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FINAL AND
COMBINED ANNUAL REPORT FOR YEAR ENDED 5 MAY 1988

AND QUARTERLY REPORT FOR PERIOD ENDED 31 MARCH 1988

GENERAL STATEMENT

Since the Tasmanite Project was acquired by Endeavour Resources Limited, the research activities related to this oil shale prospect have been directed towards the possible economic utilisation by industry of the oil shale or its derived products as given in the previous quarterly reports submitted to the Mines Department.

The possible use of kerogen concentrate as a reductant for the Greenvale nickel ores was also investigated by an associated company, however due to the current low world prices for crude oil, the utilisation of this Tasmanite derived product was not found to be economically attractive nor cost competitive to use as a fuel substitute, and the project virtually remains at a standstill.

Future Outlook and Activities

No progress in the utilisation of the oil shale as a fuel source can be expected until the world crude prices increase sufficiently to make substitute fuels economically attractive or alternatively until new uses for kerogen and associated derivatives can be found and economically exploited, or until new technologies assisting in the reduction of processing costs are developed which would enhance the cost competitiveness of shale oil products as fuel substitutes.

The company will continue to monitor developments in oil shale technology and investigate their possible application to the current project.

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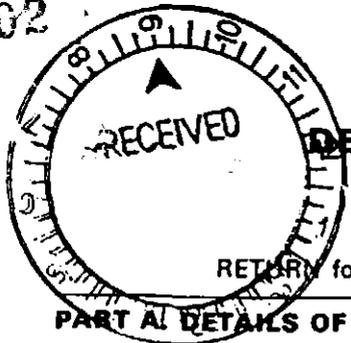
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Project Expenditure for Quarterly and Annual Periods

Quarterly expenditure for period ended 31 March, 1988		\$ 1,220
Land Renewal Fees	- 1988/89	2,200
December 1987 Quarter	- Expenditure	460
September 1987 Quarter	- Expenditure	425
June 1987 Quarter	- Expenditure	1,680
1987/88 Total Annual Expenditure		<u>\$ 5,985</u>

Endeavour Resources Limited
Perth - March 1988



DEPARTMENT OF MINES — TASMANIA

Mines Inspection Act 1968

RETURN for the quarter ending 31st March 1988

PART A. DETAILS OF MINING TENEMENT

Licence Holder Endeavour Resources Limited

Address 31 Ventor Avenue, WEST PERTH. W.A. 6005

Licence Number 4/74 Situation LaTrobe/Railton

Note: A separate form is required for each licence.

PART B.

	Number of Men	* Man weeks Employed	
(a) Working proprietors and working partners.			
(b) Professional staff (geologists, geophysicists, engineers, surveyors and higher administrative staff engaged on work associated with exploration.)			
(1) Licence holders own staff.	1	1	
(2) Staff employed by consultants on licence area.			
(c) Non-Professional staff (drill operators, chainmen, field staff, drafting and clerical staff.)			
(1) Licence holders own staff.			
(2) Staff employed by consultants on licence area.			
	1	1	

* Man weeks is number of men x number of weeks worked.

INSTRUCTIONS—

Details of employment on licence quoted is to be included on this form. If work is undertaken on more than one licence a separate form for each is required. If not exploration a 'Nil' Return must be completed.

If exploration is being carried out by a person or company by arrangement with the licence holder then the form should be sent to the company or person concerned and the Department notified.

THIS FORM SHOULD BE COMPLETED IN DETAIL AND RETURNED WITHIN 14 DAYS AFTER THE END OF THE QUARTER TO THE DIRECTOR OF MINES, P.O. BOX 56, ROSNY PARK, TASMANIA 7018

Endeavour Resources Limited
(Licence Holder)

Date 25th March 1988