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TCR 99-4374

(Folio 33)

Lloyd Foyster
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Via Mudgee
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30 September 1998

Mr Dennis Burgess
Registrar Of Mines
Mineral Resources Tasmania
30 Gordons Hill RD,
Rosny Park
PO Box 56
7018 TAS

7 OCT 1998
TASMANIA

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FICHE No.014873-

RECEIVED
EL 17/96
7 OCT 1998

Re: Exploration Licence Number 17/ 96, 15 sqm at Ocean Beach

Dear Sir

With respect to the above mentioned exploration license I confirm my appreciation for the extension of time afforded to me in respect to the lodgement of periodical returns and reports owing to my ill health.

Enclosed herewith please find;

Outstanding returns and reports for the quarterly periods ending 31 / 12 / 97, 31 / 3 / 98, 30 / 6 / 98 and 30 / 9 / 98.

During the period ending 1997 it will be noted that a considerable amount of work and investigation was conducted with respect to the said EL. Expenditure as at 30 June 1997 amounted to \$7 250 which exceeded the first years expenditure to the extent of \$2 250. I desire that this excess be attributed towards the expenditure required for the period of the second year of the tenement.

It is my intention to visit the tenement site during the month of October 1998 to complete 1998 annual report and conduct further investigations as to whether or not I wish to apply for a third year renewal of the EL or allow it to be forfeited or seek a retention license over the area. In this regard I will focus on the following matters.

1. Ocean Beach is a very active beach effected by weather and tidal patterns which change on a regular basis. Therefore the quantity of high grade mineral concentration on the beach front, between high and low tide levels is continually changing. It is obvious that present day quantities of heavy mineral are considerably less than quantities which were present 6 years ago. There is evidence to suggest that extremely wild ocean conditions which exist from time to time on Ocean Beach are responsible for removing minerals from the beach out to sea were these reserves are lost.

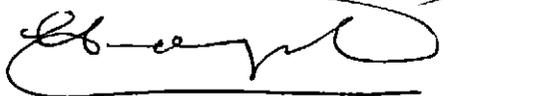
2. In the particulars supporting my application for the EL, I made particular reference to the possibility of recovering concentrations of heavy grade mineral from the surface of the beach by means of scrappers or similar equipment. Because of the event of erosion referred to above this opportunity is diminishing. The situation would appear to be one that will deteriorate rather than improve over a period of time.
3. Environmental conditions also represent a major obstacle to any proposal to conduct any mining operations on Ocean Beach. Given the limited quantities of minerals to be won from the area and the expense which would be associated with the procuring of necessary feasibility studies and other reports it is quite likely that I will decide not to renew my EL after the expiration of the 2 year period.

The cost of the work and activities contemplated in paragraphs 1, 2 and 3 above, in conjunction with expenditure to date will exceed the required \$10 000 of expenditure called for under the conditions of the EL over a 2 year period.

I would be grateful if you would forward to me particulars including forms relevant to the surrender of an EL and also similar particulars in relation to application for a retention license in the event of my desire to pursue either of these avenues.

This letter (excluding enclosures) is being faxed to you today. The hard copy with enclosures will be forwarded by tomorrow's post.

Yours Sincerely



Lloyd Foyster