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1. **Tenement Information**

The tenement boundaries have not altered from those which were the subject of the annual report for this exploration licence dated 2<sup>nd</sup> of March 1996.

2. **Summary of previous exploration**

In the year ending 2<sup>nd</sup> March 1996 the licensees engaged J H Gibson, Consulting and Contracting Geologist of Bolten Point, New South Wales, to carry out research and sampling work. Broad recommendations were made by him in relation to exploration programs which should be put in place for each of the City of Hobart, Miners Dream and Jubilee Mines which are within the tenement.

Certain mapping was carried out by Mr Gibson regarding his interpretation of the structural controls on mineralisation in the area.

Certain sampling was carried out by Mr Gibson.

A complete copy of Mr Gibson's report accompanied the licensees' annual report dated 2<sup>nd</sup> of March 1996.

3. **Summary of work completed during the report period**

Through the 1996 licence year the licensees' efforts have been almost entirely administrative in nature. The licensees concentrated their efforts on finding a joint venture partner to carry out exploration work in the three areas of the tenement.

In particular the licensees envisaged that exploration would be in conjunction with licence holders carrying out exploration of the surrounding licence areas. The applicants were close to agreement with Resolute Resources Limited prior to Resolute then unfortunately deciding to withdraw from the area. Efforts have continued through the year to find a joint venture partner.

Review of the Resolute Samantha Limited Annual Report dated March 1996 for the exploration licence it held in the Mathinna area provides useful information and allows some degree of optimism for further exploration of the area, particularly in relation to the Jubilee Mine in the licensees' tenement.

The licensees met with prospective joint venture partners at the site to inspect it with them and discuss exploration and development of the tenement.

The licensees have carried out some limited sampling in the three areas comprised in the licence area as well as discussions with potential joint venture partners.

4. **Details of regional surveys and specific surveys**

No regional or specific surveys have been carried out by the licensees in the year ended 2<sup>nd</sup> March 1997.

5. **Conclusions, recommendations and proposed future exploration**

The licensees intend exploring the tenement either in conjunction with surrounding licence holders, or alone and under the direction of a geologist such as Mr Gibson.

The licensees expects the Tower Hill licence will be taken up in the near future and that exploration works will then commence. The licensees have already indicated to the applicant for the Tower Hill licence that they wish to have discussions regarding exploration of the area. Should that joint exploration not commence in the 1997 licence year then the licensees will engage a geologist to provide advice and carry out the appropriate works in the licensees' tenement during that year.

The licensees cannot detail what exploration work will be carried out until that is settled either with a joint venture partner or after advice from experts engaged by the licensees.