10th June, 1992

The Secretary
Department of Mines and Energy
GPO Box 2901
DARWIN NT 0801

Dear Sir,

MCN 1720, 1721, 1722 MATHESON CREEK, N.T.

FOURTH ANNUAL REPORT - PERIOD ENDING 21 MARCH 1992

1. SUMMARY

Following circulation of a data package, expressions of interest have been received from a number of parties requesting additional technical data and possible site visits.

Further field inspections were completed to gauge levels of natural regrowth development and to provide scope for rehabilitation work where required.

2. INTRODUCTION

The location of the Mineral Claims is shown on accompanying plan NTd 4621.

Matheson Creek Mineral Claims 1720 - 1722 (inclusive) were pegged 27th August 1987 and subsequently granted 22 March 1988 for a period of five years. The tenements cover an area of sixty hectares, protecting two small diamondiferous kimberlitic diatremes (Emu-1 and Emu-2).

The two diatremes were discovered during the course of source tracing Kimberlitic indicator minerals within EL 4692 (surrendered 25th September 1987). Subsequent drilltesting and costean sampling results indicated recovered grade estimates of 0.03 carats / 100 tonnes for Emu-1 and 1.1 carats / 100 tonnes for Emu-2. No commercial-sized stones were recovered.

Sampling of the palaeo-regolith developed on the Emu-2 Kimberlitic diatreme returned nine microdiamonds. A data package on the prospect was prepared and circulated to interested parties.

Natural regrowth, in particular over access tracks, has developed remarkably well and largely conceals signs of previous ground disturbance.
3. YEAR FOUR ACTIVITIES

CRA's Resource Commercialisation division have received expressions of interest from a number of mining companies for further technical information on the Emu-1 and Emu-2 prospects following reviews of the data package. Additional data will be supplied together with proposed site visits.

In the advent of failure in securing a partner and/or purchaser, consultants will be employed to determine optimal rehabilitation procedures including costeans infilling.

A prospect visit during early 1992 confirmed the remarkable progression of natural regrowth and sediment infill of access tracks and costeans at Emu-1 and Emu-2.

4. EXPENDITURE

Grouped expenditure on the three tenements to the nearest accounting period totalled $ 8,200.

Expenditure breakdown is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>$ 1,643</td>
</tr>
<tr>
<td>Contractors</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>Regional Overheads</td>
<td>$ 396</td>
</tr>
<tr>
<td>Field and Transport</td>
<td>$ 10</td>
</tr>
<tr>
<td>Office and District Administration</td>
<td>$ 1,151</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 8,200</td>
</tr>
</tbody>
</table>

Yours faithfully
CRA EXPLORATION PTY LIMITED

H J ROIKO
PRINCIPAL GEOLOGIST
From MASSACRE HILL
To
1: DATUM 23 39km at 121-03* True
2: DATUM 23-19 km at 120-19* True
3: DATUM 22 86km at 121-26* True