m @ 1.48% Cu from 32m, including 18m @ 2.09% Cu from 41m, and 5m @ 3.86% Cu from 54m (Hole K10-01). This drill intercept is from an initial 4 hole drill program and accordingly the mineralisation is not, at this stage, JORC compliant.
Nyngan Project	<ul style="list-style-type: none">• Toll treatment option potentially available in the future with the Mineral Hill Plant expected to be operational again in mid-2011.• Exalt owns 100% of the Nyngan Project which covers 160km² of land in central west NSW targeting porphyry copper and epithermal gold mineralisation.
Limited exploration activity in prospective resource zone	<ul style="list-style-type: none">• Three targets have already been identified at the Nyngan Project and are ready for immediate follow up activity.• Favourable targets can be identified from regional aeromagnetics.
Actively seeking to acquire additional projects of interest	<ul style="list-style-type: none">• A key part of the Company's charter will be to actively pursue the acquisition of, and/or participation in, additional resource and energy assets to complement the Company's existing projects.• The Board and various Company advisors have extensive networks within the mining and energy industries which will assist the Company in the search for additional projects of potential interest.
Experienced directors and consultants	<ul style="list-style-type: none">• The Board has extensive experience in the wider resources industry including relevant experience and knowledge of corporate, legal and technical aspects of managing and promoting listed companies.
Favourable market conditions for mineral and energy assets and companies	<ul style="list-style-type: none">• With the continued economic emergence of China, India and other developing nations, the resource and energy industries are experiencing strong demand for their products and assets.• The Directors are of the opinion that these favourable conditions will present Exalt with opportunities to participate in additional projects of interest.

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2.3. RISKS SUMMARY

There are risks associated with investing in the share market generally and in this Company specifically. These risks are more clearly outlined in Section 7 of the Prospectus. However, listed below are, in the Directors opinion, the key risks associated with an investment in Exalt.

- The NSW State Liberal and National Parties have proposed a Strategic Regional Land Use Policy to be implemented in the event the parties are elected to Government in the NSW State elections on 26 March 2011. Relevantly, the Policy may require persons to undertake explicit agricultural productivity impact assessments when applying for exploration or mining licences. If implemented, the proposed policy may impact on the Projects in the future;
- Exploration, mineral resource development and mining operations are complicated high risk ventures and success cannot be guaranteed from the Projects or any other projects acquired in the future;
- The Company's activities in Australia are subject to the Native Title Act. While the Company's Projects are not currently subject to any Native Title claims, there can be no guarantee that Native Title applications will not be made in respect to the land on which the Projects are situated in the future. Uncertainty associated with Native Title issues may impact on the Company's access to land and future plans;
- Directors and Consultants may leave the Company;
- Volatility in the Australian and world equity markets can impact on the trading price of Exalt Shares and Options and therefore affect the value of an investment in the Company;
- Exploration and mining operations are exposed to counter party risk through joint venture partners, suppliers and customers;
- The Company is dependent on raising sufficient funding to fully develop and exploit its projects, and this funding may not always be available;
- The Company must adhere to and comply with all environmental policies and guidelines. The Projects are likely to have an impact on the environment; and
- The Company has a limited operating history.

2.4. PURPOSE OF THE OFFER AND USE OF PROCEEDS

The funds to be raised by this Offer will be \$3,125,000. The Company's main objectives in raising funds under the Offer include:

- to fund the initial 2 year exploration and work program budget outlined for the Projects;
- to actively pursue and acquire additional mineral and energy related assets in Australia and overseas;
- promoting and developing the Company and its markets; and
- listing on ASX and paying all costs associated with the Offer.

2.5. APPLICATION OF FUNDS

The funds raised from the Offer will be applied over the two year period following the date of the Prospectus as follows:

	Subscription \$'s
Costs associated with the proposed work program in relation to the Projects over a two year period ⁽¹⁾	1,398,545
Working capital allocated for the identification and due diligence in relation to the acquisition of additional mineral and energy assets	450,000
Provision of general working capital ⁽²⁾	910,205
Expenses of the Offer ⁽³⁾	366,250
Total issue	3,125,000

(1) Refer to Section 8 – Independent Geologists Report for a breakdown of the proposed individual exploration work program budgets.

(2) Working capital expenditure is to be applied towards operational and administration expenditure and costs associated with maintaining the exploration tenements in good standing. These costs include wages and salaries, occupancy costs, professional consultant's fees, compliance and reporting costs associated with running an ASX listed company, as well as other typical administration type expenditure.

(3) Refer to Section 11.15 for a breakdown of these expenses.

Following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

2.6 CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offer is summarised below:

FULLY PAID ORDINARY SHARES	Number	%
Currently on issue	9,500,003	37.8
Shares now offered for subscription	15,625,000	62.2
Total Fully Paid Ordinary Shares on Issue	25,125,003	100

Refer to Section 11.2 for a summary of the principal rights, privileges and restrictions attaching to all Shares.

OPTIONS	Number	%
Currently on issue ⁽¹⁾	10,800,000	67.5
Options now offered on the basis of One Option for every three Shares subscribed for ⁽²⁾	5,208,333	32.5
Total Options on Issue	16,008,333	100

(1) Of the 10,800,000 Options exercisable at 20 cents on or before 31 December 2015 that are currently on issue, 300,000 of these were issued to David Ward, the Consulting Geologist to the Company, under the Company's Employee Share Option Plan. These Employee Share Plan Options will only vest after 6 months of continuous service by David Ward to the Company. Please see Section 11.4 for the terms of the Employee Share Option Plan.

(2) Refer to Section 11.3 for a summary of the terms and conditions of the Options.

2.7 INDICATIVE TIMETABLE

Prospectus Lodged with ASIC	25 March 2011
Expected Opening Date	4 April 2011
Estimated Closing Date	2 May 2011
Estimated Allotment Date	9 May 2011
Expected Despatch of Holding Statements	12 May 2011
Quotation of Shares on ASX expected	18 May 2011

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 Options to Applicants.

2.8 HOW TO INVEST

Applications for Shares and Options can only be made by completing the Application Form accompanying this Prospectus. Instructions on how to apply are set out in Section 4.4 of this Prospectus and on the back of each Application Form.

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Chairman's Letter

Dear Investor,

On behalf of my fellow Directors, it gives me great pleasure to present to you this Prospectus and the opportunity to become a Shareholder in our Company.

Exalt was formed in 2010 to participate in the exploration and acquisition of mineral and energy related assets both in Australia and overseas. Since its incorporation, the Company has been successful in securing 100% ownership of its two foundation projects – Mineral Hill South and Nyngan.

The Mineral Hill South Project covers 116km² of land located less than 3km south of the Pearse South Deposit discovered at Mineral Hill by Kimberley Metals Ltd. The discovery at the Pearse South Deposit included a highlight intercept of 23m@20g/t Au, 80g/t Ag. With the refurbishment of the Mineral Hill Plant due for completion in mid-2011, a potential toll treatment option exists for the Company in the event of exploration success.

In addition, in February 2011, Kidman Resources Ltd announced the results of hole K10-01 at its Blind Calf Prospect, indicating 27m @ 1.48% Cu from 32m, including 18m @ 2.09% Cu from 41m, and 5m @ 3.86% Cu from 54m. The Blind Calf Prospect is located approximately 2.1km from the Company's Mineral Hill South Project. This drill intercept is from an initial 4 hole drill program and accordingly the mineralisation is not, at this stage, JORC compliant.

The Nyngan Project covers 160km² in central west NSW and the Company is targeting porphyry copper and epithermal gold mineralisation. Regional aeromagnetics and previous exploration work has identified favourable targets for immediate follow up work by the Company.

A critical part of the Company's charter will be to actively seek to acquire or participate in further resource and energy projects of interest both in Australia and internationally.

The resource and energy markets are currently experiencing favourable trading and economic conditions. Demand for resources and energy from Asia and other developing countries has resulted in strong underlying commodity and energy prices. The Board is of the opinion that these favourable trading conditions will continue for the foreseeable future and therefore present opportunities for Exalt to participate in this sector both in Australia and overseas.

To pursue the Company's objectives, the Board has assembled a group of individuals which we believe have extensive experience in the mining, metallurgy and finance industries.

On behalf of my fellow directors, I invite you to invest in our Company, however remind you it is important that investors read this Prospectus in its entirety should carefully consider the factors in light of their personal circumstances and consult with their professional advisers before deciding whether to apply for Shares and Options.

Yours sincerely,



Emmanuel Correia
Chairman

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Details of the Offer

4.1 DESCRIPTION OF THE OFFER

By this Prospectus, the Company offers for subscription 15,625,000 Shares at \$0.20 each to raise \$3,125,000 together with 1 free attaching Option exercisable at \$0.20 for every 3 Shares subscribed for. The Shares offered under this Prospectus will rank equally with the existing Shares on issue. Any fractional entitlement to an Option will be rounded up to the nearest whole Option.

The rights attaching to the Shares are summarised in Section 11.2 of this Prospectus. The terms of the attaching Options are set out in Section 11.3.

The Offer is not underwritten.

4.2 FORECAST FINANCIAL INFORMATION

Exalt will use the funds received from the Offer to continue the evaluation of its mineral exploration interests. Given the speculative nature of exploration for, evaluation and development of mineral exploration reserves and future commodity price predictions, there are significant uncertainties associated with forecasting future revenues and expenses. On this basis the Directors believe, in accordance with ASIC Regulatory Guide 170, that reliable forecasts cannot be prepared and accordingly have not included forecasts in this Prospectus.

4.3 MINIMUM SUBSCRIPTION

The minimum subscription for the Offer is 15,625,000 Shares raising \$3,125,000. In accordance with the Corporations Act, no Shares or Options will be allotted by the Company until the minimum subscription has been received.

If the minimum subscription is not achieved within four months after the date of this Prospectus, the Company will either repay the Application Monies or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Monies without interest.

4.4 HOW TO APPLY

If you wish to participate in the Offer, you should complete the Application Form enclosed with this Prospectus. The Application Form must be completed and payment made in accordance with the instructions set out on the reverse side of the Application Form. Payment for the Shares and Options must be made in full at the issue price of 20 cents per Share. Applicants may apply for a minimum parcel of 10,000 Shares and 3334 Options, representing a minimum investment of \$2,000, and thereafter in multiples of 500 Shares and 167 Options.

Completed application forms and accompanying cheques must be mailed or delivered to:

By Hand Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street, Sydney NSW 2000
or

By Mail Computershare Investor Services Pty Ltd
GPO Box D182, Perth WA 6840

Cheques should be made payable to "Exalt Resources Limited– Share Offer Account" and crossed "Not Negotiable". Completed Application Forms must reach one of the above addresses by no later than the Closing Date. Payments by cheque will be deemed to be made when the cheque is honoured by the bank on which it is drawn.

The Company reserves the right to close the Offer early.

4.5 ALLOTMENT

Subject to ASX granting approval for the Company to be admitted to the Official List, allotment of Shares and Options offered by this Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all Application Monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares and Options takes place, will retain any interest earned on the Application Monies.

The Directors reserve the right to allot Shares and Options in full for any Application or to allot any lesser number or to decline any Application. The Company, subject to its discretion, will endeavour to allocate the minimum parcel of Shares and Options that can be taken up under the Offer, being 10,000 Shares and 3334 Options, having a value of \$2,000 and for which an Application is received by the Company in accordance with this Prospectus.

In determining the ultimate allocation of Shares and Options to each Applicant, the Company will endeavour to satisfy as many Applicants as possible but will allocate Shares and Options on a fair and equitable basis, having regard to the requirements of the Listing Rules so that the Company has a prescribed minimum number of Shareholders holding a marketable parcel of Shares. There are no provisions to increase the number of Shares and Options in the event of oversubscriptions.

Where the number of Shares and Options allotted is less than the number applied for, or where no allotment is made, the surplus Application Monies will be returned by cheque to the Applicant within fourteen (14) days of the allotment date.

4.6 AUSTRALIAN SECURITIES EXCHANGE LISTING

The Company will apply to ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares and Options offered under this Prospectus. If ASX does not grant permission for Official Quotation of the Shares and Options within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares or Options offered by this Prospectus will be allotted or issued. In that circumstance, the Company will repay all Application Monies without interest and within the period prescribed by the Corporations Act.

The fact that the ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares or Options offered.

If the application to list on the ASX is granted, quotation of the Shares and Options will commence as soon as possible after successful Applicants have been issued their holding statements.

4.7 CHESS

The Company proposes participating in CHESS, operated by 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 Share or Option certificates to investors. Instead, Shareholders 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 Shares and Options 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 Shares and Options allotted under the Prospectus and the Shareholder's Security Holder Reference Number.

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

4.8 OPENING AND CLOSING DATES

The proposed opening date for acceptance of the Offer will be 4 April 2011 or such later date as may be prescribed by ASIC.

The Offer will remain open until 5.00pm AEST, 2 May 2011.

The Company reserves the right to open and close the Offer at any other date and time, without prior notice.

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

No Shares or Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

4.9 RESTRICTED SECURITIES

Subject to the Company being admitted to the Official List, certain of the Shares and Options on issue prior to the Offer are likely to be classified by ASX as restricted securities and will be required to be held in escrow.

4.10 RISK FACTORS

You should read this entire Prospectus, including Section 7 relating to "Risk Factors" before making any decision to invest. Investing in the Shares and Options should be considered as speculative and is not suitable as an investment for investors who require security of capital or income. You may wish to consult your professional advisers before investing.

The risk factors set out in Section 7, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares and Options offered pursuant to this Prospectus. Accordingly, an investment in the Company should be considered speculative.

4.11 TAXATION IMPLICATIONS

The Directors do not consider that it is appropriate to give persons advice regarding the taxation consequences of subscribing for Shares and Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to persons. As a result, persons should consult their professional tax adviser in connection with subscribing for Shares and Options under this Prospectus.

4.12 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 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 Shares or Options or the Offer, or otherwise to permit an offering of the Shares and Options, in any jurisdiction outside Australia.

The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

4.13 BROKER APPLICATIONS

All valid Applications lodged by stockbrokers or organisations which hold an Australian Financial Services Licence and which bear a stamp may be paid a fee of 5% (plus GST) of the value of those valid Applications that are accepted by the Company.

4.14 ENQUIRIES

If you have any queries about the Offer or how to apply for Shares and Options under this Prospectus, you may contact the Company during normal business hours on (02) 8823 3100. You should consult your stockbroker, accountant, or other financial or professional adviser when considering your own circumstances regarding an investment in the Company.

4.15 PRIVACY STATEMENT

If you complete an Application Form for Shares and Options, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares and Options in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the Application for Shares and Options, the Company may not be able to accept or process your Application.

4.16 SUMMARY ONLY

The information set out in this Section provides a summary of the information contained in this Prospectus. Applicants should read this Prospectus in its entirety prior to making a decision to apply for Shares and Options offered under this Prospectus. If you have any questions about investing in the Company, please contact your stockbroker, accountant or independent financial adviser.

5 Overview of the Company

5.1 THE COMPANY

Background

Exalt was established in July 2010 as a resource and energy exploration company. The Company's primary objective is to build a resource and energy business at a time when the global demand for resources and energy is high.

Exalt currently has two NSW based gold and base metal exploration Projects, the details of which are outlined Section 5.2 below.

In addition to advancing the exploration and development of these Projects and in accordance with its charter, Exalt will also seek to acquire or participate in additional resource and energy projects in Australia and overseas.

5.2 PROJECTS

Set out below is a summary overview of the Company's Projects. The Projects are fully described in the Independent Geologist's Report (Section 8 of the Prospectus) and readers are advised to read this report in its entirety.

Project Name	Title	Expiry	Ownership Interest	Area (km ²)	Minimum Annual Exploration
Mineral Hill South	EL 7663	10 Dec 2012	100%	116	\$40,000
Nyngan	EL 7667	10 Dec 2012	100%	160	\$47,500

The proposed exploration budget for the Projects is summarised below. Detailed individual project budgets are included in the Independent Geologist's Report (Section 8 of the Prospectus).

PROJECT	YEAR 1	YEAR 2	TOTAL
Mineral Hill South	\$372,997	\$394,756	\$767,753
Nyngan	\$320,418	\$310,374	\$630,792
Total	\$693,415	\$705,130	\$1,398,545

Summary of Projects

5.2.1 Mineral Hill South Project (EL7663)

Location and Access

The Mineral Hill South Project covers an area of 115.7km² to the south and south-east of Kimberley's Mineral Hill Mine in the central west of New South Wales, approximately 52km north of Condo bolin. The land covered by the Mineral Hill South Project is mostly open flat grazing and/or cropping paddocks and can be accessed easily via public roads and farm tracks.

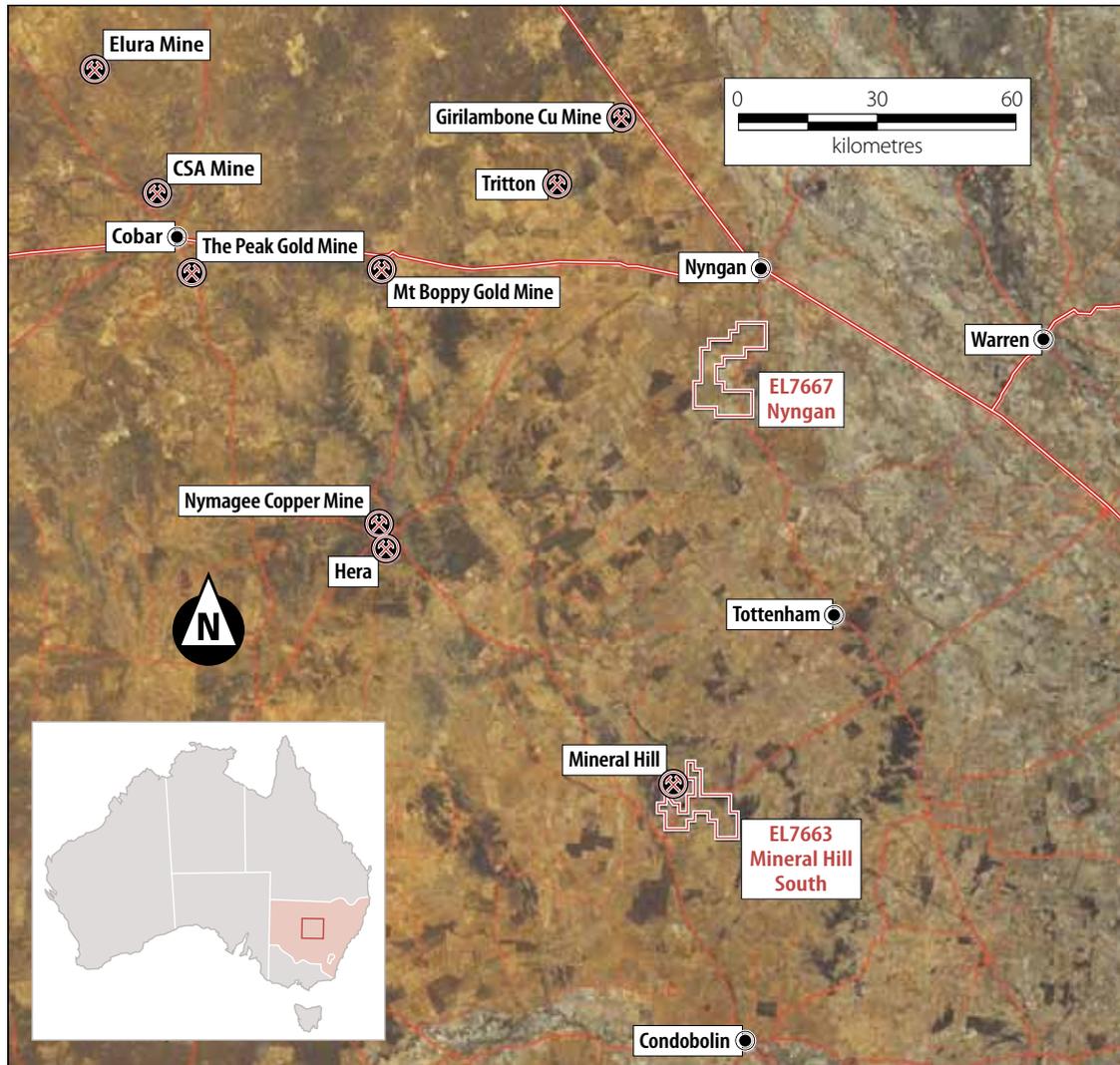


Figure 1 – Mineral Hill South Project Location Map

Mining History and Regional Activity

The Mineral Hill South Project is located approximately 3km from Kimberley's Mineral Hill Project.

Mineral Hill was discovered in 1908 and until 1957 there had been 14,300t mined at 24oz/t Silver and 19% Lead. The Mineral Hill Mine was re-opened in 1989 and until 2005, when it went onto care and maintenance, there was 2.1Mt at 6.5g/t Gold and 1.14% Copper mined for 360,280oz Gold and 20,350t Copper.

Mineral Hill is a cluster of polymetallic (gold, silver, copper, lead and zinc) deposits located approximately 52km north of Condo bolin in the central west of New South Wales, owned and operated by Kimberley. Mineral Hill has a mining history spanning over 100 years and is presently undergoing a renaissance with the discovery of the Pearse South Deposit (which is reported to contain a JORC Inferred Resource of 281,000t grading 7.3 g/t gold and 83 g/t silver) just 1km from the existing mill.

The Mineral Hill Plant is currently being renovated to accept ore from both the gold bearing Pearse South Deposit and the lead, zinc and silver mineralisation at Parkers Hill and is due to be operational again in mid-2011. Press releases from Kimberley have highlighted drill intersections including 36m @ 11.0 g/t gold, 196 g/t silver from 28m including 7m @ 45.7 g/t gold, 108 g/t silver from 30m. These intersections occur approximately 3km from the northern edge of the Company's Mineral Hill South Project. The intersections are within the JORC compliant Pearse South Deposit which was a coincident Au As soil anomaly within 1km of the existing Mineral Hill Plant.

The Pearse South Deposit is spatially related to a strong north-south linear feature defined in regional aeromagnetics. Exalt's Mineral Hill South Project is interpreted to have the same rock types that host the Mineral Hill and Pearse South Deposits.

In addition to recent developments by Kimberley at Mineral Hill, on 1 February 2011, Kidman Resources Ltd announced the results of hole K10-01 at its Blind Calf Prospect which indicated 27m @ 1.48% copper from 32m, including 18m @ 2.09% copper from 41m, and 5m @ 3.86% copper from 54m.

The Blind Calf Prospect is located approximately 2km from the Company's Mineral Hill South Project. The Company wishes to highlight that the results from this single drill intercept is a part of an initial 4 hole drill program and accordingly the mineralisation is not, at this stage, JORC compliant.

The Blind Calf Prospect is spatially related to a strong north-west oriented linear feature defined from regional aeromagnetics. Mineral Hill South is just over 2km to the south-east along strike of this linear feature and is interpreted to have the same rock types that host the mineralisation at the Blind Calf Prospect.

The north-south linear feature at Mineral Hill and the north-west linear feature at Blind Calf intersect within Exalt's Mineral Hill South Project and it is interpreted that Mineral Hill South is prospective for both styles of mineralisation (Figure 2).

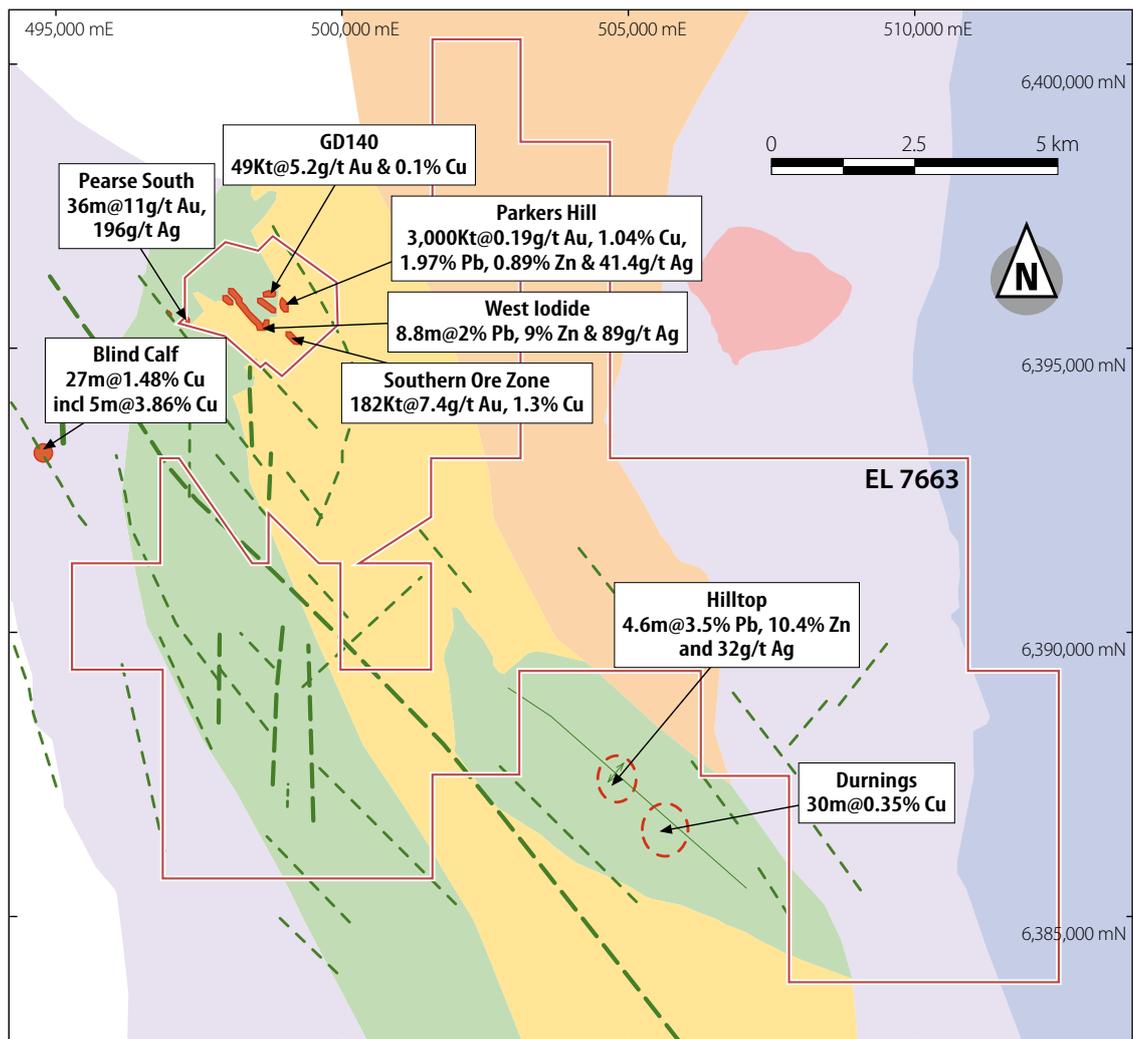


Figure 2 – Known Mineralisation surrounding Mineral Hill South. Green Lines = Interpreted Structure

Apart from the discoveries of Kimberley and Kidman locally around the Mineral Hill South Project, regionally the area is receiving significant attention from a number of companies. OZ Minerals Limited has acquired large areas of exploration ground immediately south of the Mineral Hill South Project and along strike to the north of Mineral Hill. Toho Zinc Co. Ltd, through its acquisition of CBH Resources Limited, is now the holder of the Hilltop and Durnings projects. Paradigm Metal Limited has also joint ventured into the Yellow Mountain Gold Project to the north-west of Mineral Hill South (Figures 3&4).

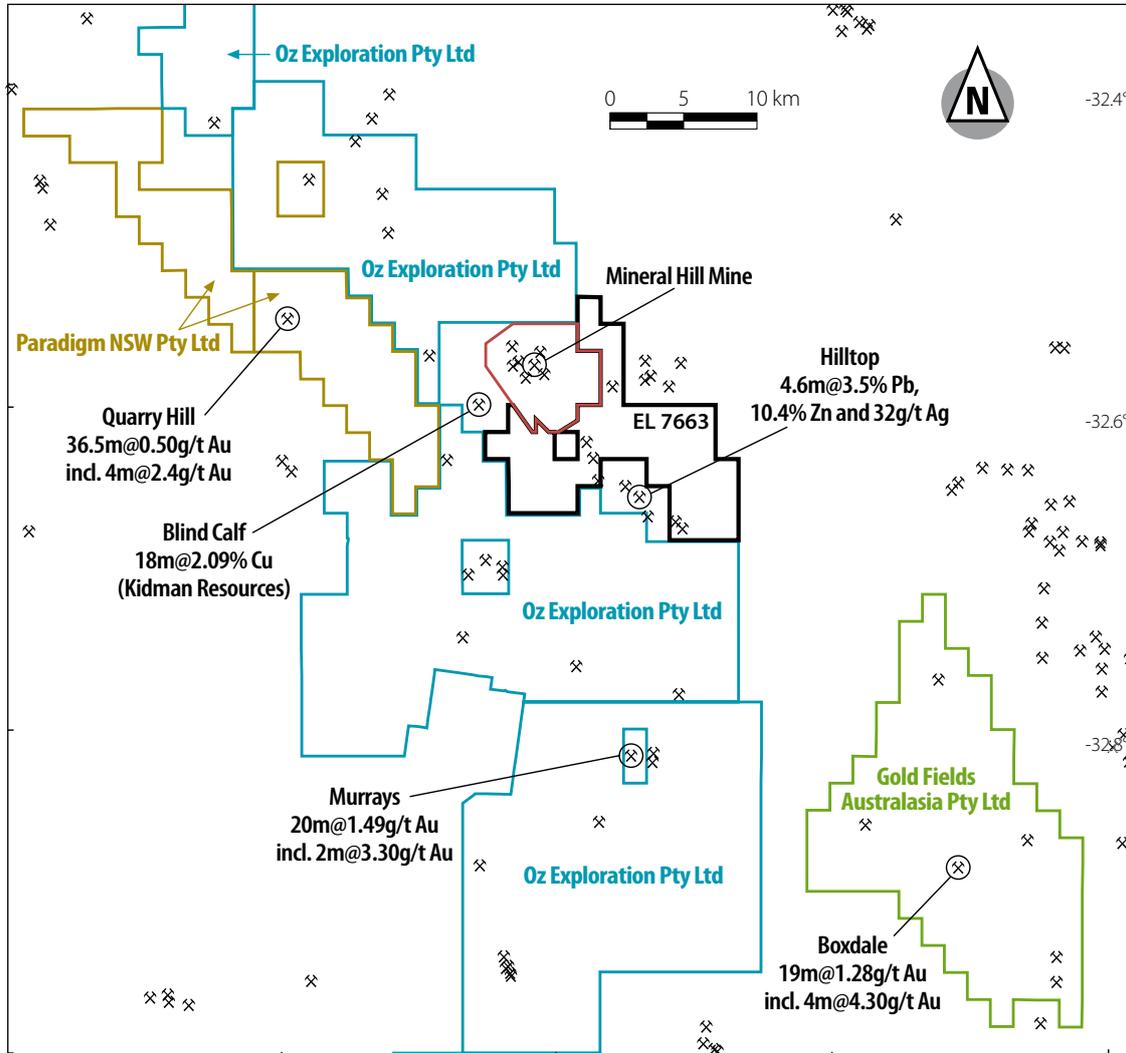


Figure 3 – EL7663 Surrounding Mineral Title Holders with historic workings and significant mineralisation

Geology and Mineralisation

Much of the Mineral Hill South Project is underlain by the Silurian Mineral Hill Volcanics which host the Mineral Hill deposits and other rock types consist of the Girilambone Group Sediments which hosts the Tritton Deposit (held by Straits Resources Ltd) located well to the north. Figure 2 above outlines the known mineralisation surrounding the Mineral Hill South Project overlaid on interpreted surface geology and structure.

Mineral Hill is located on a strong north-west south-east trend within the Cobar superbasin to the north-west. The mineralisation along this trend generally follows the same orientation. Mineralisation intersected at the Hilltop and Durnings projects to the south-east of Mineral Hill display similar characteristics to Mineral Hill. Mineral Hill South occupies the land between the Mineral Hill, Hilltop and Durnings projects.

Within the Mineral Hill South Project, three targets have already been identified from RTP Aerial Magnetics conducted by the NSW Government.

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Gunawyle Prospect – The Gunawyle Prospect is defined by a prominent north-south linear magnetic feature interpreted to be the main shear zone that links Mineral Hill to Gunawyle in the south. Electromagnetic (EM) surveys carried out by LH Smart Oil Exploration Co Limited in 1976 over the areas of overburden highlighted some significant EM anomalism. The EM anomalies have not been drill tested.

Yellow Shaft/Melrose Prospect – The Yellow Shaft Prospect lies on a north-west south-east line that potentially links mineralisation at Mineral Hill to the north-west and Hilltop and Durnings to the south-east. The Yellow Shaft Prospect is mostly covered by shallow overburden as in Gunawyle and has received little in the way of exploration in relation to the surrounding area. A wide spaced Induced Polarisation survey completed by LH Smart Oil Exploration Co Limited in February 1974 over the southern part of the Yellow Shaft Prospect highlighted significant roughly north-south oriented IP anomalies. The anomalies have not been followed up.

Brooklyn Prospect – The Brooklyn Prospect is defined by a discrete magnetic anomaly associated with a 150 metre diameter ironstone (possible gossan), anomalism from an Induced Polarisation survey. The magnetic signature at Brooklyn is very similar to that at Mineral Hill. The IP anomalism at Brooklyn and Yellow Shaft is significant as the Mineral Hill deposits are easily detectable using the geophysical method (note the old EM and IP surveys do not cover the whole target area).

Figure 4 below outlines these prospects on the regional RTP image.

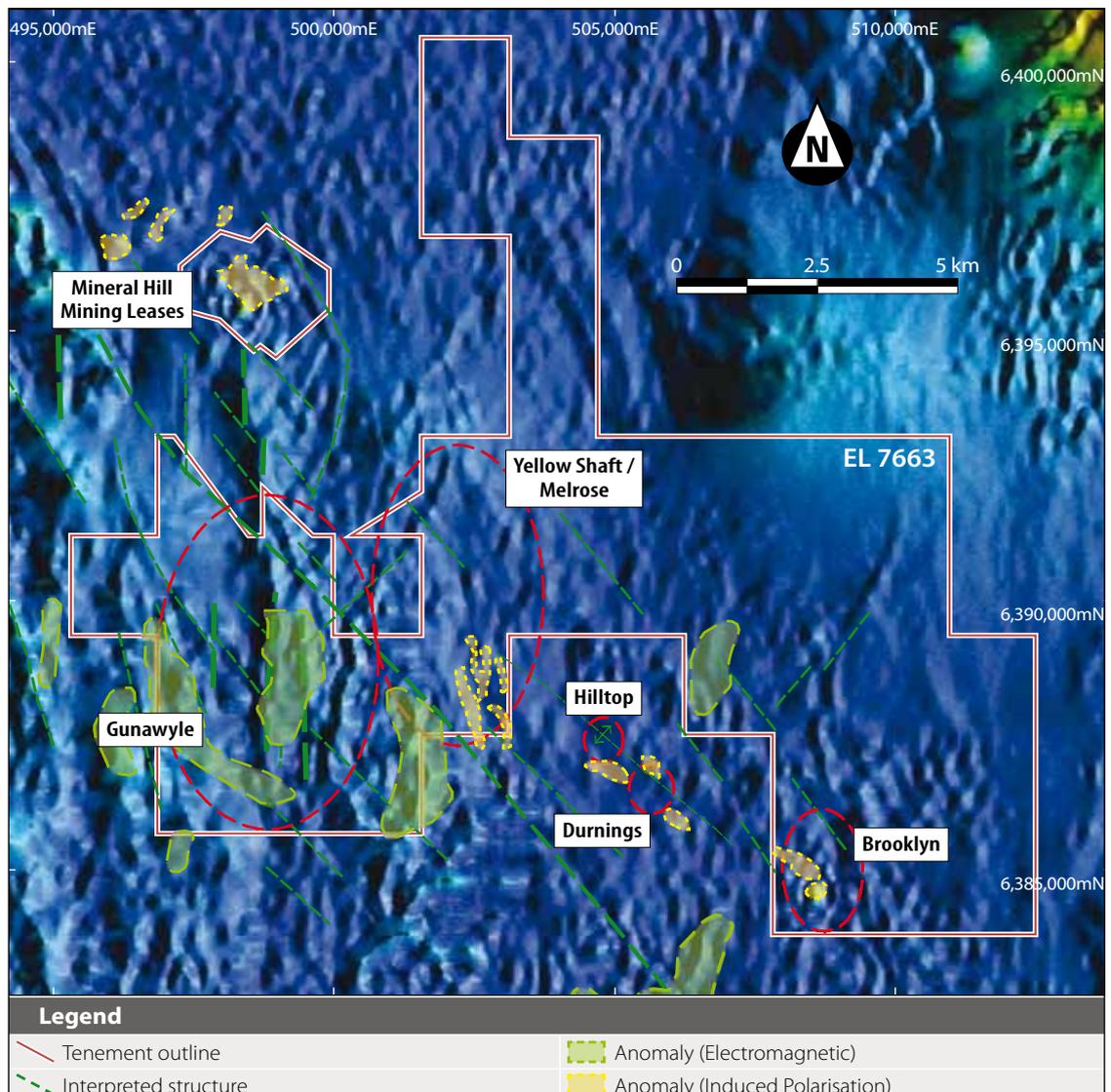


Figure 4 – EL7663 Showing Locations of Prospect Areas and Geophysical Anomalies (Green = EM, Yellow = IP) overlaid on the Regional RTP Aeromagnetics

Exploration Potential

Exalt will, soon after listing on the ASX, conduct the necessary follow up exploration activity in relation to these three prospects. As outlined above, the Mineral Hill Mine is in the process of renovation to treat the recently discovered Pearse South Deposit. Accordingly, the possibility exists that any deposits found within the Mineral Hill South Project do not have to be stand alone operations.

5.2.2 Nyngan Project (EL7667)

Tenure, Location and Access

The Nyngan Project comprises 160km² of land located approximately 12km south of Nyngan, in central west NSW. The land covered by the Nyngan Project is flat and easily accessible by sealed roads. Current land uses consist of grazing and winter cereal cropping.

Geology and Mineralisation

The Nyngan Project covers a magnetic complex which is inferred to be part of the Nyngan Intrusive Complex beneath transported Quarternary alluvium around the Bogan River.

The magnetic complex includes a prominent rim structure of 20km diameter and is interpreted as a caldera feature and considered a potential analogue to the Goonumbla Caldera which hosts the Goonumbla porphyry deposits. Within the porphyry Cu Au Target are discrete magnetic lows which are interpreted to be magnetite destruction associated with hydrothermal alteration of the host rock. This is a distinguishing geophysical feature of some of the North-Parkes deposits. Interestingly in this case the orientation of the Bogan River does a 90 degree turn just as it approaches one of the magnetic lows and appears to displace the river around the margins of the interpreted magnetite destruction. This could be due to a palaeotopographic high related to hydrothermal silicification around the margins of intrusive related deposit (Figure 5).

There has been little exploration conducted in the area as often drilling exploration holes through a thick layer of Quarternary clays/gravels and sand with high water flows hampers efforts and makes exploration expensive and less attractive despite the obvious targets.

Previous exploration has been limited to scout drilling in 1998 which intersected monzonite intrusive rocks as well as anomalous geochemistry up to 0.11g/t Au.

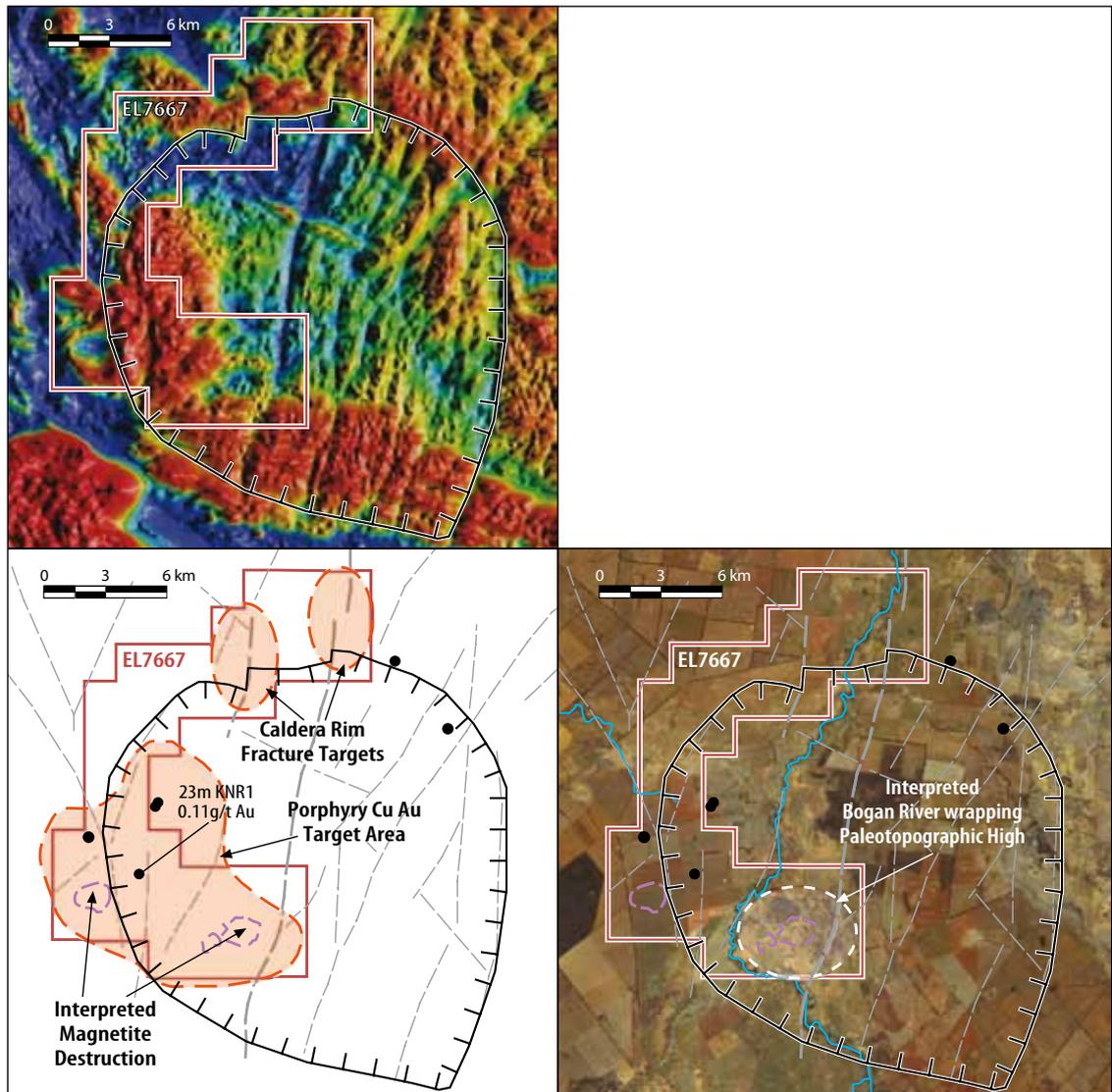


Figure 5 – (A) Top left: Regional RTP Aeromagnetics. (B) Below left: Interpretation of Caldera and Target Areas. (C) Below right: 90 degree turn in the Bogan River interpreted to be identifying a zone of silicification related to hydrothermal alteration.

Exploration Potential

The interpreted caldera feature is considered prospective for porphyry copper gold deposits similar to the Goonumbla and Cadia-Ridgeway Deposits and Caldera Rim-Fracture Targets similar to Lihir Gold Mine in PNG and Vatakoula in Fiji. Favorable targets for porphyry and epithermal style mineralisation can be identified from regional aeromagnetics. These targets will require drill testing beneath shallow alluvial cover with aircore drilling.

Competent Person’s Statement

The information in this Section 5 is based on information compiled by Mr David Ward, who is a geological consultant to the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ward has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Explorations Results, Mineral Resources and Ore Reserves”. Mr Ward consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

6

Directors and Key Personnel

The Exalt Board and the Company's consultants have a broad experience base covering operational, technical, corporate and commercial backgrounds spanning a number of decades in the Australian and international mining and resources industry. The Exalt Board is well positioned to implement the Company's strategic objective of continuing its planned exploration activities and seeking to acquire or participate in additional resource and energy related projects.

6.1 DIRECTORS AND KEY PERSONNEL

Emmanuel Correia, Executive Chairman

Emmanuel Correia is a Chartered Accountant and has extensive experience in the corporate finance and equity capital markets. Emmanuel has had over 20 years public accounting and corporate finance experience both in Australia, North America and the United Kingdom. He has held various senior positions with Deloitte and other accounting firms and boutique corporate finance houses.

Emmanuel provides corporate advice to a diverse client base both in Australia and in overseas markets. Emmanuel has previously held a number of public company directorships and his key areas of expertise include initial public offerings, secondary capital raisings, corporate strategy and structuring and mergers and acquisitions.

Emmanuel is also a director of Forge Resources Ltd and company secretary of Bluglass Limited and Jatoil Limited.

Emmanuel was appointed to the Board as non-executive Director however Emmanuel will act as the executive director to the Company until an appropriate executive director is appointed to the Board. Emmanuel will then resume his role as non-executive Director.

Jim Malone, Non-Executive Director

Jim Malone has worked successfully as an accountant, stockbroker, business analyst and CEO of a medium sized business for the past 20 years.

Jim holds a Bachelor of Commerce from the University of Western Australia and is an associate of the Australian Society of Certified Practising Accountants.

Since 2000, Jim has worked in the resources industry and has been involved with the start up, successful listing and ongoing management and development of six ASX listed and two unlisted resource companies and has experience with a diverse range of commodities including gold, base metals, uranium, oil and gas and industrial minerals. These companies have operated projects in Latin America, Europe, Africa, the US and Australia.

Jim also serves on the boards of Australian-American Mining Corporation N.L, Latin Gold Limited, Richmond Mining Limited, Quest Petroleum Limited and Forge Resources Limited.

Shane Hartwig, Non-Executive Director and Company Secretary

Shane Hartwig is a Certified Practising Accountant and Chartered Company Secretary and holds a Bachelor of Business degree, majoring in Accounting and Taxation from Curtin University of Technology in Western Australia.

Shane is involved in the areas of initial public offerings, capital raisings, prospectus and information memorandum preparation and project management, company assessments and due diligence reviews, mergers and acquisitions and providing general corporate advice. Shane has over fifteen years experience in the finance industry both nationally and internationally with exposure to both the debt and equity capital markets.

Shane is also a director of Uran Limited and the Company Secretary of Anteo Diagnostics Limited, GLG Corporation Limited and Forge Resources Limited.

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David Ward, Consulting Geologist

David Ward is a geologist with over 15 years experience in the exploration and mining industry in New South Wales. In that time he has gained considerable experience in mineral exploration with a number of companies notably Clancy Exploration Limited and significant mining experience both underground and open cut with Newcrest Mining Limited.

David was also a founding member of Centaurus Resources Limited.

6.2 CORPORATE GOVERNANCE

The Directors monitor the business affairs of the Company on behalf of Shareholders and have formally adopted a corporate governance policy which is designed to focus Directors' attention on accountability, risk management, ethical conduct and conflicts of interest.

The Company has adopted 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.

Further information about the Company's corporate governance practices will be set out on the Company's website at www.exaltresources.com.au. In accordance with the recommendations of the ASX, information published on the Company's website will include charters (for the board and its sub-committees), codes of conduct and other policies and procedures relating to the board and its responsibilities.

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.

Shane Hartwig and Jim Malone are considered to be independent in terms of the ASX Corporate Governance Council's definition of independent director.

Emmanuel Correia will act as the executive director to the Company until such time that an appropriate executive director is appointed to the Board. For this reason, at the date of this Prospectus, Emmanuel is not considered to be independent. Upon the appointment of an executive director, Emmanuel will be considered to be independent in terms of the ASX Corporate Governance Council's definition of independent director.

Details of the composition of the Board are set out in Section 6.1 of this Prospectus.

Continuous disclosure

The Company has adopted a continuous disclosure policy in order to comply with its continuous disclosure obligations once listed on the ASX. These obligations include being required to notify the ASX immediately of any information concerning the Company of which it is, or becomes aware of, and which a reasonable person would expect to have a material effect on the price or value of the Shares and Options. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

- (a) quarterly activities and cashflow reports, to be provided to the ASX within a specified time at the end of each quarter;
- (b) half yearly reports and preliminary financial statements, to be provided to the ASX within a specified time of the end of each half and full years accounting period respectively; and
- (c) financial statements, to be lodged with the ASX within a specified time after the end of each accounting period.

Securities Trading Policy

The Company has adopted a Securities Trading Policy for directors, officers and employees.

The Securities Trading Policy sets out when trading in the Company's Shares by directors, officers and employees is not permitted. The purpose of the Securities Trading Policy is to reduce the risk of insider trading and ensure that the Company's directors, officers and employees are aware of the legal restriction on trading shares in the Company whilst in possession of undisclosed information concerning the Company. The Securities Trading Policy also aims to minimise the chance that misunderstandings or suspicions arise that the Company's directors officer or employees are trading in Company Shares during these restricted periods.

7

Risk Factors

The Company's operations are subject to a number of risks which may have an impact upon its future performance. Before subscribing for Shares and Options offered under this Prospectus, prospective investors should carefully evaluate the Company's business.

Prospective investors in the Company should consider the risk factors described in this Section, together with the information contained elsewhere in this Prospectus before deciding whether to apply for Shares and Options.

The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

7.1 SPECIFIC RISK FACTORS

There are a range of specific risks associated with the Company's business operations and its involvement in the exploration and acquisition of mineral related assets both in Australia and overseas. Potential investors in the Company should note the following risks specific to the Company prior to investing.

(a) Potential acquisitions

As part of its business strategy, the Company may make acquisitions or significant investments in other companies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies or resource projects.

(b) Title risks

Mining and exploration licences are subject to periodic renewal. In particular, there is no guarantee that applications for future exploration licences or production licences will be approved. Renewal and transfer conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the exploration licences comprising the Projects. The imposition of new conditions or the inability to meet conditions may adversely affect the operations, financial position and/or performance of the Company.

(c) No guarantee of exploration success or profitable development

Mineral exploration involves significant risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that commercial quantities can be recovered from the Project areas or that the success and discoveries within other companies' projects which are located close to the Projects will be replicated within the Projects.

Further, no assurances can be given that if mineral reserves are discovered the Company will be able to profitably develop such reserves as intended.

(d) Use of unaudited accounts

Prospective investors should be aware that for the purposes of preparing the Independent Accountant's Report in Section 9, the Independent Accountant has relied on unaudited financial statements of the Company. There is a risk that the use of financial information that has not been subject to independent audit has the potential to be inaccurate. However, as stated in the Independent Accountant's Report, there is nothing that has caused the Independent Accountant to believe that the information set out in the Independent Accountant's Report does not present fairly:

- (i) the balance sheet of the Company as at 31 December 2010; and
- (ii) the pro-forma balance sheet of the Company as at that date adjusted for the effects of the Offer and material events occurring subsequent to 31 December 2010.

(e) Reliance on contractors

The Company will be relying upon the expertise and equipment of various contractors who will be engaged to conduct the different aspects of exploration and mining activity. In the event of a failure of, or by, one of these contractors, or the failure of any equipment used by these contractors, the Company's business, activities and operating results may be adversely affected.

(f) The Company may be unable to obtain environmental approvals

The Company's operations are subject to the environmental risks inherent in the mineral exploration industry. The Company is subject to environmental laws and regulations in connection with all its operations. Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability. Further, the Company may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. The Company believes that it is in material compliance with all applicable laws relating to the protection of the environment. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(g) Operating risks

Mineral exploration activities are subject to numerous risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortage or delays in the delivery of equipment and compliance with governmental requirements.

Industry operating risks include the risk of environmental accidents, the occurrence of any of which could result in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations. Damages occurring as a result of such risks may give rise to claims against the Company. Although the Company believes that it or an operator will carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances the Company's or the operator's insurance may not cover or be adequate to cover the consequences of such events. Moreover, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates that it considers reasonable.

(h) Failure to meet payment obligations may result in dilution or forfeiture

Under the tenement conditions and certain other contractual agreements to which the Company may in the future become party, the Company may become subject to payment and other obligations. In particular, tenement owners are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments will render the tenements liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to the other parties, this could result in dilution or forfeiture of interests held by the Company. The Company may not have, or be able to obtain, financing for all such obligations as they arise.

(i) The Company may not be able to exploit successful discoveries

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

(j) Commodity prices may go down

The demand for, and price of, commodities is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative commodities, actions taken by governments and international cartels, and global economic and political developments. Commodity prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in commodity prices and, in particular, a material decline in the price of commodities may have a material adverse effect on the Company's business, financial condition and results of operations.

(k) Counterparty risk

The Company will enter into a number of commercial agreements with third parties. There is a risk that the counterparties may not meet their obligations under those agreements. Commercial consequences are likely to flow from any non-observance of commercial obligations.

(l) Access to land may be stopped

Immediate access to the licences in which the Company has an interest, cannot in all cases, be guaranteed. The Company may be required to seek the consent of landholders or other persons or groups with an interest in the real property encompassed by the licences. Compensation may be required to be paid by the Company to landholders to allow the Company to carry out exploration and/or production activities. Although the Company has budgeted no compensation payments, there is no guarantee that additional amounts may not be required. Judicial decisions and legislation could also unforeseeably restrict land access.

(m) Native Title

The Company's activities in Australia are subject to the Native Title Act and associated legislation relating to native title, which are discussed in the Solicitor's Tenements Reports (Section 10). Uncertainty associated with native title issues may impact on the Company's future plans.

(n) Directors and consultants may leave the Company

The success of the Company will depend in part on the continued services of its directors and consultants. The loss of services of one or more of these persons could have a materially adverse effect on the Company's business, operating results and financial condition.

(o) The Company may not be able to raise any further funds

The Company may need to raise debt and/or equity capital from time to time in relation to the funding of its Projects and business activities. The availability of such capital is influenced by numerous factors including, but not limited to, economic, legal and political conditions and investors' and financiers' investment and credit policies. The inability to raise capital on favourable terms, or not at all, may have a negative impact on the Company's Project and business development strategies. No assurance can be given that future funding will be made available on acceptable terms (if at all).

(p) Aboriginal sites of significance

Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal custom and tradition. Further details of this legislation are set out in the Solicitor's Tenements Report (Section 10 in this Prospectus). Some sites of significance may be identified within the Tenements. It is therefore possible that one or more sites of significance will exist in an area which the Company considers to be prospective. The Company's policy is to carry out clearance surveys prior to conducting exploration which would cause a disturbance to the land surface.

(q) Foreign currency and exchange rate fluctuations

Revenue and expenditure of the Company may be domiciled in currencies other than Australian dollars and as such expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure.

The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist in managing these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.

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(r) The Company may not be able to secure insurance

The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in the payment of a legitimate claim by the Company under an insurance policy.

(s) Industrial disputes may prevent exploration and production

The Company's Projects and businesses may be adversely impacted by industrial disputes by employees of the Company, its contractors, its contract counterparties and/or other third parties. The Company will endeavour to provide working conditions, including salaries, which are consistent with best industry practice for the country and/or region in which it conducts its Projects and businesses. The Company will also endeavour to ensure its contractors and contract counterparties also adopt such practices. However, the risk of industrial disputes and the potential negative impact on a project or business of the Company cannot be fully mitigated.

(t) Limited operating history

The Company was established in 2010 and accordingly has a limited operating history. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration and production sectors, which have a high level of inherent uncertainty.

(u) Speculative nature of investment

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

Therefore, the Shares and Options 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 and Options.

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

7.2 GENERAL RISK FACTORS

Factors such as inflation, interest rates, levels of tax, taxation law and accounting practices, government legislation or intervention, natural disasters, social upheaval, and war may have an impact on prices, operating costs and market conditions generally. Accordingly, Exalt's future revenue (if any) and operations can be affected by these factors which are beyond the control of the Company.

Any of the factors identified below or a combination of all of them in the future could materially affect the performance of the Company and the market price of the Shares and Options. The risk factors set out below are not exhaustive. Investors should examine the full contents of this Prospectus and may wish to consult their financial or other advisors before deciding to subscribe. An investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the Shares or Options will trade. An investment in the Company should be regarded as speculative. Any person who applies for Shares and Options pursuant to this Prospectus does so in recognition of those factors.

(a) Government legislation and policy changes

Revenue and expenditure of the Company may be affected by changes in international, federal, state, or local government laws, regulations or policies, or in taxation legislation.

Government legislation and policies are subject to review and change from time to time. Such changes are likely to be beyond the control of the Company and may affect industry profitability.

The NSW State Liberal and National Parties have released their proposed Strategic Regional Land Use policy which, if implemented, will aim to reform mining and coal seam gas legislation to protect land deemed to be 'strategic agricultural land'. If the NSW Liberal and National parties are elected to government and the policy is implemented, the policy will see all existing exploration licenses reviewed for compliance with the conditions imposed on the relevant licence. Further, all new mining project applications will be required to undertake explicit agricultural productivity impact assessments as a part of their environmental impact statement. The policy states that during the 'transitional phase' they will take a precautionary approach to consider the appropriateness of granting new exploration licenses. The length of the 'transitional phase' is not defined. The policy also states that future development applications will be required to adhere to new Aquifer Interference Regulations. The policy considers that the mining and agricultural industries can exist in the same areas however such circumstances necessitates careful management.

It is not possible at this stage to predict the impact that this policy, if implemented, would have on the Projects.

Further, the operation of mining plants is subject to extensive environmental laws and regulations. Violations of these requirements could result in liabilities that affect the Company's financial condition.

(b) Economic factors

Factors beyond the control of the Directors that could affect the revenues and value of the Company include but are not limited to, inflation, currency fluctuation, interest rates, supply and demand of relevant inputs and outputs, and industrial disruption.

(c) The overall share market may negatively impact an investment in the Company

The market price of listed Shares and Options can 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. Neither the Company nor the Directors warrants the future performance of the Company or any return on an investment in Exalt.

8

Independent Geologist's Report



Malcolm Castle
Consulting Geologist
P.O. Box 473, South Perth, WA 6951
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Email: mcastle@castleconsulting.com.au
ABN: 84 274 218 871

25 March 2011

The Directors
Exalt Resources Limited
Level 5, 56 Pitt Street
Sydney NSW 2000

Dear Sirs,

INDEPENDENT GEOLOGIST'S REPORT ON MINERAL PROPERTIES in NEW SOUTH WALES

I have been commissioned by Exalt Resources Limited ("Exalt" or the "Company") to provide an independent technical report on the Company's projects in New South Wales ("Report"). This Report is to be included in a Prospectus to be lodged by the Company with the Australian Securities and Investments Commission ("ASIC") on or about 25 March 2011, to raise \$3.125 million before expenses by issuing 15,625,000 ordinary shares at 20 cents. The funds raised will be used for the purpose of exploration and evaluation of the mineral properties held by the Company.

The Properties

The structural model for mineralisation at Mineral Hill South includes dilational structures developed on a significant north-south structure that runs through the Mineral Hill Deposit. The Mineral Hill Deposit has a strong structural control defining the location of the deposit. Dilational zones within these shear zones has been suggested as the structural control for mineralisation. This structural and geophysical model can be applied to Mineral Hill and surrounding area.

The Nyngan Project area covers a magnetic complex which is inferred to be part of the Nyngan Intrusive Complex beneath transported Quarternary alluvium around the Bogan River. The magnetic complex includes a prominent rim structure of 20km diameter and is interpreted as a caldera feature and considered a potential analogue to the Goonumbla Caldera which hosts the Goonumbla porphyry deposits.

At least half of the current liquid assets held and funds proposed to be raised are understood to be committed to the exploration and development of the Projects. The Company will have sufficient working capital to carry out its stated objectives and has prepared staged exploration programs, specific to the exploration potential of each of the Projects, which are consistent with its budget allocations. It is considered that sufficient exploration and mining activities have been undertaken by earlier explorers to justify the proposed programs and expenditure.

Details in respect to the legal status and tenure of the tenements comprising the Projects have not been considered in this Report but are outlined in the Independent Solicitor's Report in the Prospectus.

DECLARATIONS

Relevant codes and guidelines

This Report has been prepared as a technical assessment in accordance with the "*Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports*" (the "VALMIN Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the ASX Limited ("ASX") which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112).

Where and if mineral resources have been referred to in this Report, the classifications are consistent with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the "JORC Code"), prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia, effective December 2004.

Where assay values for rock chip samples and drill intercepts are quoted they represent the best results from a series of lower grade values. They should not be taken to represent the average grade of the samples unless otherwise stated.

Under the definition provided by the ASX and in the VALMIN Code, the Projects are classified as 'exploration projects', which are inherently speculative in nature. The Projects are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the exploration and development programs proposed by the Company.

Sources of Information

The statements and opinion contained in this Report are given in good faith and this Report is based

on information provided by the title holders, along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. I have endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to the Company along with a written request to identify any material errors or omissions prior to lodgement.

In compiling this Report, I did not carry out a site visit to any of the Project areas. Based on my professional knowledge and experience and the availability of extensive databases and technical reports made available by various Government Agencies, I considered that sufficient current information was available to allow an informed appraisal to be made without such a visit.

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given for the distribution of this Report in the form and context in which it appears. I have no reason to doubt the authenticity or substance of the information provided.

Qualifications and Experience

The person responsible for the preparation of this Report is:

Malcolm Castle, B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM.

Malcolm Castle has over 40 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company 20 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including gold, base metals, iron ore and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical Audits in many countries.

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Mr Castle is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and has the appropriate relevant qualifications, experience, competence and independence to be considered as an "Expert" and "Competent Person" the Australian Valmin and JORC Codes, respectively.

He is a non-executive director of East Energy Resources (www.eer.com.au) a coal company with a project in central Queensland, an executive director of Regalpoint Resources Limited, a uranium company with projects in Australia and an executive director of Brazilian Metals Group Limited and iron ore company with projects in Brazil.

Independence

I am not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the Projects or the Company. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this Report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully



Malcolm Castle
B.Sc.(Hons), MAusIMM,
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CENTRAL NEW SOUTH WALES PROJECTS

The Lachlan Fold Belt of New South Wales is a richly endowed volcanogenic mineral province hosting a broad range of economic gold and copper deposits including Cadia-Ridgeway (porphyry Cu-Au), the Cobar Field (shear zone Cu-Au-Pb-Zn), Girilambone-Tritton-Budgery (Stratabound Cu-Au), Mineral Hill (epithermal Au-Cu) and North Parks (porphyry Au-Cu).

Regional-scale structures play a significant role in the localisation of mineralisation. In central NSW the gold-base metal mineralisation of the Cobar field is intimately related to the north northwest trending Gilmore Suture Zone whilst epithermal to porphyry type mineralisation is interpreted to be related to the Crawl Creek Fracture Zone that has a stepped east-west trend.

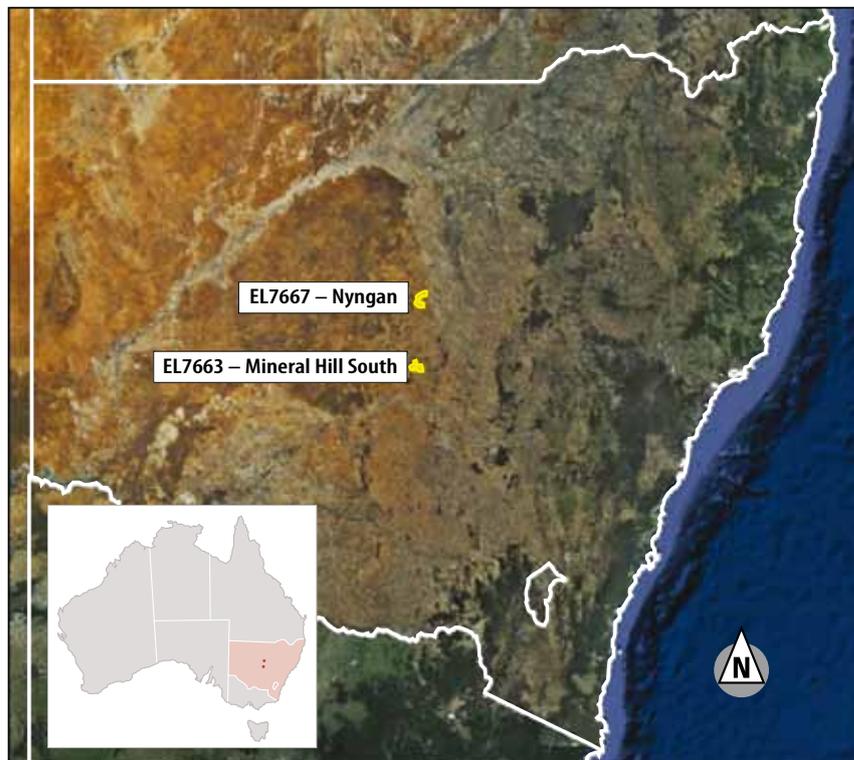


Figure 1 - Location of the Exalt Project areas

PORPHYRY COPPER-GOLD GEOLOGICAL MODEL

Porphyry copper-gold deposits are orebodies which are associated with porphyritic textured intrusive rocks and their resulting upward flowing fluids during cooling. Circulating surface water or underground fluids may have interacted with the plutonic fluids. Successive envelopes of hydrothermal alteration from outer epidote-chlorite alteration to secondary biotite and orthoclase alteration inward, typically enclose a core of ore minerals disseminated in often stockwork-forming hairline fractures and veins, sometimes in breccia zones. Porphyry orebodies typically contain between 0.4 and 1 % copper. Gold rich deposits are usually emplaced at a shallow depth (less than 2km) and associated with more mafic magmas and magnetite (providing magnetic anomalies).

REGIONAL GEOLOGY

The oldest rocks in the area are the Girilambone Group a wide spread Early Ordovician turbidite package with minor chert and basaltic volcanics, the Silurian-Devonian Cobar Supergroup unconformably overlies the Girilambone Group.

The Siluro-Devonian Cobar Supergroup is effectively divided into two main groups the Amphithearte Group of finely bedded deep water turbidities and the overlying Nurri Group of conglomerates, sandstones and siltstones (hosts the Cobar deposits). The Kopyje Group (which hosts Mineral Hill and Mt Boppy) is the equivalent of the Nurri Group.

Deformation of the Cobar Supergroup rocks in the Late Devonian and is interpreted as the mineralising event emplacing the Cobar style gold-copper-lead-zinc-silver mineralisation on the eastern margin of the Cobar Basin and the Kopyje Group the mineralisation at Mount Boppy and Mineral Hill.

The structural complexity of the mineralisation within the Cobar Supergroup has in the past generated uncertainty in production of a genetic model for mineralisation. More recent interpretations suggest there to be an early stage rift associated VHMS and intrusive related epithermal mineralisation which has been subsequently modified by deformation in the Late Devonian. This postulated model ties all mineralisation styles, from the more obviously remobilized Cobar style Cu-Au and Pb-Zn-Ag mineralisation at CSA and Elura to substantially less deformed low-sulphidation epithermal mineralisation at Mineral Hill.

The Mineral Hill gold-copper mine is located 67 kilometres north-northwest of Condobolin in central New South Wales. Mineralisation was discovered at Mineral Hill in 1908 and small-scale mining was active through to the 1960s. The current underground mining operation commenced in 1995. In excess of 280,000 ounces of gold have been produced since 1995. The Mineral Hill mineralisation is contained within the Late Silurian to Early Devonian Mineral Hill Volcanics that consists of felsic volcanic and clastic sedimentary rocks. A number of different mineralisation styles have been recognised. These include: silver-lead mineralisation with minor gold, copper and zinc which were mined between 1911 and 1925; gold-copper mineralisation with lead and bismuth and minor zinc and silver; and predominantly zinc-lead mineralisation with minor copper and gold-silver. The mineralisation is largely structurally controlled although some conformable mineralisation has been recognised.

The Mineral Hill South Project falls within the Canbelego – Mineral Hill Rift Zone. The rift is a major north-north-west oriented structural corridor to the east and parallel to the eastern margin of the Cobar Trough.

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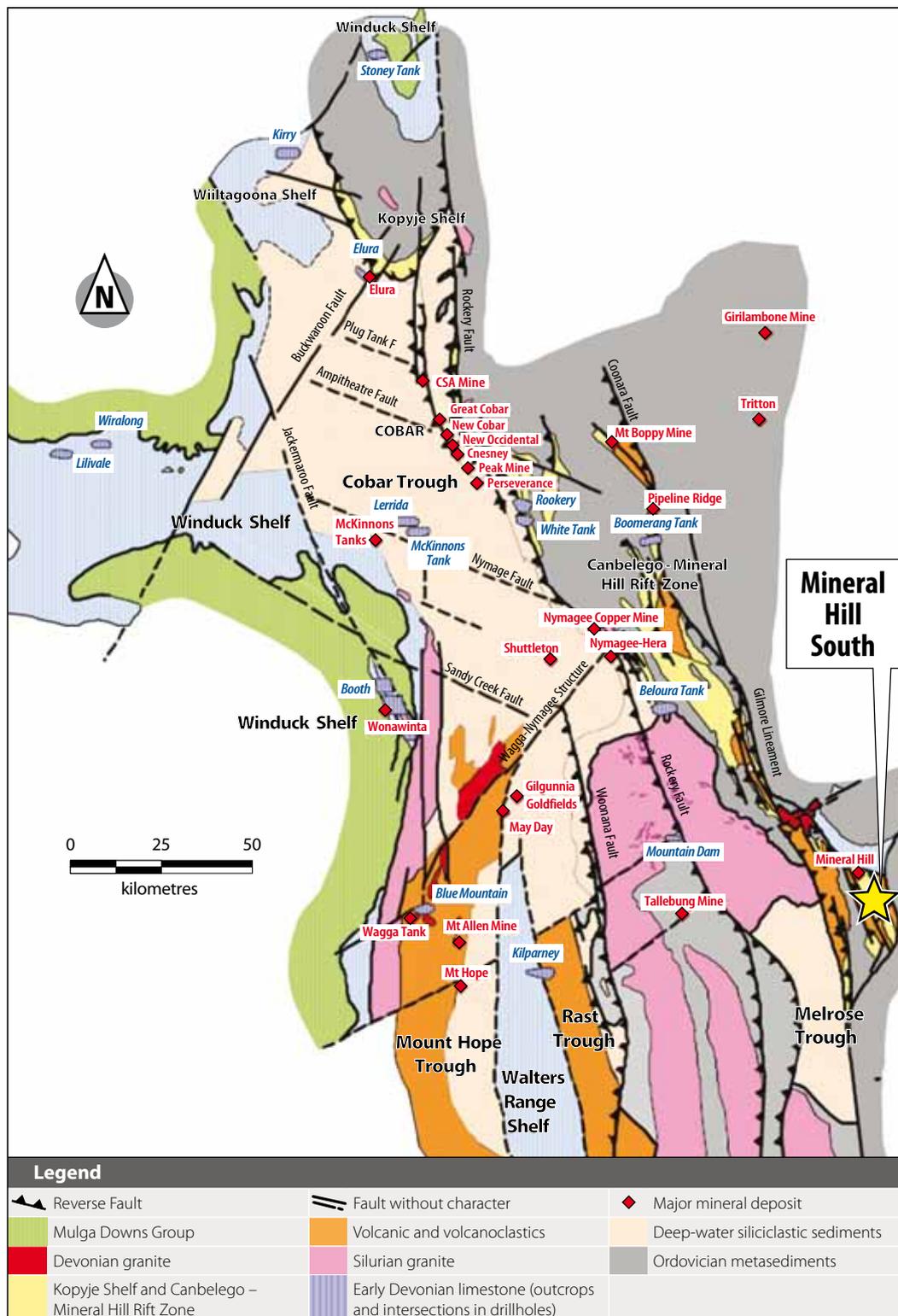


Figure 2 – Cobar Superbasin Simplified Geology Map

MINERAL HILL SOUTH PROJECT – EL7663

The project area is less than 3km south of Pearse South Deposit at Mineral Hill which returned drill intercepts of 49m @ 10.7g/t Au, 119g/t Ag; 23m @ 20g/t Au, 80g/t Ag. The mineralisation Style is epithermal with low sulphidation - high grade Polymetallic signatures.

The Mineral Hill Plant will be operational again mid-2011 and is located less than 5km from the prospect area. There is a transport and toll treatment option possibility.

TENURE, LOCATION AND ACCESS

EL7663 covers an area of 115.7 square kilometres to the south and south-east of the Mineral Hill Mine in the Central West of New South Wales about 52km north of Condobolin. The project area is mostly open flat grazing and/or cropping paddocks and can be accessed easily via public roads and farm tracks. The tenement was granted on 10th December 2010.

LOCAL GEOLOGY

Over half of EL7663 is underlain by the Kopyje Group Silurian Mineral Hill Volcanics and Talingaboolba Formation which host the Mineral Hill Deposits the remainder of EL7663 consists of mostly Girilambone Group sediments. The Girilambone Group sediments host the Tritton and Girilambone Copper Mines to the north. The Mineral Hill Volcanics overlie the Girilambone Group sediments and the Mineral Hill Volcanics are overlain by the Talingaboolba Formation.

The Mineral Hill Volcanics have been described as acid flows and vitric lapilli tuffs; named after the siliceous volcanics associated with gold and base metal mineralisation at Mineral Hill. The Talingaboolba Formation is mostly fine to medium lithic sandstone and conglomerates with small isolated limestone lenses in the upper parts. The Talingaboolba sandstones have been described as disconformable with the Mineral Hill Volcanics and as being laterally equivalent to the Mineral Hill Volcanics, the latter is supported by interbedded sediments in the Mineral Hill Volcanics being regarded as part of the Talingaboolba Formation, this is particularly important as it suggests that the Talingaboolba Formation is just as prospective for Mineral Hill style low-sulphidation epithermal deposits. The western portion of the Talingaboolba Formation is described as lithic sandstone and are exposed in the Mineral Hill Mining Lease; the eastern portion has been mapped as conglomerates.

The leucocratic Wilmatha Granite intrudes the Girilambone Group sediments to the east of Mineral Hill just outside the boundary to EL7663 the granite has not been dated and has been given a date of Late Silurian to Early Devonian. The Wilmatha Granite could be associated with the mineralisation at Mineral Hill.

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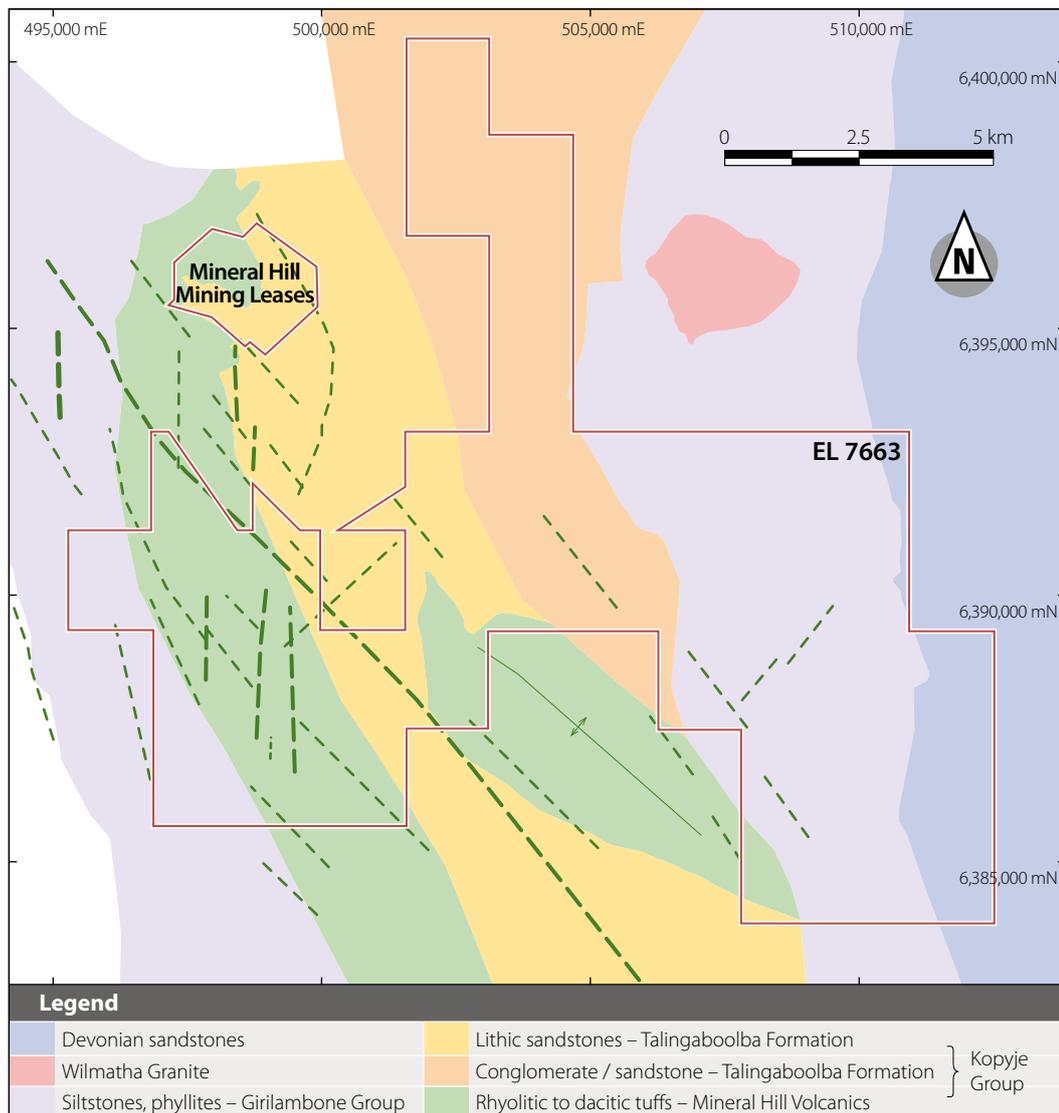


Figure 3 – Mineral Hill South Summarised Interpreted Geology and Structure

MINERAL HILL MINERALISATION AND MINING HISTORY

The Mineral Hill Mine is currently held by Kimberley Metals. The deposit was discovered in 1908 and until 1957 there had been 14,300t mined at 24oz/t Silver and 19% Lead. The mine was re-opened in 1989 and up to 2005, when it went onto care and maintenance, production was 2.1 million tonnes at an average grade of 6.5g/t gold and 1.14% copper . The mineralisation at Mineral Hill is a zoned, polymetallic, low sulphidation epithermal with strong Pb-Zn-Ag-Au-Cu mineralisation. The mineralized zones appear to occur on the margin between the Mineral Hill Volcanics and the Talingaboolba Formation, the rheology contrast across that boundary may provide a favorable horizon for deposition of the mineralisation.

Kimberley Metals Press releases have highlighted new drill intersections (36m @ 11.0 g/t Au, 196 g/t Ag from 28m includes 7m @ 45.7 g/t Au, 108 g/t Ag from 30m. These intersections occur approximately 3km from the northern edge of EL7663. The intersections are within the Pearse deposit which was a coincident Au As soil anomaly within 1km of the existing Mineral Hill plant. The

Mineral Hill plant which was on care and maintenance is currently being renovated to accept ore from both the gold bearing Pearse South Deposit and the lead, zinc and silver mineralisation at Parkers Hill and is due to be operational again in mid-2011.

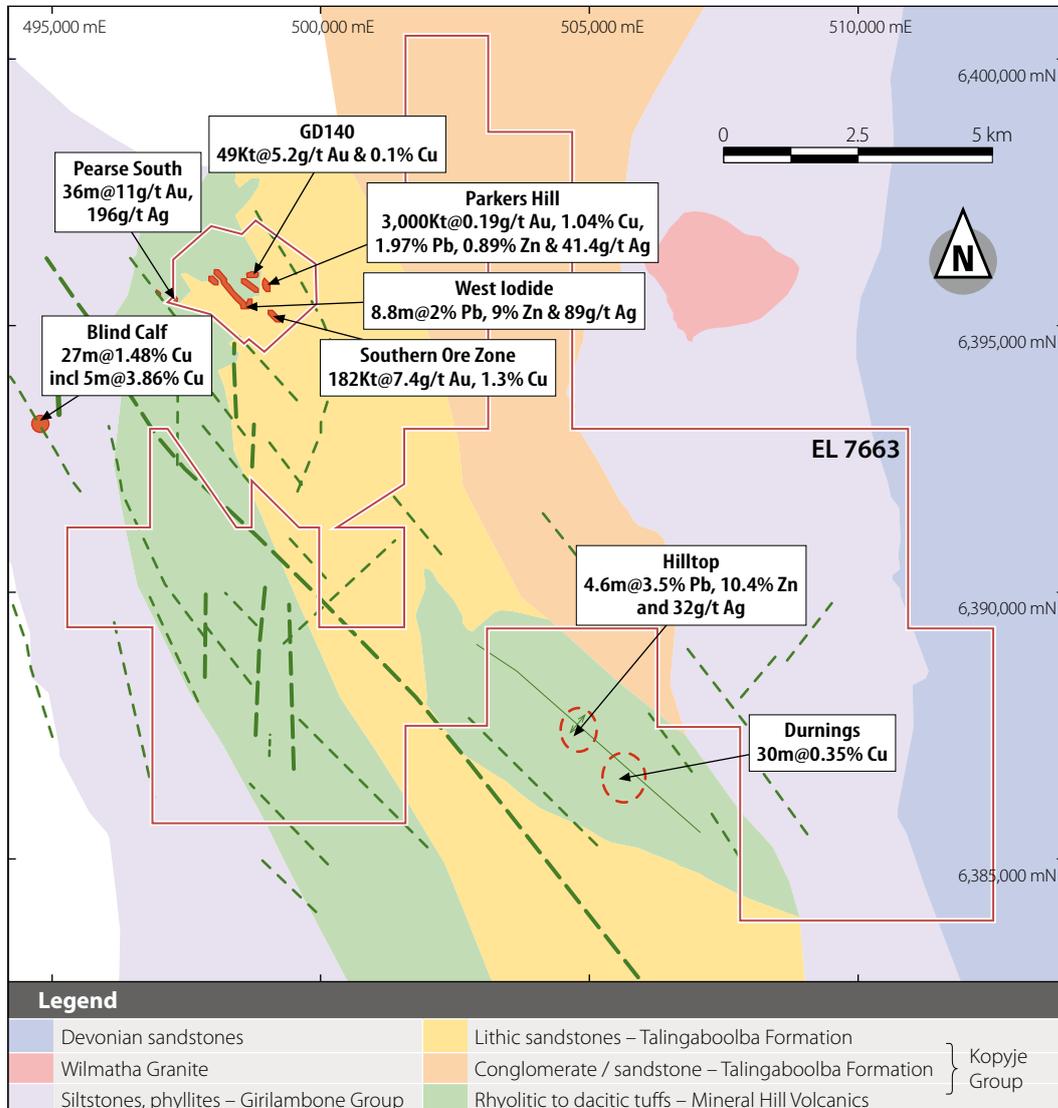


Figure 4 –Known Mineralisation Surrounding Mineral Hill South

PREVIOUS MINING AND EXPLORATION

MINERAL HILL SOUTH – GEOPHYSICS AND STRUCTURE

Mineral Hill occurs in an area of relatively subdued magnetic character; in part of the area the magnetic signature of the basement rocks is obscured by shallow maghemite paleochannels. Mineral Hill itself occurs at the intersection of significant north-south and north-west linear features. These intersections also occur within EL7663; the intersection of a NS shear zone with the north-west oriented structures provide the framework and space for mineralisation, the north-west structures connect Mineral Hill, Hera and Cobar.

The north-south fault can be clearly traced to the south into the western part of EL7663 and an intersection point with this north-south fault and the north-west oriented structures is clearly displayed in the regional RTP image.

In the south-eastern part of EL7663 the Brooklyn Prospect is a discrete magnetic high appears associated with a historical mine called L'emprieres, the structural setting at L'emprieres is a little less obvious possibly due to the close presence of the maghemite paeleochannels, but although more subtle there is a north-south north-east structure intersection. The discrete magnetic high may represent pyrrhotite associated with mineralisation; this magnetic pattern is clearly evident at the Mineral Hill Mine as a close special association with the mineralisation. At surface L'emprieres is a 150m diameter zone of ironstone (possibly oxidised cap or gossan after sulphides) with associated weak copper anomalism, previous explores suggested the ironstone is a surficial weathering process not associated with sulphides, although that doesn't explain the induced polarisation anomalism associated with the ironstone, this suggests the gossan is a weathering product of sulphides and requires further investigation.

The mineralised structures at Mineral Hill are oriented north-west and likely to be north-west dilatational zones developed on the north-south structure.

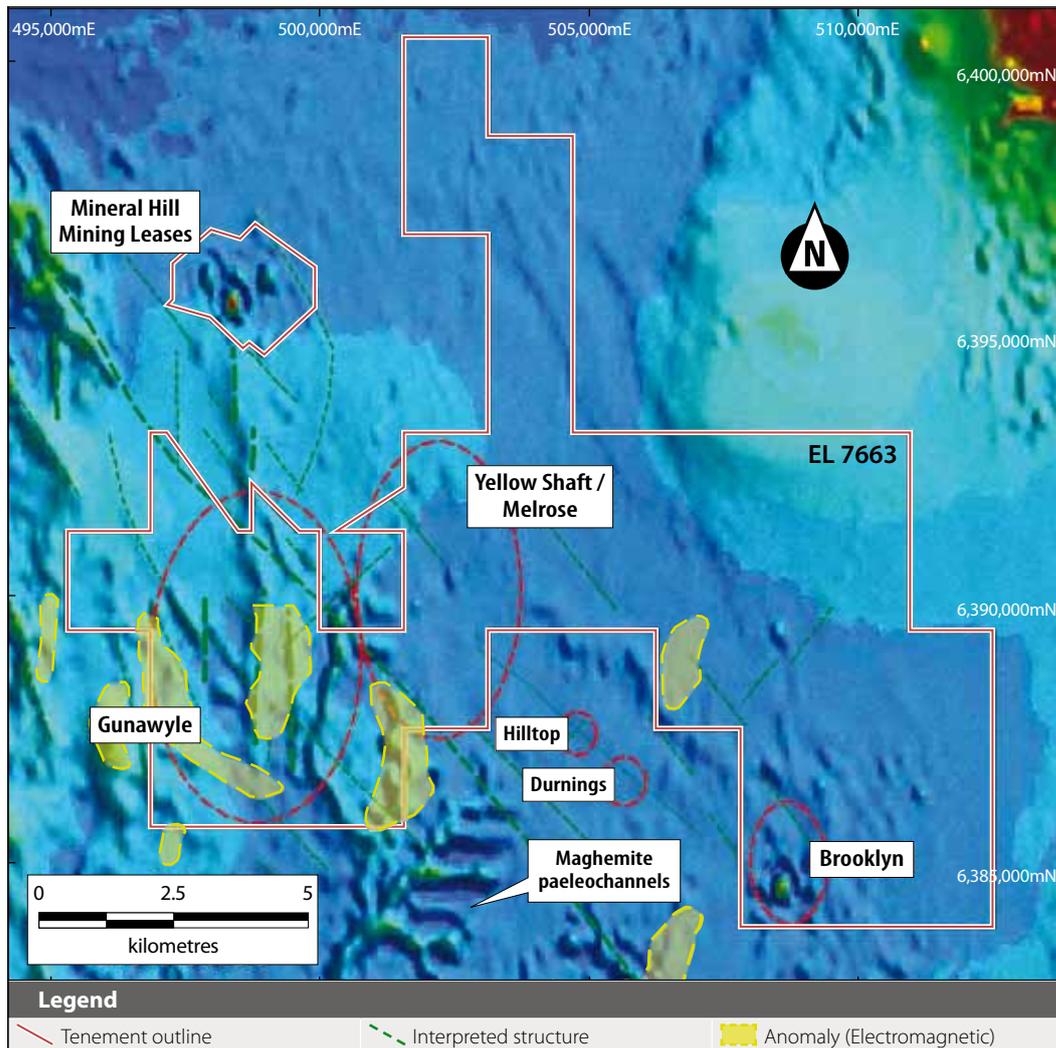


Figure 5 –Prospects on NSW Govt RTP Aerial Magnetics. Green hatching = EM anomalies

GUNAWYLE PROSPECT

The Gunawyle Prospect is defined by a prominent north-south linear magnetic feature interpreted to be the main shear zone that links Mineral Hill to Gunawyle in the south. The north-south ‘shear zone’ is intersected by north-west – south-east oriented structures which provide favourable structural conditions for fluid pathways for mineralisation to occur.

Most of the area outlined by the Gunawyle Prospect is covered by shallow transported cover which precludes cheap and easy surface soil geochemistry as an exploration method; consequently the area has been overlooked by many previous explorers. Electromagnetic (EM) surveys were carried out by LH Smart Oil Exploration Co Limited in 1976 over the areas of overburden highlighted some significant EM anomalism (figure 5).

The electromagnetic anomalies have not been drill tested, interestingly one of the main anomalies coincides with the intersection of north-south and north-west oriented structures within the Gunawyle Prospect.

YELLOW SHAFT (MELROSE) PROSPECT

The Yellow Shaft Prospect lies on a north-west south-east line that potentially links mineralisation at Mineral Hill to the north-west and Hilltop and Durnings to the south-east. Yellow Shaft Prospect referred also as Melrose previously is named after the exploration shaft sunk in the northern part of the prospect. The Prospect is mostly covered by shallow overburden as in Gunawyle and has received little in the way of exploration in relation to the surrounding area.

A wide spaced Induced Polarisation survey completed by LH Smart Oil Exploration Co Limited in February 1974 over the southern part of the Yellow Shaft Prospect highlighted significant roughly north-south oriented IP anomalies. Subsequent soil sampling of the anomalous areas identified that there was probably too much overburden over the IPO anomalies to enable shallow soil sampling and the anomalies have not been followed up.

BROOKLYN PROSPECT

The Brooklyn Prospect is defined by a discrete magnetic anomaly associated with a 150 metre diameter ironstone (possible gossan), anomalism from an Induced Polarisation survey (figure 5) and weak copper anomalism.

The prospect is deeply weathered as seen in drillhole BD-5 which drilled to 153m and still highly oxidized. BD-5 was drilled vertically and may have drilled down a vertical structure explaining the deep weathering at that point.

The magnetic signature at Brooklyn is very similar to that at Mineral Hill (figure 5) this may represent pyrrhotite in a sulphide body beneath the gossan. The magnetic high is coincident with an IP anomaly which suggests the gossan maybe derived from weathering of sulphides rather than suggestions from previous explorers that the ironstone 'gossan' is a weathering product of unmineralised volcanics.

The IP anomalism at Brooklyn and Yellow Shaft is significant as the Mineral Hill Deposits are easily detectable using the geophysical method, the yellow hatching over the Mineral Hill deposits in figure 6 represent the results of an IP survey completed by Cyprus Mines in late 1969 - early 1970s.

The Brooklyn Prospect is one of the areas within EL7663 which is not covered by shallow overburden and the Prospect is also defined by soil copper-lead-zinc anomalism, figure 7 shows contours of soil geochemistry anomalism which highlights the connection between the Hilltop and Durnings Prospects to Brooklyn. (Note soil anomalism cuts out to the east approaching the Gunawyle and Yellow Shaft Prospect due to shallow overburden).

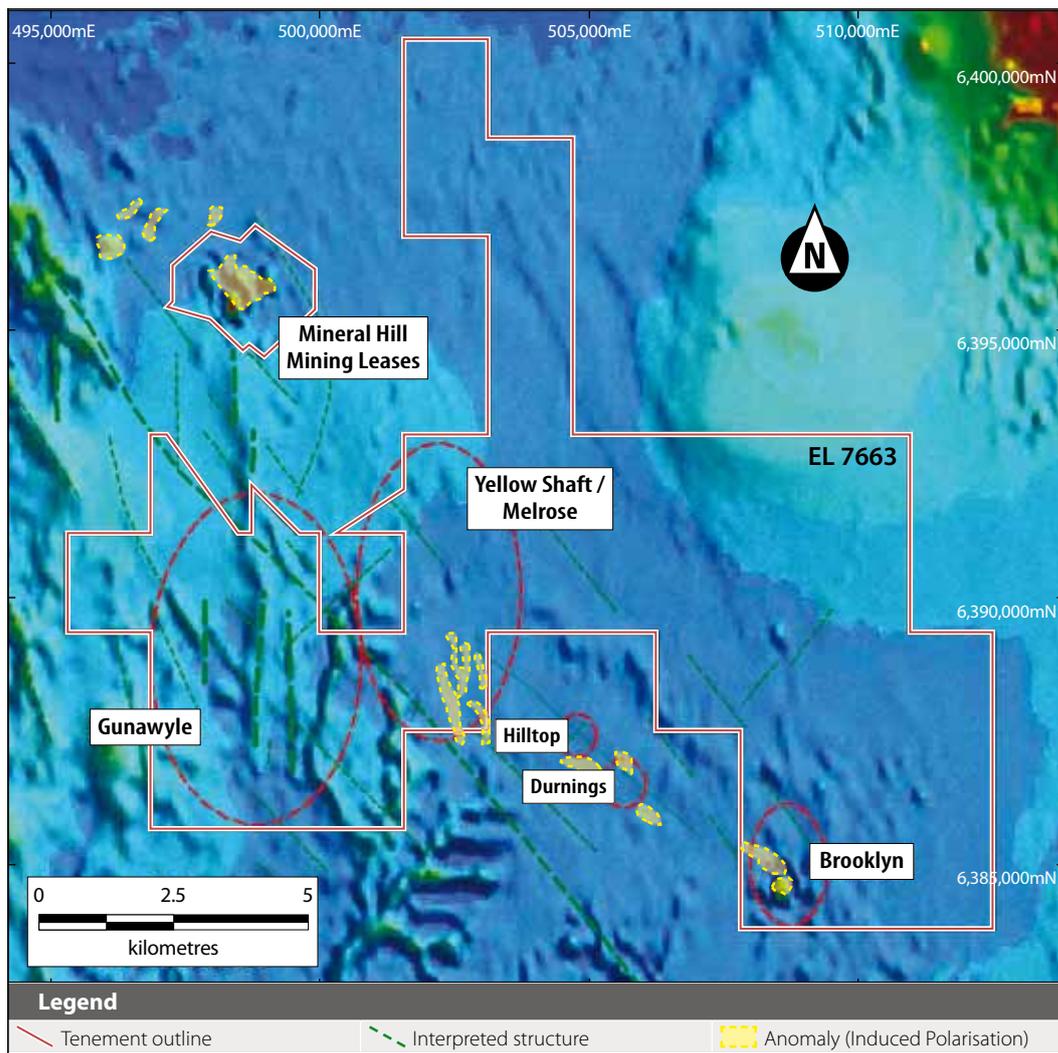


Figure 6 – Compilation of IP Anomalies form 3 previous surveys. Yellow hatching = IP anomalies

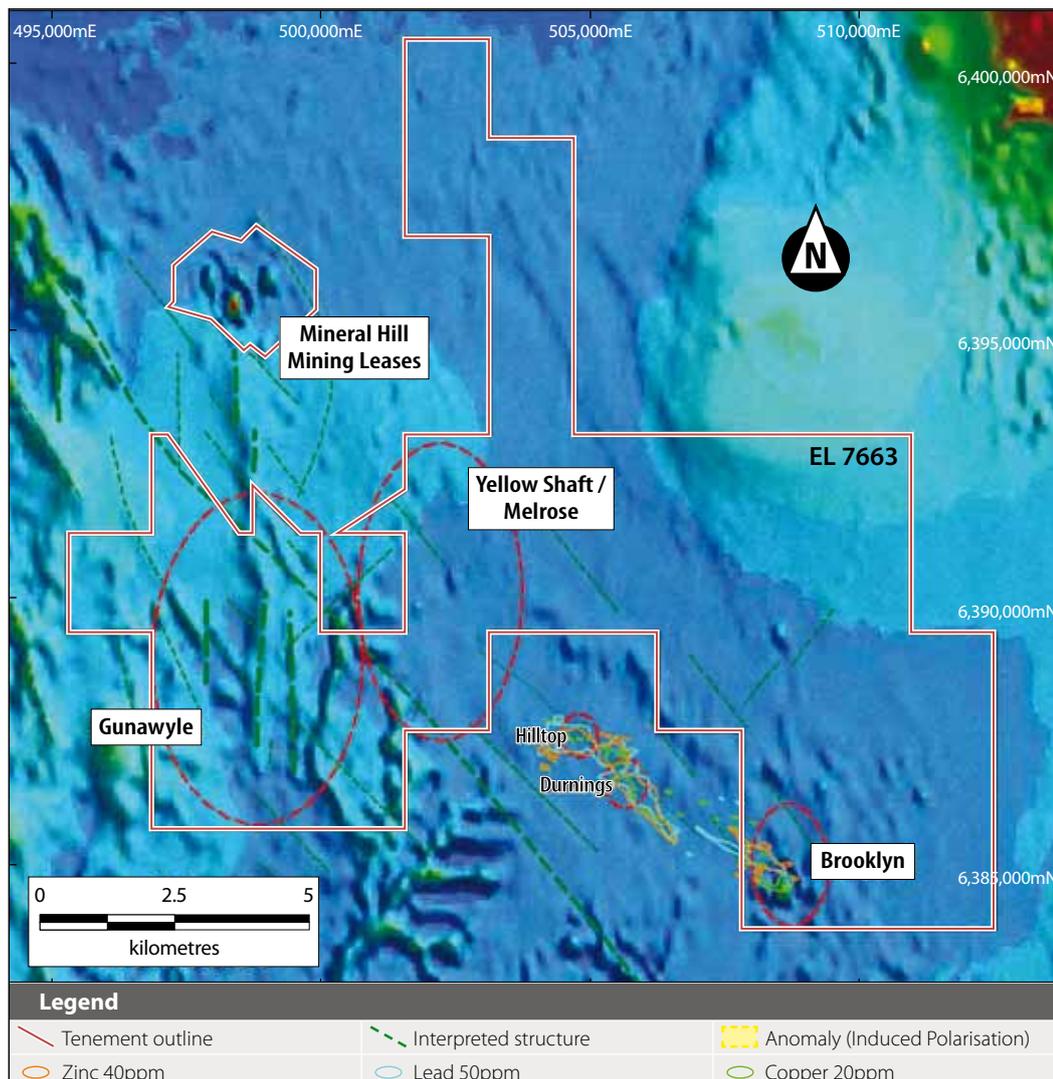


Figure 7 – Hilltop to Brooklyn Soil Contours. Orange = Zinc 40ppm. Light Blue = Lead 50ppm and Green = Copper 20ppm

EXPLORATION POTENTIAL

The Mineral Hill Deposit is described as a ‘Low Sulphidation Epithermal’ style deposit. There has been quite a bit of conjecture about the style of deposits; regardless of the deposit model what is fundamental about all the potential deposit styles is a strong structural control defining the location of the deposit. Dilatational zones within these shear zones has been suggested as the structural control for mineralisation. This structural and geophysical model can be applied to Mineral Hill and surrounding area.

The structural model for mineralisation at Mineral Hill South can be either dilatational structures developed on a significant north-south structure that runs through Mineral Hill and/or north-west, south-east oriented parallel structures, EL7663 encompasses both interpretations.

The Mineral Hill Mine is in the process of renovation to treat the newly discovered Pearse South Deposit which was found just 1km from the existing processing plant. Any deposits found within

EL7663 do not necessarily have to be stand-alone operations, the proximity to the existing Mineral Hill Mine infrastructure greatly increases the prospectivity of the area; small deposits (that would normally be considered uneconomic by themselves) could be cheaply extracted without the need for construction of a 'stand-alone' processing plant.

PROPOSED EXPLORATION PROGRAM AND BUDGET- MINERAL HILL SOUTH PROJECT

<i>Activity</i>	<i>Year1</i>	<i>Year2</i>	<i>Total</i>
Geophysics - IP and Gravity Survey and Aeromagnetics	\$112,916	\$68,250	\$181,166
Geochemistry	\$10,000	\$10,000	\$20,000
RC Drilling and Associated Assays	\$58,588	\$175,763	\$234,350
Staffing Costs	\$123,783	\$123,783	\$247,566
Vehicles/Equipment/Software/Site office/XRF	\$67,710	\$16,960	\$84,670
Total	\$372,997	\$394,756	\$767,753

Exploration methodology has been relatively well demonstrated at Mineral Hill and surrounds. Induced Polarisation (IP) works well as a geophysical tool for delineating known mineralisation. IP worked well at Mineral Hill outlining most of the ore (figure 6). These surveys were completed in the 60s and 70s when the sensitivity and computer processing capacity of IP was relatively poor. Since the original IP was completed at Mineral Hill the method has changed little, what has developed is the sensitivity of the instrumentation and the power of the computer inversion modelling. What is now considered conventional 3D IP will be utilised for drill targeting. IP will be very useful in areas of shallow transported cover as seen in the western portion of EL7663.

Soil sampling areas of residual cover is an easy and cost effective exploration technique. The Pearse South Deposit was discovered primarily discovery of gold and arsenic in soil sampling. Hand held XRF's can detect arsenic readily and are an quick cost effective way to define arsenic soil anomalies for further followup. Hand held XRF soil sampling followed by conventional soil sampling of areas of elevated arsenic will be used, along with the results of 3D IP to help define drill targets.

The budget will be spent on the granted tenement. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress.

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of gold and copper mineralisation.

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NYNGAN PROJECT – EL7667

The Nyngan project includes Porphyry Style mineralisation and intrusives identified in reconnaissance drilling

TENURE, LOCATION AND ACCESS

The Nyngan Project includes 160 square km located approximately 12km south of Nyngan, in Central-West NSW. The tenement EL7667 is flat and easily accessible by sealed roads. Land uses consist of grazing and winter cereal cropping. The tenement was granted on 10 December 2010.

REGIONAL GEOLOGY AND MINERALISATION

The Northparkes group of porphyry copper-gold deposits are located some 125 km WNW of Cadia-Ridgeway in the Bogan Gate Synclinal Zone of the Lachlan Fold Belt in central New South Wales.

Like the Cadia and Ridgeway deposits they are associated with a late Ordovician shoshonitic volcano-intrusive centre - the Goonumbla Volcanic Complex. The Northparkes porphyry intrusives are very similar to that at Ridgeway, with the main difference being the relative importance of gold and copper. All of the deposits in the Northparkes (Goonumbla) area are confined to a circular, 10 km diameter, geologic, aeromagnetic and gravity feature interpreted to represent a palaeo-caldera collapse structure. The volcanic suite ranges from K-rich basalts to trachyandesites to hyaloclastites and volcanoclastics, and compositionally from shoshonites, through latites to trachytes. Overlying the Goonumbla volcanics, the K-trachytes of the Wombin Volcanics also host mineralisation. Most of the ores however are within dark grey latites and sediments of the Goonumbla Volcanics. A suite of intrusives ranging from gabbro through monzonite (adamellite) to syenite cut the volcanics.

Mineralisation is intimately associated with narrow pipes of quartz-monzonite porphyry which are commonly 50 to 100 m in diameter and up to 900 m in vertical extent and are usually satellites of a larger buried monzonite mass. The intrusives have been dated at 439 Ma. Mineral Deposits have been outlined for 4 significant and at least 8 lesser centres of mineralisation. The deposits are also generally pipe like with a strong vertical continuity. They range from a few tens of metres in diameter to 300 m, with the largest, E26, having a 900 m vertical continuity.

Mineralisation occurs as disseminated and quartz vein stockworks, both within the intrusives and the surrounding wall rocks. The strongest grades are associated with quartz vein stockworks developed within the central potassic alteration zone, decreasing outwards as the vein and fracture density decreases. The mineralisation in individual deposits is controlled by the size of the intrusive and the intensity of alteration. In general each deposit has a high grade bornite (and lesser chalcocite) core which passes outwards into a chalcopyrite dominant zone to an outer patchy pyritic (up to 3%) halo. Intense mineral destructive alteration is generally absent, with the potassic core being present as pink-red K-spar fractures and vein selvages. In zones of intense fracturing and veining these selvages merge. Weak pervasive biotite is also developed in the potassic core. The potassic core, greatest vein density and highest grade are centred on the intrusive pipes. Widespread pervasive, often intense, quartz-sericite-pyrite alteration is semi-regional related to major structures, and not individual deposits, with a regional propylitic phase. Copper:gold ratios

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are variable across the field, ranging from 1:1 (Cu%:Ag g/t) to others where gold is much less abundant. The operation includes both a number of open pits and an underground block caving mine, and a plant treating up to 5 mtpa of ore.

LOCAL GEOLOGY AND MINERALISATION

The EL area covers a magnetic complex which is inferred to be part of the Nyngan Intrusive Complex beneath transported Quaternary alluvium around the Bogan River. The magnetic complex includes a prominent rim structure of 20km diameter and is interpreted as a caldera feature and considered a potential analogue to the Goonumbla Caldera which hosts the Goonumbla porphyry deposits.

The interpreted Caldera feature lies along the Lachlan Transverse Zone (LTZ), which is considered the deep crustal plumbing system to a number of major gold and copper deposits in NSW including Cadia-Ridgeway and North Parkes.

PREVIOUS EXPLORATION

Previous exploration has been limited to scout drilling in 1988 by Helix Resources which intersected monzonite intrusive rocks as basement as well as anomalous geochemistry up to 0.11g/t Au. Helix Resources was primarily exploring for nickel laterite deposits around the Honeybugle Intrusive Complex similar to those developed over the ultramafic intrusives at Fifield and didn't followup the anomalism.

EXPLORATION POTENTIAL

The interpreted caldera feature is considered prospective for porphyry copper gold deposits similar to the Goonumbla and Cadia-Ridgeway Deposits. Favorable targets for porphyry style mineralisation can be identified from regional aeromagnetics. These targets will require drill testing beneath shallow alluvial cover with aircore drilling.

In addition, the 'caldera rim' position is clearly offset by a number of north-south faults structures. These 'caldera-rim fracture' sites are untested and are considered classic structural settings for epithermal gold mineralisation such at Vatakoula (Fiji) and Lihir Island (PNG).

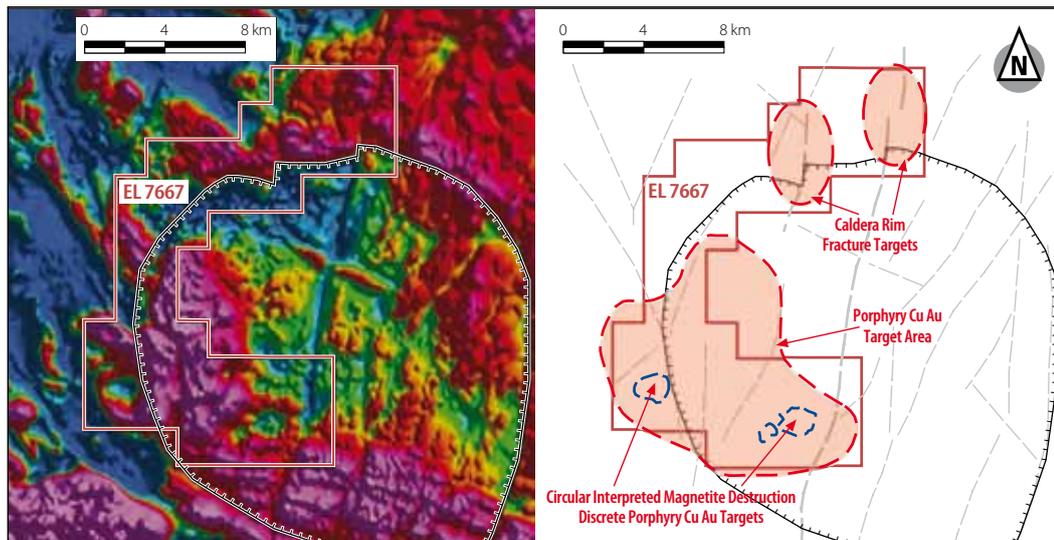


Figure 8 – Top - Nyngan Project on Regional RTP Aeromagnetics; Bottom – Schematic Representation of 'Caldera-Rim' interpretation.

PROPOSED EXPLORATION PROGRAM AND BUDGET- NYNGAN PROJECT

Activity	Year1	Year2	Total
Geophysics - Gravity Surney and Aeromagnetics	\$72,381	\$0	\$72,381
Drilling and Associated Assays	\$56,544	\$169,631	\$226,175
Staffing Costs	\$123,783	\$123,783	\$247,566
Vehicles/Equipment/Software/Site office/XRF	\$67,710	\$16,960	\$84,670
Total	\$320,418	\$310,374	\$630,792

The whole of the Nyngan Project – EL7667 is buried beneath 20m to 100m of Quarternary alluvium which makes surface geochemistry difficult. The alluvium is widely accepted as being conductive also, making electrical geophysics such as Induced Polarisation problematic.

Detailed gravity and magnetics provide the best targeting tools available to explore within the Nyngan Project. The government 250m line spaced aeromagnetic surveys have provided a great framework for interpretation of the proposed ‘caldera’ and detailed gravity will should outline centres of more fractionated intrusives and delineate with the magnetics major crustal features for targeting.

Once targets are defined, a drilling rig will penetrate the transported alluvium and provide basement geochemistry and geological information to assist in modelling the sub-surface geology.

The budget will be spent on the granted tenement. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress.

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of gold and copper mineralisation.

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GLOSSARY OF TECHNICAL TERMS

aeolian	Formed or deposited by wind.
aerial photography	Photographs of the earths surface taken from an aircraft.
aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earths magnetic field.
airborne geophysical data	Data pertaining to the physical properties of the earths crust at or near surface and collected from an aircraft.
aircore	Drilling method employing a drill bit that yields sample material which is delivered to the surface inside the rod string by compressed air.
alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.

alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
amphibolite facies	An assemblage of minerals formed at moderate to high temperatures (450°C to 700°C) during regional metamorphism.
andesite	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
anomalies	An area where exploration has revealed results higher than the local background level.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
antiformal	An anticline-like structure.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assayed	The testing and quantification metals of interest within a sample.
Au	Chemical symbol for gold.
auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.
axial plane	The plane that intersects the crest or trough of a fold, about which the limbs are more or less symmetrically arranged.
basalts	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
polymetallics	A non-precious metal, usually referring to copper, lead and zinc.
bedrock	Any solid rock underlying unconsolidated material.
BIF	A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance.
BLEG sampling	Bulk leach extractable gold analysis; an analytical method for accurately determining low levels of gold.
brittle	Rock deformation characterised by brittle fracturing and brecciation.
Cainozoic	An era of geological time spanning the period from 65 million years ago to the present.
carbonate	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO ₃ . Essential component of limestones and marbles.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
clays	A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.
colluvium	A loose, heterogeneous and incoherent mass of soil material deposited by slope processes.
conduits	The main pathways that facilitate the movement of hydrothermal fluids.
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
copper	A reddish metallic element, used as an electrical conductor on the basis of brass and bronze.

dacite	An extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both.
depletion	The lack of gold in the near-surface environment due to leaching processes during weathering.
diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
dilatational	Open space within a rock mass commonly produced in response to folding or faulting.
dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
DoIR	Department of Industry and Resources, WA.
ductile	Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
en-echelon	Repeating parallel, but offset, occurrences of lenticular bodies such as ore veins.
erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earths surface.
fault zone	A wide zone of structural dislocation and faulting.
feldspar	A group of rock forming minerals.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.
g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
GIS database	A system devised to present partial data in a series of compatible and interactive layers.
gneissic	Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granoblastic	A term describing the texture of a metamorphic rock in which the crystals are of equal size.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.

greywackes	A sandstone like rock, with grains derived from a dominantly volcanic origin.
GSWA	Geological Survey of Western Australia.
gypsum	Mineral of hydrated, or water-containing, calcium sulphate.
halite	Impure salt deposit formed by evaporation.
hangingwall	The mass of rock above a fault, vein or zone of mineralization.
hematite	Iron oxide mineral, Fe ₂ O ₃ .
hinge zone	A zone along a fold where the curvature is at a maximum.
hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from a magma.
infill	Refers to sampling or drilling undertaken between pre-existing sample points.
insitu	In the natural or original position.
interflow	Refers to the occurrence of other rock types between individual lava flows within a stratigraphic sequence.
intermediate	A rock unit which contains a mix of felsic and mafic minerals.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact	The zone around the margins of an intrusive rock.
ironstone	A rock formed by cemented iron oxides.
isoclinal	A series of folds that dip in the same direction at the same angle.
joint venture	A business agreement between two or more commercial entities.
komatiitic	Magnesium-rich mafic to ultramafic extrusive rock.
laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lead	A metallic element, the heaviest and softest of the common metals.
lineament	A significant linear feature of the earth's crust, usually equating a major fault or shear structure.
lithological contacts	The contacts between different rock types.
lithotypes	Rock types.
magnetite	A mineral comprising iron and oxygen which commonly exhibits magnetic properties.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
metasedimentary	A rock formed by metamorphism of sedimentary rocks.
monzogranite	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content.
Moz	Millions of ounces.
Mt	Million Tonnes.
mylonite	A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone.
nickel	Silvery-white metal used in alloys.
nickel laterite	Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks.
open pit	A mine working or excavation open to the surface.

Orthoimage	A geographically located composite plan using aerial photography as a base.
outcrops	Surface expression of underlying rocks.
palaeochannels	An ancient preserved stream or river.
pegmatite	A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.
pisolitic	Describes the prevalence of rounded manganese, iron or alumina-rich chemical concretions, frequently comprising the upper portions of a laterite profile.
playa lake	Broad shallow lakes that quickly fill with water and quickly evaporate, characteristic of deserts.
polymictic	Referring to coarse sedimentary rocks, typically conglomerate, containing clasts of many different rock types.
porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
ppb	Parts per billion; a measure of low level concentration.
Proterozoic	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
pyroxenite	A coarse grained igneous intrusive rock dominated by the mineral pyroxene.
quartz reefs	Old mining term used to describe large quartz veins.
quartzofeldspathic	Compositional term relating to rocks containing abundant quartz and feldspar, commonly applied to metamorphic and sedimentary rocks.
quartzose	Quartz-rich, usually relating to clastic sedimentary rocks.
RAB drilling	A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods.
rafts	A relatively large block of foreign rock incorporated into an intrusive magma.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.
residual	Soil and regolith which has not been transported from its point of origin.
resources	Insitu mineral occurrence from which valuable or useful minerals may be recovered.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and feldspar.
rock chip sampling	The collection of rock specimens for mineral analysis.
saline	Salty
saprock	Zone of weathered rock preserved within the weathered profile.
saprolite	Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
satellite imagery	The images produced by photography of the earth's surface from satellites.

schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
scree	The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.
sedimentary	A term describing a rock formed from sediment.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silcrete	Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silica	Dioxide of silicon, SiO ₂ , usually found as the various forms of quartz.
sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.
silts	Fine-grained sediments, with a grain size between those of sand and clay.
soil sampling	The collection of soil specimens for mineral analysis.
stocks	A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view.
strata	Sedimentary rock layers.
stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
subcrop	Poorly exposed bedrock.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralization.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
syenite	An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals.
syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
talc	A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks.

tectonic	Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.
tholeiitic	A descriptive term for a basalt with little or no olivine.
thrust fault	A reverse fault or shear that has a low angle inclination to the horizontal.
tremolite	A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates.
ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics	Pertaining to clastic rock containing volcanic material.
volcanics	Formed or derived from a volcano.
zinc	A lustrous, blueish-white metallic element used in many alloys including brass and bronze.

9

Independent Accountant's Report



24 March 2011

INDEPENDENT ACCOUNTANT'S REPORT

The Directors
Exalt Resources Ltd
Level 5, 56 Pitt Street
Sydney NSW 2000

Dear Sirs,

Re: Independent Accountant's Report on Historical and Pro forma Financial Information

We have prepared this Independent Accountant's Report (report) at the request of the Directors of Exalt Resources Ltd ("Exalt" or the "Company") for inclusion in a Prospectus relating to the proposed issue by the Company of up to 15,625,000 shares at an issue price of \$0.20 each to raise up to \$3,125,000 before the costs of the issue (the "Prospectus"), together with 1 free attaching option exercisable at \$0.20 for every 3 shares subscribed for.

Expressions defined in the Prospectus have the same meaning in this report.

Hall Chadwick Corporate (NSW) Limited holds an Australian Financial Services License (No. 227902) issued by the Australian Securities and Investments Commission for use in providing financial product advice, including independent accountant's reports.

Basis of Preparation

This report has been prepared to provide investors with information on the Historical and Pro forma Financial Information as detailed in the Scope below. The Historical and Pro forma Financial Information is presented in an abbreviated form in this report and does not include all of the disclosures required by Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

This report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, nor the risks associated with the investment, and has been prepared based on the Offer being achieved. Hall Chadwick Corporate (NSW) Limited has not been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so. Hall Chadwick Corporate (NSW) Limited accordingly takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this report.

HALL CHADWICK CORPORATE
(NSW) LIMITED

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SYDNEY

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independent accounting and
consulting firms

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Background

Exalt was formed in July 2010 to participate in the exploration and acquisition of mineral and energy related assets both in Australia and overseas.

Exalt currently has two NSW based gold and base metal tenements - Mineral Hill South and Nyngan.

The Mineral Hill South tenement area covers 116 km² in the Central West of New South Wales about 52km north of Condobolin, and is less than 3km south of the Pearse South Deposit at Mineral Hill discovered by Kimberley Metals with a highlight intercept of 23m@20g/t gold and 80g/t silver.

The Nyngan tenement covers 160 km² in central west NSW and the Company is targeting porphyry copper and epithermal gold mineralisation.

The amount of funds to be raised by this Offer is \$3,125,000. The Company's main objectives in raising funds include:

- to fund the initial two year exploration and work program budget outlined;
- to actively pursue and acquire additional mineral and energy related assets in Australia and overseas;
- promote and develop the Company and its markets; and
- list on ASX and pay all costs associated with the Offer.

Potential investors should read the Prospectus in full. We make no comments as to the value of the current and proposed activities of the Company.

Scope

You have requested Hall Chadwick Corporate (NSW) Ltd. to prepare an Independent Accountant's Report covering the Historical Consolidated Balance Sheet as at 31 December 2010 and Pro forma Balance Sheet as at that date adjusted for the effects of the Offer and material events occurring subsequent to 31 December 2010.

Scope of review of Historical and Pro forma Financial Information

The Historical and Pro forma Financial Information set out in this report has been extracted from the historical consolidated financial statements of the Company, which have not been subject to any form of audit or review.

The Directors are responsible for the preparation and presentation of the Historical and Pro forma Financial Information, including determination of the pro forma adjustments.

The pro forma balance sheet incorporates:

- (i) the Historical Consolidated Balance Sheet of Exalt at 31 December

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- 2010;
- (ii) capital raised from the issue of 3,000,000 shares at \$0.06 each in January 2011 raising \$180,000;
 - (iii) capital raised from the issue of 1,500,000 shares at \$0.12 each in February 2011 raising \$180,000;
 - (iv) the issue of 300,000 employee options exercisable at \$0.20 each on or before 31 December 2015;
 - (v) proceeds of this Offer and related costs.

We have conducted our review of the Historical and Pro Forma Financial Information in accordance with Australian Auditing and Assurance Standard ASRE 2405 “Review of Historical Financial Information Other than a Financial Report”.

We made such enquiries and performed such procedures as we, in our professional judgement considered reasonable in the circumstances including:

- Enquiry of Directors, management and others;
- Review of the assumptions used to compile the pro forma Balance Sheet;
- Review of available financial information; and
- Review of work papers, accounting records and other documents.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement on historical information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical and Pro forma Financial Information, as set out in this report:

- (a) does not fairly represent the historical consolidated Balance Sheet as at 31 December 2010 and Pro forma Balance Sheet adjusted for the effects of the Offer and material events occurring subsequent to 31 December 2010;
- (b) has not been prepared in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) prescribed in the Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Subsequent events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the

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information referred to in our report or that would cause such information to be misleading or deceptive.

Independence

Hall Chadwick Corporate (NSW) Limited does not have any interest in the outcome of this issue other than in its capacity as Independent Accountant for which normal professional fees will be received. Hall Chadwick Corporate (NSW) Limited does not hold nor have any interest in the ordinary shares of the Company.

Hall Chadwick Corporate (NSW) Limited was not involved in the preparation of any other part of the Prospectus, and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Hall Chadwick Corporate (NSW) Limited consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully



Drew Townsend
Directors



David Kenney

HALL CHADWICK CORPORATE (NSW) LIMITED

Financial Information

Set out in the table below is the Consolidated Balance Sheet for Exalt as at 31 December 2010 and the Pro Forma Balance Sheet for Exalt assuming completion of the Offer as disclosed in the Prospectus and other material events that have occurred or are expected to occur subsequent to 31 December 2010. This information should be read in conjunction with the information provided elsewhere in this Prospectus. The financial information presented below has been prepared on the assumption that Applications totalling \$3,125,000 as detailed in this prospectus will be received, less the costs of the Offer totalling \$366,250.

A Profit and Loss Statement or Cash Flow Statement has not been included as the Company has only commenced trading and in the period to 31 December 2010 only incurred \$1,340 in administrative expenses, which is shown as accumulated losses in the actual balance sheet below.

\$000's	Actual Balance Sheet 31 December 2010⁽¹⁾	Pro-Forma Balance Sheet ^{(2), (3)}
Current Assets		
Cash assets	38,663	3,157,413
Receivables	200	200
	<hr/> 38,863	<hr/> 3,157,613
Non Current Assets		
Exploration and development	20,000	20,000
	<hr/> 20,000	<hr/> 20,000
Total Assets	<hr/> 58,863	<hr/> 3,177,613
Total Liabilities	<hr/> -	<hr/> -
Net Assets	<hr/> 58,863	<hr/> 3,177,613
Equity		
Issued capital	60,203	3,178,953
Reserves		23,340
Accumulated losses	(1,340)	(24,681)
Total Equity	<hr/> 58,863	<hr/> 3,177,613

Notes:

1. Column 1 represents the actual Balance Sheet of Exalt as at 31 December 2010.
2. Column 2 represents the Pro forma Balance Sheet of Exalt assuming the raise from the Offer of \$3,125,000 less estimated costs of capital raising to be satisfied in cash of \$366,250.
3. Other pro forma adjustments included in Column 2 to account for material events occurring subsequent to 31 December 2010 include:
 - a) The issue of 3,000,000 shares at \$0.06 each in January and February 2011 raising \$180,000;
 - b) The issue of 1,500,000 shares at \$0.12 each in February 2011 raising \$180,000; and
 - c) The issue of 300,000 Incentive Options to the consulting geologist, Mr David Ward, exercisable at \$0.20 each on or before 31 December 2015. These options will only vest if Mr Ward continues to consult to Exalt for a period of 6 months from the date of the Offer. These options have been

valued at \$23,340, including a vesting discount of 20%. The effect is to increase reserves and decrease retained earnings by \$23,340 as it is a share based payment expensed in FY2011.

Statement of Significant Accounting Policies

The financial information covers the economic entity of Exalt Resources Ltd, a company limited by shares, incorporated and domiciled in Australia whose shares are not currently publicly traded.

The following is a summary of the material accounting policies adopted by Exalt in the preparation of the financial information. The accounting policies have been consistently applied, unless otherwise stated.

The principal accounting policies adopted in the preparation of the historical and pro-forma financial information (collectively referred to as the “financial statements”) are set out below. The financial statements are for the consolidated entity consisting of Exalt Resources Ltd and its subsidiaries. The financial statements are presented using the Australian currency. Exalt Resources Ltd is a company limited by shares, domiciled and incorporated in Australia.

Exalt Resources Ltd was incorporated on 21 July 2010.

(a) Basis of preparation

The financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*.

Historical cost convention

The financial statements have been prepared on an accruals basis and based on historical costs modified where applicable by the measurement of fair value of selected assets.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Exalt Resources Ltd (“Company” or “parent entity”).

A controlled entity is any entity controlled by Exalt Resources Limited. Control exists where Exalt Resources Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Exalt Resources Limited to achieve the objectives of Exalt Resources Limited.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with the policies adopted by the parent.

(c) Revenue recognition

Interest revenue is recognised on a proportionate basis as it accrues.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction

affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(e) Exploration expenditure

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company which are unpaid. The amounts are unsecured and are paid on normal commercial terms.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

10 Solicitor's Tenement Report



25 March 2011

The Directors
Exalt Resources Limited
Level 5, 56 Pitt Street
SYDNEY NSW 2000

Dear Sirs

Exalt Resources Limited - Initial Public Offering Solicitor's Tenement Report (Report)

Gadens Lawyers
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ABN 69 100 963 308

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77 Castlereagh Street
Sydney NSW 2000
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This Report has been prepared for inclusion in a prospectus to be dated on or about the date of this Report (**Prospectus**) to be issued by Exalt Resources Limited (ACN 145 327 617) (**Company**).

The Prospectus relates to a public offer of 15,625,000 ordinary shares in the Company, for subscription at an issue price of \$0.20 cents per share, to raise \$3,125,000 with one free attaching option for every three shares subscribed (**Offer**).

1. Scope of Instructions

We have been requested by the Company to report on the ownership of Exploration Licences 7663 and 7667 (collectively referred to as the **Tenements**) and the potential impact of native title and Aboriginal cultural heritage legislation which apply to the Tenements.

Details in relation to the Tenements are set out in Section 6.1 of this Report and in the Tenement Schedule set out in Schedule 1 to this Report.

2. Searches conducted

In preparing this Report, we have caused the following searches and enquiries to be conducted:

- (a) searches of the Tenements in the registers maintained by the New South Wales Department of Mineral Resources (**DMR**), conducted on 7 March 2011; and
- (b) searches of the land the subject of the Tenements, from the National Register of Native Title Claims as maintained by the National Native Title Tribunal (**NNTT**) on 21 February 2011 to determine if any Native Title claims are registered over the land areas covered by the Tenements.

In providing this report, we have relied on the searches conducted and the information provided as described above.

3. New South Wales Exploration Licences

The Tenements consist of two exploration licences, applied for and granted under the *Mining Act 1992* (NSW) (**NSW Mining Act**). The principal terms and conditions applying to exploration licences granted under the NSW Mining Act are summarised below.

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An exploration licence issued under the NSW Mining Act gives the holder exclusive rights to explore for the minerals specified in the area covered by the licence.

An exploration licence takes effect on the date on which it is granted and ceases to have effect at the expiration of such period (not exceeding 5 years) as determined by the Minister. The term of the exploration licence may be extended by successive periods (not exceeding 5 years) on application by the holder.

On the grant of an exploration licence, the Minister has an unlimited discretion to impose conditions on the licence. Mineral tenements are granted subject to various conditions prescribed by the NSW Mining Act and typically include compliance with exploration performance and reporting obligations, and environmental management provisions.

Exploration licences are also subject to statutory requirements of other legislation including:

- native title legislation (outlined below under section 4);
- Aboriginal heritage legislation (outlined below under section 5); and
- environmental protection legislation.

An exploration licence holder is generally given rights on the land surface to carry out mining exploration, including to prospect (that is, to carry out works and remove samples for the purpose of testing the mineral bearing qualities of the land) for the minerals specified in the exploration licence. However, restrictions may apply to carrying out prospecting activities over “special areas”, such as land set aside for public purposes, forests and wetlands, areas declared for conservation purposes, and land held under lease for water supply purposes. Restrictions also apply to prospecting over areas the subject of or near a dwelling house, garden or improvement.

The licence holder must also enter into an access agreement with landholders prior to carrying out exploration. All landholders are entitled to compensation for loss caused by exploration. If no agreement can be reached with the landholders, the matter can be referred to arbitration, and if not resolved, the Mining Warden for determination.

Exploration licences may be renewed no earlier than two months and no later than one month before the expiry date. A renewal may be for a period of up to 5 years and may only be made for up to half the number of units the subject of the current exploration licence, unless the licence holder can show the expenditure and reporting conditions of the licence have been satisfactorily complied with, the licence area has been explored effectively and a satisfactory proposed work program for the renewal period has been submitted to the Department.

During the period that a renewal application is being considered, the exploration licence will continue to have effect until the application is disposed of, but only in respect of the area of land the subject of the renewal application.

4. Native Title

4.1 Law in relation to Native Title

The decision of the High Court of Australia in *Mabo and Others v The State of Queensland (No. 2)* in 1992 recognised that the concept of Aboriginal native title (**Native Title**) to land had survived the Crown’s acquisition of sovereignty. Native Title is the term given to the collection of rights held by certain Aboriginal peoples to use lands according to their traditional customs, laws and beliefs.

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Following this decision, the *Native Title Act 1993* (Cth) and complementary state Native Title legislation (together, the NTA):

- (a) regulates the recognition and protection of Native Title;
- (b) confirms the Native Title validity of titles granted in particular time periods (for example, grants made prior to 1 January 1994);
- (c) sets out the procedures to be followed in relation to certain “future acts”;
- (d) confirms that a grant of certain interests in land and waters had the effect of extinguishing Native Title;
- (e) sets out procedures under which Aboriginal people claim Native Title;
- (f) sets out procedures for how Native Title holders may be afforded certain procedural rights, including the “right to negotiate” and claim compensation; and
- (g) established the National Native Title Tribunal.

Indigenous persons may lodge an application in the Federal Court for a determination of Native Title in an area. The fact that a claim has been lodged does not necessarily mean that Native Title exists over the area claimed. Similarly, the absence of a claim does not necessarily indicate that Native Title does not exist in relation to that area.

If a claim fails to satisfy the Native Title Registrar, it simply means that the claimants do not have access to the future act regimes under the NTA. It does not mean that the claim has been dismissed or discontinued. An unregistered claim must still be heard and determined by the Federal Court.

4.2 Mineral Tenements and Native Title

Mineral Tenements granted after 23 December 1996 are permissible “future acts” under the terms of the NTA and are subject to the future act regime. Under this regime, relevant parties must be provided appropriate notification and the “right to negotiate” process must be complied with before a proposed future act, which has the potential to affect Native Title, can proceed.

If an “act” is done which “affects” Native Title rights, such as the grant of a mineral tenement, it may be invalid unless the provisions of the NTA have been complied with.

The NTA requires that in a “right to negotiate” process, the applicant applying for the grant and the State must negotiate in good faith with the registered applicants for Native Title in an attempt to resolve whether or not the relevant permit or licence may be granted, and if so, on what conditions. If the parties cannot reach an agreement within 6 months of the notification day, then any party may apply to the National Native Title Tribunal for a determination as to whether or not the exploration licence may be granted.

5. Aboriginal Cultural and Heritage Protection

Commonwealth and New South Wales Aboriginal heritage protection legislation applies in NSW. The Commonwealth and State regimes aim to protect any places, objects and folklore that are of particular significance to Aboriginals, in accordance with Aboriginal traditions.

It is unlawful to prospect or mine on lands in NSW on which Aboriginal objects or Aboriginal places are situated, unless authorised by an Act, authority, permit, lease, licence, or otherwise approved by the NSW Minister of the Environment.

Indigenous “relics”, “Aboriginal places”, “Aboriginal areas” and “archaeological areas” are protected in NSW. They are afforded protection by the *National Parks & Wildlife Act 1974* (NSW), *Environmental Planning & Assessment Act 1979* (NSW), *National Trust of Australia (New South Wales) Act 1990* (NSW) and the *Heritage Act 1977* (NSW). Under the *National Parks and Wildlife Act 1974* (NSW), it is an offence to destroy, damage or deface those places and objects without the prior consent of the Minister of the Environment.

Aboriginal sites may also be protected under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth). Under this Act, interested persons may apply to the Commonwealth Minister for the Department of Environment and Heritage for a protection order designed to preserve and protect from injury or desecration areas and objects that are of particular significance to Aboriginal people in accordance with Aboriginal tradition. This Act can also apply to contemporary Aboriginal cultural property as well as ancient and historical places.

Interim orders may be made in urgent circumstances and final protection orders may operate permanently or for specified period of time. It is an offence to contravene a provision of a declaration made by the Minister.

6. Exploration Licences

6.1 Title

As at date of the each title search, the details of the Tenements can be summarised as follows:

Tenement	Prospect Name	Holder	Units	Status	Expenditure Required
EL7663	Mineral Hill South Project	Exalt Resources Limited	40	Granted	\$40,000
EL7667	Nyngan Project	Exalt Resources Limited	55	Granted	\$47,500
				Total	\$87,500

6.2 Conditions attaching to the Tenements

Details including information in relation to the term and size of the Tenements are set out in the Tenement Schedule.

6.3 Native Title

According to our searches conducted at the National Native Title Tribunal, the Tenements are not subject to either registered or unregistered Native Title claims.

If a Native Title Claim were to be registered against one or both of the Tenements in the future, this simply means that it will be necessary to reach an agreement with the specific Native Title Claimants who lodged that Claim before proceeding with the relevant exploration activity.

If no determinations or claims of Native Title exist over a given Tenement, the holder of the exploration licence should still before entering an area of land that may be subject to Native Title, investigate the current and if necessary, historic tenure of the land to assist in determining whether Native Title has been extinguished. Accordingly, in carrying out exploration activities,

the Company must make enquiries in relation to the surface land ownership in those relevant areas.

If the Company is satisfied from its enquiries that there is a valid freehold land grant or other grants of exclusive possession on that land, it will be able to carry out exploration activities on that land. If the Company's enquiries show that there is no valid grant of freehold land or other grants of exclusive possession on that land, there is a risk that the land may be subsequently found to be the subject of Native Title rights and it would be in breach of the Native Title condition, unless the prior written consent of the NSW Minister is obtained.

6.4 Aboriginal Cultural Heritage

Our review of the current list of Declared Aboriginal Places in NSW does not indicate that any of the Tenements contain a place that is a gazetted for the purposes of the *National Parks and Wildlife Act 1974*.

However, we have not conducted a search of the NSW Aboriginal Heritage Information Management System (**AHIMS**) on the land subject to the Tenements, given the size of the Tenements in question and the limited information regarding the exact boundaries of each Tenement.

Please note that AHIMS only records a list of all recorded Aboriginal objects and Aboriginal places and is not a comprehensive list of Aboriginal objects and Aboriginal places in or near any Tenement.

As noted above, the Company must not destroy, damage or deface those places and objects without the prior consent of the NSW Department of Environment and Conservation. However, the Company may be able to rely on a defence to this offence where it acts with due diligence and reasonable precaution.

In addition, no information has been received to indicate whether or not any part of the area of any of the Tenements are the subject of a declaration under the Commonwealth *Aboriginal and Torres Strait Islander Heritage Protection Act* and we have not conducted any searches in this regard.

In practice, we recommend that before the Company conducts exploration activities, it obtains the co-operation of the Aboriginal traditional owners to undertake clearance surveys in order to comply with the requirements of Commonwealth and State legislation in this regard.

7. Qualifications

Our opinion under this Report is subject to the following qualifications:

- (a) We have only made the enquiries described in this Report;
- (b) This Report is accurate and complete only to the extent that the registers and the files of the respective government departments are accurate and complete;
- (c) The New South Wales Director General under the NSW Mining Act must keep a register of legal and equitable interests in tenements. However, the registration of an interest is not evidence of the existence of the interest. Ownership of a mineral tenement or an interest therein is not determined by registration. Security interests may exist which encumber a tenement or the interest which may not be registered; and

- (d) We express no opinion concerning the Company's compliance with the terms and conditions of any of the Tenements.

Yours sincerely



GADENS LAWYERS

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Schedule 1 – Tenements Schedule

Tenement	Exploration Licence 7663 “Mineral Hill South Project”
Grantor	Minister for Mineral and Forest Resources of the State of New South Wales
Holder/Applicant	Exalt Resources Limited ACN 145 327 617
Grant Date	10 December 2010
Expiry Date	10 December 2012
Area Size	40 units
Minimum Annual Expenditure	\$40,000 per annum
Encumbrances/ Dealings	None.
Notes	None.
Native Title Claims registered in or near the Tenement with the National Native Title Tribunal	None.

Tenement	Exploration Licence 7667 “Nyngan”
Grantor	Minister for Mineral and Forest Resources of the State of New South Wales
Holder/Applicant	Exalt Resources Limited ACN 145 327 617
Grant Date	10 December 2010
Expiry Date	10 December 2012
Area Size	55 units
Minimum Annual Expenditure	\$47,500 per annum
Encumbrances/ Dealings	None.
Notes	None.
Native Title Claims registered in or near the Tenement with the National Native Title Tribunal	None.

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11 Additional Information

11.1 INCORPORATION

The Company was registered on 21 July 2010.

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

11.2 RIGHTS ATTACHING TO SHARES

There is one class of share on issue in the Company, being fully paid ordinary shares.

The rights attaching to the 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 Corporations Act, the Listing Rules of ASX, the ASTC Settlement Rules and the general law.

Voting

Every holder of Shares present in person or by proxy or representative at a meeting of shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid share, registered in such shareholder's name on the Company's Share register.

A poll may be demanded by the chairperson of the meeting, by any five shareholders present in person or by proxy or representative, or by any one or more shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of, the Shares of all those shareholders having the right to vote at that meeting.

Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. Dividends declared will be paid according to the amounts paid or credited as paid on the Shares for which the dividends are paid.

Transfer of Shares

A Shareholder may transfer all or any of their Shares by any method of transferring or dealing in Shares introduced by the ASX or operated according to the Listing Rules or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares where to do so would not contravene the Corporations Act, the Listing Rules or ASTC Settlement Rules. The Company must not refuse to register or give effect to or delay or in any way interfere with a proper ASTC transfer of Shares or other securities.

Meetings and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution of the Company, the Corporations Act or the Listing Rules.

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Liquidation Rights

The Company has only issued one class of Shares, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of Shareholders divide the whole or any part of the remaining assets of the Company. The liquidator can with the sanction of a special resolution of the Company's Shareholders vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder of the Company can be compelled to accept any Shares or other securities in respect of which there is any liability.

Despite the power of the liquidator to distribute the remaining assets of the Company, if there remains a surplus on winding up, that surplus will be divided among Shareholders in proportion to the issued Share capital paid up on their Shares.

Shareholder Liability

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

Appointment of Directors

The Company must have not less than 3, and not more than 12, directors at least two of whom must ordinarily reside in Australia. The Company in general meeting may by ordinary resolution appoint any person as a director. The Directors may appoint any person as a director, but any directors appointed by the Directors must retire at the next annual general meeting and are eligible for re-election at that meeting.

Alteration to the Constitution

The constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

ASX Listing Rules

If the Company is admitted to the Official List of ASX, 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.

11.3 TERMS AND CONDITIONS OF OPTIONS

- (a) Each Option entitles the holder to one Share in the capital of the Company.
- (b) The Options are to be exercised by completing the Option exercise form and providing payment for the number of Shares in respect of which the Options are exercised, to the registered office of the Company.
- (c) The exercise price of the Options is \$0.20 each and the Options expire on 31 December 2015.
- (d) The Options are transferable.
- (e) All ordinary fully paid Shares issued upon exercise of Options will rank pari passu in any respects with the Company's then issued Shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of Options.
- (f) There are no participating rights and entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising their Options. However, the Company will ensure that optionholders will be allowed 10 business days notice to convert their Options to Shares to participate in an entitlement issue on the same basis as Shareholders.

- (g) If any takeover bid (including by way of scheme of arrangement or otherwise) is publicly announced in respect of the Company, then the following provisions apply in relation to the takeover bid:
- (i) the Company must promptly give written notice of the takeover bid to the optionholder whereupon all Options (which have not lapsed or expired), notwithstanding anything to the contrary, become exercisable at any time prior to the expiry of the later of:
 - A. 60 days after receiving such notice; and
 - B. the date that a takeover bid (which is recommended for acceptance by the board of directors of the Company) becomes unconditional,
 (“Takeover Exercise Period”) or, if applicable, within the further 7 day period referred to below.
 - (ii) If, during the Takeover Exercise Period, the person making the takeover bid (“bidder”) offers to grant options in the capital of the bidder (“Replacement Options”) to the optionholder (and, for the avoidance of doubt, this does not obligate the Company in any way to procure such an offer from the bidder) in consideration for the cancellation or acquisition of the Options, the optionholder may, in their discretion, accept such Replacement Options instead of exercising their Options.
 - (iii) If no offer of Replacement Options is made during the Takeover Exercise Period and accepted, the optionholder has (other than in the case of a scheme of arrangement) a further 7 days’ grace after the expiry of the Takeover Exercise Period within which to exercise their Options, whereupon unexercised Options will lapse. For the avoidance of doubt, in the case of a scheme of arrangement, the Options will lapse at the end of the Takeover Exercise Period.
 - (iv) If the takeover bid lapses or is withdrawn or closes without being recommended for acceptance by the board of directors of the Company, whether the bid is conditional or unconditional, then the provisions of all the paragraphs hereof will revive in respect of any unexercised Options which Options will remain on foot.
- (h) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry date of the Options, the number of Options or the exercise price of the Options, or both, shall be reconstructed in accordance with the Listing Rules.
- (i) Adjustment for bonus issues
- If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the optionholder would have received if the optionholder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the exercise price of the Options.
- (j) Adjustment for pro rata issue
- If the Company makes a pro rata issue of Shares or other securities to existing Shareholders (other than a bonus issue or an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:
- $$\text{New exercise price} = \frac{O - E [P - (S + D)]}{N + 1}$$
- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.
- (k) Application will be made to ASX to have the Options quoted on the ASX.

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11.4 RULES OF THE EXALT RESOURCES EMPLOYEE SHARE OPTION PLAN

The Board adopted the Exalt Resources Limited Employee Share Option Plan on 2 November 2010 (**Plan**).

The Plan is designed to:

- provide eligible participants with an ownership interest in Exalt;
- provide additional incentives for eligible participants; and
- attract, motivate and retain eligible participants.

As at the date of this Prospectus, 300,000 Options have been granted under the Plan.

A summary of the Plan is set out below.

General

The Plan relates to the grant of Options to subscribe for Shares. The Board may from time to time, in its absolute discretion, offer to grant Options to eligible participants under the Plan.

Each Option will be issued for no consideration and will carry the right in favour of the Optionholder to subscribe for one Share.

Eligible Participants

Full or part time employees, directors and consultants of the Company or an associated body corporate will be entitled to participate in the Plan.

Amount of Options to be issued under the Plan

The formula by which the entitlements of eligible participants shall be determined will be at the absolute discretion of the Board and shall take into account skills, experience, length of service with the Company, remuneration level and any other criteria the Board considers appropriate in the circumstances.

The Board will not issue Options under the plan if the total number of Shares the subject of the Options, when aggregated with:

- the number of Options to be granted;
- the number of Shares which would be issued if all current Options granted under any employee incentive scheme, including the plan, were exercised; and
- the number of Shares which have been issued as a result of the exercise of Options granted under any employee incentive scheme, including the plan, where the Options were granted during the preceding 5 years, would exceed 5% of the total number of issued Shares at the time of the issue.

Option Terms

Options issued under the Plan will be subject to the terms determined by the Board in its sole discretion, which may include exercise conditions to be satisfied prior to the vesting of the Options.

Each Option issued under the Plan will be exercisable for one Share each at an exercise price to be determined by the Board at the time of issue and will not be quoted on the ASX.

The Shares issued on the exercise of an Option will rank equally with the other Shares on issue, and Exalt will apply to the ASX for Quotation of those Shares.

Lapse of Options

Unless the Board in their absolute discretion determine otherwise, Options shall lapse on the date which is the earlier of:

- (i) two (2) years after the date of the grant of that Option, or such other date as the Board determines in its discretion with respect to that Option at the time of the grant of that Option;
- (ii) the Optionholder ceases to be an employee or director of, or to render services to the Company for any reason whatsoever (including without limitation resignation or termination for cause) and the exercise conditions imposed at the time of the grant of the Option have not been met;
- (iii) or the Exercise Conditions are unable to be met.

Participation in Future Issues

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in the new issues of capital offered to Shareholders during the currency of the Options. However, Exalt will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or satisfaction of dividends or by way of dividend reinvestment) the exercise price of the Options shall be adjusted in accordance with the formula in the Listing Rules.

In the event of a bonus issue of Shares being made pro rata to Shareholders (other than an issue of lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

Reorganisation

The terms upon which Options will be granted will not prevent the Options being reorganised as required by the Listing Rules on the reorganisation of the capital of Exalt.

Management of the Plan

The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate such authorities as may be necessary or desirable for the administration and management of the Plan. The Board may amend the Rules of the Plan subject to the requirements of the Listing Rules. The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.

11.5 MATERIAL CONTRACTS

Indemnity and Access Deeds

The Company has entered into deeds of indemnity and access ('Deeds') on identical terms with each of the Directors of the Company. Under the Deeds the Company must indemnify the Directors against liabilities, costs and expenses to the extent permitted by the provisions of the Corporations Act in relation to the Directors' discharge of their duties to the Company.

Under the provisions of the Deeds the Company must allow the Directors access to papers, documents and other information concerning the business and affairs of the Company while that Director holds an office of the Company and for a period of 7 years after the Director ceases to hold office.

Engagement Letters – Non-executive Directors

Pursuant to letters between the Company and each of Messrs Correia, Malone and Hartwig, appointments to the Board as non-executive directors were confirmed.

In consideration for the services provided by Mr Correia, the Company will pay him \$35,000 per annum (exclusive of statutory superannuation).

In consideration for the services provided by Mr Hartwig, the Company will pay him \$35,000 per annum (exclusive of statutory superannuation).

In consideration for the services provided by Mr Malone, the Company will pay him \$35,000 per annum (exclusive of statutory superannuation).

The non-executive Directors are also entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform services outside the scope of the ordinary duties of a director. They may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Letter of Engagement – Company Secretary

In consideration for the services provided by Mr Hartwig as Company Secretary, the Company will pay \$72,000 per annum (exclusive of statutory superannuation).

11.6 COMPANY TAX STATUS AND FINANCIAL YEAR

The Directors expect the Company will be taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

11.7 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;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of 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.

11.8 SHAREHOLDING QUALIFICATIONS

The Directors are not required to hold any Securities under the constitution of the Company.

11.9 DIRECTORS' HOLDINGS

Set out in the table below are details of Directors' relevant interests in the Securities of the Company:

Director	Ordinary Shares	Options
Emmanuel Correia	1,081,250	1,551,389
Jim Malone	Nil	Nil
Shane Hartwig	1,100,000	1,466,667

The Directors may subscribe for Shares and Options under this Prospectus.

11.10 REMUNERATION OF DIRECTORS

Pursuant to a general meeting of Shareholders, an increase in aggregate director fees to \$300,000 per annum was approved.

11.11 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 to as a Director of the Company and to grant to the Director a right of access to certain records of the Company for a period up to 7 years after the Director ceases to be a Director.

11.12 SUBSTANTIAL SHAREHOLDERS AND OPTIONHOLDERS

The substantial Shareholders in the Company, being those who hold greater than 5% of the Shares in the Company, prior to completion of the Offer are set out below. The substantial Shareholders of the Company are highly likely to change as a result of the Offer:

Shareholder	Shareholding	% Interest
Geba Pty Ltd	1,583,333	16.67%
Alphda Family Trust	1,350,000	14.21%
Cangu Pty Ltd	1,175,000	12.37%
Louise Jane Hartwig	725,000	7.63%
Nyree Correia	664,583	7.00%
Total	5,497,917	57.87%

The substantial Option holders in the Company, being those who hold greater than 5% of the Options in the Company, prior to completion of the Offer are set out below. The substantial Option holders of the Company are highly likely to change as a result of the Offer:

Option Holder	Option Holding	% Interest
Geba Pty Ltd	2,527,778	23.41%
Cangu Pty Ltd	2,391,667	22.15%
Shane Hartwig	1,125,000	10.42%
Emmanuel Correia	1,025,000	9.49%
Total	7,069,444	65.46%

11.13 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:

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

Hall Chadwick Corporate (NSW) Limited, will receive professional fees of approximately \$15,000 for accounting services in connection with this Prospectus including the provision of the Independent Accountant's Report. During the 24 months preceding the lodgement of this Prospectus Hall Chadwick Corporate have not received any amounts for other professional services provided to the Company.

Hall Chadwick, will receive professional fees of approximately \$15,000 as auditors for the Company. During the 24 months preceding the lodgement of this Prospectus Hall Chadwick Corporate, have not received any amounts for other professional services provided to the Company.

Gadens Lawyers will receive professional fees of approximately \$70,000 for legal services in connection with this Prospectus including the provision of the Solicitors Report included in Section 10 of this Prospectus. During the 24 months preceding the lodgement of this Prospectus Gadens Lawyers have not received any amounts for other professional services provided to the Company.

Malcolm Castle Pty Ltd has prepared the Independent Consulting Geologist's Report included in Section 8 of this Prospectus. In respect of this work of the Company will pay approximately \$11,000. During the 24 months preceding the lodgement of this Prospectus, Malcolm Castle Pty Ltd has not received any amounts for other professional services provided to the Company.

Transocean Securities Pty Ltd have been appointed as Corporate Advisor to the Company and will receive an advisory fee of \$50,000 for the provision of advisory services associated with the preparation of the Prospectus and other commercial issues. During the 24 months preceding the lodgement of this Prospectus, Transocean Securities Pty Ltd has not received any amounts for other professional services provided to the Company. Emmanuel Correia and Shane Hartwig, Directors of the Company, are employees of Transocean Securities Pty Ltd. Neither Emmanuel Correia or Shane Hartwig are a director or shareholder of Transocean Securities Pty Ltd.

Computershare Ltd has been appointed as share registry to the Company and will be paid on normal commercial rates for the provision of these services.

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

11.14 CONSENTS

Each of the parties referred to in this Section 11.14:

- (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.

Hall Chadwick Corporate has given its written consent to the inclusion in this Prospectus of its Investigating Accountant's Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Malcolm Castle has given its written consent to the inclusion in this Prospectus of its Independent Consulting Geologist's Report, and all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Gadens Lawyers has given its written consent to the inclusion in this Prospectus of its Solicitors' Tenement Report on the Tenements and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

David Ward has given his written consent to the inclusion in this Prospectus of him as Consulting Geologist to the Company and the inclusion of all statements made or attributed to him as Competent Person in Section 5 of the Prospectus in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with 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 ASIC:

- a) Hall Chadwick Corporate as author of the Independent Accountants Report;
- b) Hall Chadwick as Auditor to the Company;
- c) Malcolm Castle as Independent Consulting Geologist;
- d) Gadens Lawyers as solicitor to the Offer and author of the Solicitors' Tenement Report;
- e) Transocean Securities Pty Ltd as Corporate Adviser to the Company; and
- f) Computershare Ltd, as the share registry to Exalt.

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.

11.15 EXPENSES OF THE OFFER

The table below outlines the expenses of the Offer

Cost	\$
Capital raising costs	156,250
Corporate advisory	50,000
Legal and due diligence fees	70,000
ASIC and ASX fees	34,000
Independent geologist fees	11,000
Investigating accountant fees	15,000
Printing and other costs	30,000
Total	\$366,250

11.16 LITIGATION

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

11.17 FORECASTS

The Company is an exploration company with the intention to become a diversified minerals producer in the medium term. Given the speculative nature of exploration, mineral development and production, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors believe that reliable forecasts can not be prepared and accordingly have not included forecasts in this Prospectus.

11.18 TAXATION

The acquisition and disposal of Securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

11.19 RESTRICTION AGREEMENTS

The Listing Rules require that certain persons such as seed capitalists and related parties, enter into restriction agreements under which they are restricted from dealing in a specified number of Shares in the Company held by them, including all of their Shares, for up to 24 months from the date of quotation of those Shares. The restriction agreements will be in the form required by the Listing Rules over a number of Shares and a period as determined by the ASX and restrict the ability of those persons to dispose of, create any security interest in or transfer effective ownership or control of the Shares. Additionally, some Shares will be voluntarily escrowed by certain parties, under similar restriction agreements with minor amendments.

11.20 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 Shares and Options 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 info@exaltresources.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 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.

11.21 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 registers 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.

11.22 DIRECTORS AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC. Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated:
25 March 2011

Signed for and on behalf of
Exalt Resources Ltd
by Emmanuel Correia

Defined Terms

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

AEST	Australian Eastern Standard Time
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 and Options pursuant to this Prospectus.
Application Monies	Monies paid under an Application.
Application Form	The form so described relating to the Offer which accompanies this Prospectus, for completion by the public.
ASIC	Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporation Pty Ltd
ACN	145 327 617
ASTC Settlement Rules	The settlement rules of the ASTC as amended from time to time.
ASX	ASX Limited ACN 008 624 691, and where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Approval	The issue by ASX of a conditional letter approving the Company's admission to the official list of the ASX on terms acceptable to the Company.
Blind Calf Prospect or Blind Calf	The exploration prospect owned by Kidman as detailed in Section 5.2.1 of this Prospectus.
Board	The board of Directors.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
CHESS	The ASX Clearing House Electronic Sub-register System.
Closing Date	5:00pm 2 May 2011.
Company or Exalt	Exalt Resources Ltd ACN 145 327 617
Corporations Act	Corporations Act 2001 (Cth).
Directors	The Directors of the Company.
DMT	Dry metric tonne.
Durnings Project	The exploration project owned by Toho Zinc Co. Ltd through its wholly owned subsidiary of CBH Resources Limited.
Electronic Prospectus	An electronic version of the Prospectus.
Employee Share Option Plan	The Employee Share Option Plan of the Company as summarised in Section 11.4.
Exposure Period	The period of 7 days after lodgement of the Prospectus which may be extended.
Hilltop Project	The exploration project owned by Toho Zinc Co. Ltd (Toho), through its wholly owned subsidiary of CBH Resources Limited.
Issue	The issue of Shares and Options pursuant to this Prospectus.

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Kidman	Kidman Resources Limited (ACN 143 526 096).
Kimberley	Kimberley Metals Limited (ACN 129 954 365).
Listing Rules	The official listing rules of ASX.
Mineral Hill or Mineral Hill Project	The mining project owned by Kimberley as detailed in Section 5.2.1 of this Prospectus.
Mineral Hill Mine	The mine located at Mineral Hill which is owned by Kimberley.
Mineral Hill Plant	The process plant at Mineral Hill owned by Kimberley.
Mineral Hill South or Mineral Hill South Project	The Company's exploration project detailed in Section 5.2.1 of this Prospectus.
Nyngan or Nyngan Project	The Company's exploration project detailed in Section 5.2.2 of this Prospectus.
Offer	The invitation to the public made in this Prospectus to subscribe for Shares and Options.
Official List	The official list of the ASX.
Official Quotation	The official quotation of the Company's Shares on the Official List.
Option	An option to purchase a Share on the terms set out in Section 11.3 of this Prospectus.
Pearse South Deposit	The announced deposit contained within the Mineral Hill Project owned by Kimberley.
Projects	The Mineral Hill South Project and the Nyngan Project.
Prospectus	This Prospectus and includes the Electronic Prospectus.
Related Body Corporate	Has the meaning as in Section 50 of the Corporations Act.
Section	A Section of this Prospectus.
Securities	A Share or Option, as the context requires.
Share(s)	Fully paid ordinary share(s) in the Company.
Shareholder	The registered holder of Shares.

How to complete this form

A Shares Applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares. Applications for greater than 10,000 Shares must be in multiples of 500 Shares.

B Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the price per Share.

C Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHESS

Exalt Resources Limited (the Company) will apply to the ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Securities Exchange Limited. In CHESS, the company will operate an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security 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 Shares allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment

Make your cheque or bank draft payable to Exalt Resources Limited - Share Offer Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Shares in Exalt Resources Limited is upon and subject to the terms of the prospectus and the Constitution of Exalt Resources Limited, agrees to take any number of Shares 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.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited Perth by no later than 5pm AWST on 22 April 2011. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 850 505.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie 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	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est. John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund



Registry Use Only

Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the prospectus.

Broker Code

Adviser Code

A I/we apply for

B I/we lodge full Application Money

A\$

Number of Units in Exalt Resources Limited at A\$0.20 per Share or such lesser number of Units which may be allocated to me/us. One Unit equals one fully paid Ordinary Share plus one free attaching Listed Option exercisable at A\$0.20 for every 3 fully paid Ordinary Shares. The terms of the attaching Options are set out in Section 11.3 of the Prospectus.

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name	Given Name(s)	Surname

Joint Applicant 2 or Account Designation	Surname

Joint Applicant 3 or Account Designation	Surname

D Enter your postal address - Include State and Postcode

Unit	Street Number	Street Name or PO Box / Other Information

City / Suburb / Town	State	Postcode

E Enter your contact details

Contact Name

Telephone Number - Business Hours / After Hours
()

F CHESSE Participant

Holder Identification Number (HIN)
X

Please note that if you supply a CHESSE HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESSE, your application will be deemed to be made without the CHESSE HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

Payment details – Please note that funds are unable to be directly debited from your bank account

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$

Make your cheque or bank draft payable to Exalt Resources Limited - Share Offer Account

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.



How to complete this form

A Shares Applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares. Applications for greater than 10,000 Shares must be in multiples of 500 Shares.

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PERTH WA 6840

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If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 850 505.

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Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie 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	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est. John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

Corporate Directory

Directors

Mr Emmanuel Correia	Executive Chairman
Mr Jim Malone	Non-Executive Director
Mr Shane Hartwig	Non-Executive Director

Company Secretary

Mr Shane Hartwig

Registered Office

Level 5
56 Pitt Street,
Sydney NSW 2000

Principle place of business

Level 5
56 Pitt Street,
Sydney NSW 2000

Corporate Advisor

Transocean Securities Pty Ltd
Level 5
56 Pitt Street
Sydney NSW 2000

Auditors

Hall Chadwick
Level 29
31 Market Street
Sydney NSW 2000

Investigating Accountants

Hall Chadwick Corporate (NSW) Limited
Level 29
31 Market Street
Sydney NSW 2000

Independent Consulting Geologist

Malcolm Castle
Consulting Geologist
P.O. Box 473
South Perth, WA 6951

Share Registry

Computershare Ltd
Level 3
60 Carrington Street
Sydney NSW 2000

Lawyers

Gadens Lawyers
Skygarden Building
77 Castlereagh Street
Sydney NSW 2000

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www.exaltresources.com.au

