

7 June 2012

Companies Adviser
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Fluorotechnics Limited: An updated statement of commitments based on actual funds raised under the Prospectus, including the proposed exploration expenditure:

| Activity | Total |
|-------------------------------------|------------------|
| Drill, assay and related activities | 3,515,500 |
| Scoping (pre-feasibility) | 900,000 |
| Corporate & administration | 400,000 |
| Staffing | 500,000 |
| Capital raise | 660,000 |
| Deferred Directors Salaries | 356,364 |
| Working capital | 668,136 |
| Total | 7,000,000 |

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Expenditure Breakdown: McIntosh Project (granted tenements only):

| Activity | Y1 (2012) | Y2 (2013) | Total |
|------------------------------------|--------------------|--------------------|--------------------|
| Geochemical soil/MAG.LAG. Surveys | \$35,000 | \$70,000 | \$105,000 |
| Ground Geophysical Surveys | \$125,000 | \$120,000 | \$245,000 |
| Auger Drilling | \$25,000 | \$30,000 | \$55,000 |
| RC Drilling | \$250,000 | \$250,000 | \$500,000 |
| Diamond drilling (graphite) | \$500,000 | \$750,000 | \$1,250,000 |
| Prefeasibility/feasibility studies | \$300,000 | \$500,000 | \$800,000 |
| Analyses | \$200,000 | \$500,000 | \$700,000 |
| Tenement Management | \$20,000 | \$25,000 | \$45,000 |
| Rents/rates | \$50,000 | \$50,000 | \$100,000 |
| Personnel | \$165,000 | \$275,000 | \$440,000 |
| Travel/accommodation | \$70,000 | \$55,000 | \$125,000 |
| Total | \$1,740,000 | \$2,625,000 | \$4,365,000 |

Expenditure Breakdown: Valla Project (granted tenements only):

| Activity | 2012 | 2013 | Total |
|-------------------|------------------|------------------|--------------------|
| Geochemical | \$40,000 | \$40,000 | \$80,000 |
| Auger Drilling | \$30,000 | \$30,000 | \$60,000 |
| RC/Diamond | \$700,000 | \$300,000 | \$1,000,000 |
| Tenement | \$10,000 | \$15,000 | \$25,000 |
| Geological | \$120,000 | \$100,000 | \$220,000 |
| Travel/Accommodat | \$60,000 | \$60,000 | \$120,000 |
| Total | \$960,000 | \$545,000 | \$1,505,000 |

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to undertaking the activities the subject of this statement of commitments.



Richard Trevillion
Executive Chairman

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