

Annexure B

Company overview

Background

The Company was incorporated in Western Australia on 23 September 1985.

Croesus gained control of the Norseman Gold Mine, Australia's longest continuously running gold operation, when it merged with CNGC in January 2002.

From 2004, the Company's Norseman operations experienced operational difficulties including rising fuel and labour costs and insufficient high grade ore sources to maintain its processing plant at full capacity, resulting in production shortfalls, higher production unit costs and the inability to meet its full hedging commitments leading to the failure of the Company.

Suspension of Trading of Company Shares and Appointment of Administrator

On 17 March 2006, the securities of the Company were suspended from quotation on the Official List of ASX at the request of the Company to allow the Company to conduct a thorough review of all aspects of all financial and operational aspects of its Norseman gold mining business.

The review concluded that poor decisions over several years had left the Company in a very difficult financial and operational position with the key issues being insufficient ore resources to maintain its processing plant at full capacity and high costs. As a result, production levels were insufficient to meet the Company's full hedging commitments.

In response, the Company announced on 7 April 2006 the implementation of a short term mining, production and exploration plan for the continuation of the Company's Norseman gold operations. The plan included introduction of significant operations, productivity and efficiency gains, deferment of certain short term financial obligations to enable the operation to become cash positive, significant operating and corporate cost reductions and identification of additional reserves and development of a third ore source in addition to the Bullen and Harlequin mines.

Notwithstanding that, as a result of implementing the plan, operations were improving, the Company was unable to restructure its finances sufficiently to allow further capital to be raised and hedging debts satisfied to allow the Company to return to a sound financial footing. As a result it was decided to place the Company in Administration on the basis that the moratorium provided by the Administration process would allow all options for either the sale of the operations or a restructure or recapitalisation of the Company to be fully explored.

On 23 June 2006, the directors of the Company appointed Bryan Hughes and Vincent Smith of Pitcher Partners as Joint and Several Administrators of the Company and certain subsidiaries, CNGC, Croesus Resources NL, Ambassador Resources Limited, Croesus Mining Services Pty Ltd and Mining Resources (WA) Pty Ltd, pursuant to Section 436A of the Corporations Act.

At the second meeting of creditors held on 20 July 2006, the Administrators recommended to the creditors of the Company that, in the opinion of the Administrators, it was in the interests of creditors to approve the execution of a deed of company

arrangement which would, among other things, allow the Deed Administrators to continue to oversee the trading operations of Croesus whilst seeking expressions from parties interested in the recapitalisation/restructure of Croesus and/or an acquisition of all or part of the consolidated group's assets. At this meeting, creditors resolved to approve the execution of a deed of company arrangement on these terms, and the deed was executed by Croesus on 10 August 2006 and by the Administrators of Croesus on 15 September 2006.

As a result of the Deed Administrators receiving a number of indicative proposals from interested parties, a short list of eight parties was identified. Following due diligence by these parties three final offers were received for the acquisition of the Group's Norseman operations. After extensive negotiations with each of these parties, on 3 January 2007 Croesus executed a share sale agreement with UK AIM listed company Norseman Gold (at the time called Davos Resources Plc) and its Australian subsidiary Norseman Gold Pty Ltd (at the time called Davos Gold Pty Ltd). The purchase consideration was \$66M, payable in cash and Norseman Gold convertible notes and shares, plus the assumption of performance bonds totalling approximately A\$5M. Completion of the sale of the Norseman operations occurred on 30 April 2007.

At the same time as the Norseman Gold group companies lodged their initial expression of interest to acquire the Norseman operations, Ascent Capital, a party associated with Norseman Gold director David Steinepreis, also lodged a proposal for the recapitalisation of the Company.

Ascent Capital's Recapitalisation Proposal was detailed in the Recapitalisation Deed which was executed on 3 January 2007 by the Company, Deed Administrators and Ascent Capital. This Recapitalisation Deed was varied on 24 May 2007 and 20 July 2007.

At the third meeting of creditors held on 28 February 2007, the Administrators recommended to the creditors of the Company that, in the opinion of the Administrators, it was in the best interests of creditors to approve the execution of a varied deed of company arrangement to facilitate the Recapitalisation Proposal. At this meeting, creditors resolved to approve the execution of a varied deed of company arrangement for the Company. The Varied Deed of Company Arrangement was executed on 3 March 2007.

The Varied Deed of Company Arrangement and Recapitalisation Deed, subject to certain conditions including shareholder approval, require that an amount of \$800,000 and certain assets and rights of the Company be made available for the satisfaction of the claims of creditors and to meet the costs of the Administrators and Deed Administrators. Ascent Capital provided the funding to meet the costs associated with this Notice of Meeting and will arrange \$800,000 in additional loan funds, via a conditional loan agreement, to enable the Company to meet the terms of the Varied Deed of Company Arrangement and Recapitalisation Deed.

Nominees of Ascent Capital being Mr David Steinepreis, Mr Gary Steinepreis, Mr Patrick Burke and Mr Stephen Lowe were appointed Directors of the Company on 12 July 2007.

At the Shareholders Meeting held on 12 September 2007, Shareholders approved the Recapitalisation Proposal. In addition, Ascent Capital arranged loan funds of \$800,000 to be made available to the Company to enable it to satisfy the terms of the Varied Deed of Company Arrangement.

Following the meeting of Shareholders the final matters relating the Administration were addressed and the Company was released from Administration on 17 April 2008.

On 30 April 2008, pursuant to the approvals given at the Shareholders Meeting, the Company issued the following Shares and Options without a prospectus pursuant to the exceptions set out in section 708 of the Corporations Act:

1. 140,000,000 Shares at an issue price of 0.25 cents per Share to raise \$350,000.
2. 279,500,000 Shares at an issue price of 1 cent per Share to raise \$2,795,000.
3. 50,000,000 Options, each to acquire one Share, at an issue price of 0.00002 cents to raise \$1,000.

(Capital Raising)

Assets of the Company

The Company has retained an interest in the Polar Bear Tenements and Royalties as unencumbered assets of the Company to enable the Company to be reinstated to trading on the ASX.

The Polar Bear Tenements cover an area of just over 100 square kilometers located 20 kilometres northeast of the Norseman township. They are prospective for gold, nickel and platinum group metals. Croesus has approximately a 20% interest in the Polar Bear Tenements, with the majority share held by Plutonic Operations Limited, a wholly owned subsidiary of Barrick Australia Pacific Limited. The area has been the subject of gold and nickel exploration by Plutonic and Croesus pursuant to an existing joint venture. In addition, in 2006, Croesus and Plutonic entered into a joint venture with Platina Resources Limited pursuant to which Platina has the right to explore the Polar Bear Tenements for platinum group metals. Under the terms of the joint venture, Platina must spend \$1.3M over 3 years to earn a 70% interest in all platinum group metals located on the Polar Bear Tenements, with Croesus' interest reducing proportionately.

The Company does not, at this time, receive any income from any of the Royalty Agreements.

Future of the Company

The Company proposes to continue the existing activities of the Company, increase the current activities and as part of the working capital budget the Company will pursue new projects by way of acquisition or investment.