**Brine Field Activity** – Little exploration or revision work was carried out in the field during this period from July 1999. A review of position, encouraged NTE to pursue a low key plan to prepare for Brine resource development by excavating at known Brine sites, however having completed research of previous years undertakings, it was pointed out to us that without employing professional Hydrologists, Geologists and Chemists there could be no recognition and acceptance of the data for financing purposes.

A decision was then made to consult the industry again. As we had positive reports that market demand for product was quite strong. Growth anticipation for sodium sulphate, as the target resources for use in the wood chip and construction industry and schoenite for fertiliser producers.. Further consultation has initiated a re-grouping, with major industry players and commercial banking interests, to place a major development proposal for funding over a 3 year development period.

This proposal is now being prepared following approval to place a development plan for further consideration by a consortium, to the industry for consideration to finance staged development of the project. Upon acceptance, a resource development plan will be instigated to prove the capability to extract Brines showing a major production capability within AS162 for Sodium Sulphate mineral.

An allocation of funds to initiate Brine field pump testing and Hydrological and Geochemistry surveying, in readiness for a major demonstration plant construction, is aimed to begin prior to December 2000. Success will allow this project to continue development planning for pilot plant production in July 2001.

**Gypsum Resources**

Following abnormal flooding in the area during March 2000 the resource suffered a major set back precluding any further production for at least 8/12 months. A proposal to seek a new field is planned, but many areas remain water logged and field investigation is delayed until early summer.

Production of gypsum for market evaluation has temporarily ceased, pending the outcome of seasonal conditions to move about the RO 1310. Approximately 500 tonnes of quality gypsum was distributed for the period from July to February 2000.
Proposed Expenditure for NTE for 2000/2001

Gypsum
Exploration and sample analysis of alternative Gypsum deposit
$5,000

Brine Resource
Exploratory drilling assessment, Together with Brine Field analysis for suitable Brine stock within S162
$150,000

$155,000

Expenditure for Period July 1999 / June 2000

 Licence fee RO 1310
  $1,000
Gypsum site works and detour road
  $4,000
Application for extracting lease, site survey, consultation with Dept
  $ 500
Administration of RO
  $7,000
Consultation with and meeting industry re- Brine resource capability
  $3,000
Travel and accommodation
  $1,500
market research, samples supply packaging and delivery
  $ 500

$17,000

Yours Sincerely

[Signature]

Ian H. Butler
NT Evaporites
Partner.