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This report is provided pursuant to Section 28 of the Mineral Resources Development Act 1995.

1. **Tenement Information**

The tenement boundaries have not altered from those which were the subject of the annual report for this exploration licence dated 2nd of March 1997.

2. **Details of exploration work carried out**

The work carried out by the licensees this year has centred on negotiations with Barminco, Mining Contractors and Consultants, of Western Australia, regarding development of the licence areas in conjunction with work carried out by Barminco on surrounding leases of which it is licensee.

Discussions have taken the form of a meeting in Tasmania with Barminco's manager responsible for development of the Mathinna site, as well as a number of discussions by telephone with Mr Bob Colville of Barminco in Western Australia.

In conjunction with the negotiations with Barminco, the licensees have engaged a Consulting Geologist, Mr Lindsay Newnham of Exeter, to provide advice regarding development alternatives for the licence areas, and also regarding the options for joint venture, royalty or other arrangements which may be reached between the licensees and Barminco.

An agreement has not as yet been reached between the various licensees, however it is hoped that this will be concluded in the very near future.

In the relevant year no further mapping or sampling work was carried out by the licensees. The licensees will resume this work, either in conjunction with Barminco, another development partner, or alone, in the 1998-1999 licence year.

3. Costs of exploration work

As stated above, no exploration works were carried out for the year ended 2nd of March 1998.

The costs arising from engaging and receiving advice from Mr Newnhan, Consulting Engineer, are not as yet known as his work has not been completed and an account has not been forwarded.

4. Details of proposed works

The licensees are keen to conclude an agreement with Barmenco for development of their licence areas along with surrounding licence areas held by Barmenco. The licensees will ensure that any agreement reached with Barmenco will require exploration works to be carried out in the licence areas.

Should an agreement not be concluded the licensees expect to carry out further sampling and associated exploration works themselves with the assistance of Mr Newnham. At the present time the licensees cannot detail what these works are likely to be until there is certainty regarding whether they will be in conjunction with a partner or alone.

Statutory declaration

I, Robert John Lyon, representative and agent of C & D Beswick, licensees of Exploration Licence No. 44 of 1994, and residing at 23 Adelaide Street, South Hobart in Tasmania, declare that the information herein pertaining to the annual report of exploration in respect of the aforesaid exploration licence is true and I make this solemn declaration by virtue of Section 132 of the Tasmanian Evidence Act 1910.

Declared at Hobart in Tasmania)
 this 6th day of February 1998)

Before me,

A JUSTICE OF THE PEACE

