8 September 2003

The Mining Registrar
Department of Business, Industry & Resources
Centrepoint Building
Smith Street Mall
DAWIN NT 0800

Dear Sir/Madam

SURRENDER REPORTS - ELs 22971-4, 22976-9, 22981-3, 22985 & 22989-93

The above reports were all lodged on the 31st January 2001, granted in August and September 2002 and surrendered, just prior to their first year anniversary, on the 21st July 2003.

In regard to the Surrender Reports required under Section 32 of the NT Mining Act for these Exploration Licences we advise that no new remote exploration nor any on ground exploration work was undertaken on the tenements during the granted period of the licence.

We simply reviewed existing data as well as previous exploration results available and determined that the ground the subject of the licence held little prospect for De Beers Australia Exploration Limited and the tenements were subsequently surrendered.

These licences were subject to a regional Memorandum of Understanding with the Northern Land Council (NLC). The costs and time delays associated with finalising an Access Agreement, obtaining an Aboriginal Areas Protection Authority Certificate, gaining ground access and paying tenement rents during this period were factored into our ongoing commitment to these areas and could not be justified against the areas potential.

As such we ask that you accept this letter in lieu of any required reports, however, should you have any queries, please do not hesitate to call.

Yours faithfully
De Beers Australia Exploration Limited

Brett Anderson
TENEMENT MANAGER

DEPARTMENT BUSINESS, INDUSTRY & RESOURCE DEVELOPMENT

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