



EXPLOREMIN PTY. LTD.
GEOLOGICAL CONSULTANTS

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22 April 2003

The Director of Titles
NT Department of Business Industry & Resource Development
GPO Box 3000
DARWIN 0801

Attn: Ms Christine Shepherdson

Dear Christine

By fax: 89817106

Re: Annual Report Year Ended 21 March, 2003
Exploration Licence 22783 - Erlpunda - Arafura Resources NL

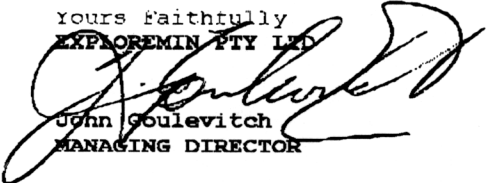
On behalf of our client, Arafura Resources NL, the current holder of this licence, we advise that no on-ground exploration was conducted on the licence area during the past year.

This is a result of delays in Arafura's attempt to finalise an IPO to raise exploration funds. We can report that near the end of 2002 the Company successfully raised additional working capital to meet the administrative costs of the IPO. This is now planned for completion toward the end of June, 2003, subject of course to a favourable investment climate at that time.

As part of the IPO process the Company has had an Independent Consulting Geologists Report completed for all of its projects including this title. This process included a visit to the Elkedra area by the Independent Geologist accompanied by a Director of the Company.

We estimate that some \$15,000 of the costs involved in preparing the ICGR and of the administrative costs of Arafura over the past year, can be allocated to EL 22783. The total of \$15,000 satisfies the Expenditure Covenant for Year 1 of the title.

We propose that the same exploration program and expenditure covenant as was detailed in the application for the title now apply for the second year.

yours faithfully
EXPLOREMIN PTY LTD

John Goulevitch
MANAGING DIRECTOR

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