ANNUAL REPORT
EL9006

26th May 1996 – 25th May 1997

WARREGO SOUTH PROJECT
1:250,000 Tennant Creek

Nexus Minerals N.L. - Licensee

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1. INTRODUCTION

Nexus Minerals N.L. is the registered holder of EL9006. The licence was granted on the 26th May 1995 for four (4) years and consists of three (3) blocks totalling 9.69 square kilometres located in the west central sector of the Tennant Creek 1:250,000 sheet SE53-14, Northern Territory, some 50 kms WNW of Tennant Creek. The licence adjoins the NNE boundary of EL9567(ex EL8247) (see Figure 1). Exploration Licence EL9006 has an annual minimum Mines Department expenditure commitment of $5,000. A total of $931.46 has been spent by Nexus Minerals N.L. An exemption from expenditure has been applied for. The following table lists the exploration expenditure:

<table>
<thead>
<tr>
<th>Exploration Expenditure EL9006 26th May 1996 – 26th May 1997</th>
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<tbody>
<tr>
<td>Geological Evaluation</td>
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<tr>
<td>Tenement Administration</td>
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<tr>
<td>Overheads</td>
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<td><strong>Total</strong></td>
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At the end of the second year of tenure a 66% reduction in the area of EL9006 occurred with two of the 3 blocks being relinquished. The retained block is located in the far NW zone of the tenement block (see Figure 1).
2. EXPLORATION ON EL9006 IN 1996/1997

Nexus Minerals N.L. continued to review data gathered on the adjoining EL9567 (formerly EL8247 - Nexus Minerals N.L. 25%, North Star Resources N.L. 75%) to formulate programmes on EL9006. The initial data review was reported in Rafty (1996).

North Star Resources N.L. (operator) conducted exploration programmes on EL9567. The results of these programmes were relevant to proposed programmes on EL9006. Nexus Minerals N.L. is awaiting a report from North Star Resources N.L. of their exploration activities.

The retained block on EL9006 contains the intersection of several WNW structures intersecting a NW trending and NE trending structure.

Until a full assessment has been completed by Nexus Minerals N.L. for the results of the North Star programmes the proposed programmes for EL9006 as outlined in Rafty (1996) have been postponed.
3. PROPOSED EXPLORATION ON EL9006

Following a favourable review of the exploration activities on the Joint Venture licence EL9567 adjoining EL9006 to the SW the following programmes are advised to be undertaken on EL9006.

1. Acquisition of Public and Private Company Domain
   Low level aeromagnetic and radiometric data = $1,000

2. RAB drilling 500m @ $12/M = $6,000

3. Assays approximately 120 samples @ $15/sample = $1,800

4. Logistics associated with the drilling = $3,000
   Total = $11,800
4. REFERENCES

RAFTY D.J. 1996
Annual Report EL9006
26th May 1995 – 25th May 1996
Warrego South Project
For Nexus Minerals N.L. (Licensee)
: Unpublished