

My Ref: 04.133

Dept. Business, Industry
& Resource Development

13 October, 2004

13 OCT 2004

Simone Moore
Mining Registrar
Titles Maintenance Unit
Titles Administration Division
Department of Business, Industry and Resource Development
Centrepont Towers
The Mall
DARWIN NT 0800

Received: Titles Division
Minerals & Energy Group

Dear Simone,

EXPLORATION LICENCE 9719
TAWANA RESOURCES NL

The second anniversary of the subject licence occurred on 6 September, 2004 and the Annual Report for Year 2 was lodged by e-mail with the Geological Survey on 5 October, 2004.

This particular licence was previously held by Rodney Johnston, Mega-Min Resources NL and Neil Scriven and 100% ownership was only registered in Tawana's name on 15 April, 2004.

It would appear that there were no details included in the Annual Report on expenditure incurred during the reporting period. I have been advised by the Managing Director of Tawana Resources, who prepared the Report, that expenditure for Year 2 was \$5,000.00 which was primarily on a review of open file data. The Managing Director is currently overseas so he does not have more specific details at present.

Expenditure for this licence for Year 2 was therefore \$5,000.00 as against a covenant of \$20,000.00. The reasons for the shortfall in expenditure were as follows:-

The previous licence holders did not have any access agreements in place with the Northern Land Council (NLC). This matter has been discussed with the NLC and it is hoped that the required Agreement will be finalised before the onset of the 2005 dry season.

Work on this licence was also delayed due to the excessively long 2004 wet season.

2.

In accordance with section 172 of the Mining Act, application is made for a variation of the expenditure covenant for Year 2 of EL 9719. The required variation fee of \$50.00 is enclosed.

Yours sincerely,



ROSS MCCOLL
FOR AND ON BEHALF OF
TAWANA RESOURCES NL