ANNUAL REPORT FOR

EXPLORATION LICENCE NUMBER 6782.
EXPLORATION LICENCE 6782.

LICENSEE : SHANDONA PTY. LIMITED.
OPERATOR : MR. BEN POPE
MINERS RIGHT NUMBER : 7169
LOCATION : MOUNT EAGLEBEAK
AREA : 54 BLOCKS, 174 SQUARE KILOMETERS
MAP REFERENCE NUMBER : 77
ANNIVERSARY DATE : 21ST MAY 1991
DATE OF SUBMISSION : 22ND MAY 1991
AUTHOR OF THIS REPORT : MR. MILSON HAYWARD
TABLE OF CONTENTS.

PLAN OF SPECIFIC LICENCE AREA.  Page 1.
MAP OF GENERAL LOCATION.  Page 2.
REPORT ON ACTIVITIES FOR PAST TWELVE MONTHS.  Page 3.
REPORT ON PROPOSED ACTIVITIES FOR THE NEXT TWELVE MONTHS.  Page 4.
MT EAGLEBEAK
EL 6782
54 BLOCKS
174 sq kms
MT MARY

· MOUNT LONG
23°04'
REPORT ON ACTIVITIES FOR PERIOD COMMENCING 22ND MAY 1990
AND ENDING 21ST MAY 1991 ON EXPLORATION LICENCE 6782.

Regretably, with the unexpected cancellation of Exploration Licences 6133 through 6136 on the 16th May 1990, our orderly programme for 1990 was immediately thrown into disarray as we scrambled to salvage some of the sites we had identified on these areas.

Later in 1990 and during the first quarter of 1991 we have, under extreme difficulty, managed to spend some time on Exploration Licence 6782. So far we have not located any potential Mineral Claim sites in addition to those sites we intended to register when applying for this Exploration Licence. We have located traces of Aquamarine, Amythist, Iolite, Garnet and Quarts Crystals and are hopeful that our further explorations over the next twelve months will enable us to locate their source.
REPORT OF PROPOSED ACTIVITIES ON EXPLORATION LICENCE 6782
FOR THE ENSUING TWELVE MONTHS.

Our Field Operations Manager Mr. Ben Pope and his son Mr. Samuel Pope
will be continuing a thorough examination of this area before
commencing the necessary ground work in preparation of our Mineral
Claim applications. Because of commitments to other Exploration
Licences and Mineral Claims, we cannot complete this work before the
anniversary of this exploration licence.
DETAILS OF EXPENSES INCURRED ON EXPLORATION LICENCE 6782
TO 21ST MAY 1991.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUEL</td>
<td>$1,175</td>
</tr>
<tr>
<td>REPAIRS &amp; MAINTENANCE</td>
<td>$985</td>
</tr>
<tr>
<td>ADMINISTRATION &amp; GENERAL EXPENSES</td>
<td>$880</td>
</tr>
<tr>
<td>LABOUR</td>
<td>$1,735</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$4,775</strong></td>
</tr>
</tbody>
</table>
DETAILS OF BUDGETED EXPENSES FOR EXPLORATION LICENCE 6782 TO 21ST MAY 1992.

With the amount of ground we have to cover on this Exploration Licence and without the unexpected interruptions we experienced last year, it is anticipated that our expenditure will be larger this year than last.

We have budgeted an expenditure of $7,800 over the following twelve months.
NORTHERN TERRITORY OF AUSTRALIA

MINING ACT

EXPLORATION LICENCE

EL NO. 6782

Shandona Pty Ltd is hereby licensed, for a period of two (2) years from the date hereof, to explore in accordance with the provisions of the Mining Act, the regulations thereunder and the terms and conditions specified in the First Schedule, all that area of land delineated in red in the Second Schedule excluding therefrom all land that is the subject of a mining tenement or an application for a mining tenement made before the application for the grant of this licence and excluding all land the subject of a reservation from occupation under the Mining Act and all land vested in the Commonwealth.

D M J HART
Principal Registrar
as delegate of the Minister

DATE 21 May, 1980

FIRST SCHEDULE

Terms and Conditions

1. The licensee shall ensure that a minimum amount of $4 000 is expended in carrying out exploration on the licence area during year one (1) of the licence.

2. The licensee shall comply with the provisions of and directions lawfully given under this Act and all other laws in force in the Territory in relation to his activities on the licence area.

3. Not later than one (1) month after the expiration of each 12 month period of this licence, the holder shall submit in writing a statement specifying the details of the exploration programme reflecting expenditure for the next year of the licence.
Northern Territory of Australia

Mining Act 1980

Miner's Right

Issued to

Shandona Pty Ltd

Place of Issue

Alice Springs

Date of Issue

27th May 1988

Perpetual

SIGNED

Authority of Issuing Officer

G. L. DUFFIELD, Government Printer of the Northern T.