6th May 2003

Mr J Whitfield  
Director  
Titles Division  
NTDBIRD  
GPO Box 3000  
Darwin NT 0801

EL 22710, Year 2  
Program and Budget

Dear Jerry,

This letter follows the handback by Independence Gold NL to the Goldsearch / Allender / Hosking / Le Brun Joint Venture of EL 22710 and ELAs 22687 – 22690.

The Year 2 Exploration Program and Budget for EL 22710 is designed to aid the assessment of the prospectivity of igneous and metamorphic rocktypes dissected by a major crustal structure, hereinafter designated as the Mulga Park Fault Zone (MPFZ), which is an extremely prominent linear feature in the existing airborne-magnetic data for the Ayers Rock and Petermann Ranges 1:250 000 mapsheet areas. This large structure trends in a WNW – ESE direction across these areas.

In addition to EL 22710, the Goldsearch / Allender / Hosking / Le Brun Joint Venture is seeking tenure over ELAs 22687 – 22690 which lie on Aboriginal freehold land to the west of EL 22710 and also straddle the MPFZ. The meeting to seek a consent to explore the ground covered by these ELAs is awaited with Aboriginal traditional owners. The point is made here that the prospectivity of the MPFZ is an unknown quantity at the present time and that the prospectivity of EL 22710 cannot be considered in isolation from the area which is sought to the west. If consent should be denied following this meeting, the applicants believe that they will have no choice but to surrender EL 22710. The applicants further believe that consent probably will be given, given the good relationships which they have established with Aboriginal landowners in the region and which have produced two Consents To Explore, in the Docker River district (in particular, the consent for the grants of ELAs 5701 and 5703 is significant for the advancement of knowledge of mineral prospectivity in the Petermann Land Trust Area generally).
The following Program and Budget are proposed. It is envisaged that Messrs AJ Hosking and JF Allender would undertake most of the exploration activities.

**Year 2 Exploration Program, EL 22710**

**Geology**

- interpretations of airphoto and satellite imagery of the licence area with followup prospecting of all unusual or distinctive outcrops evident on this imagery.
- orientation studies of the use of groundwater sampling / analysis as a possible / potential exploration tool applicable to the MPFZ (these cuttings are held by the Water Resources Division of the NT Department of Infrastructure, Planning and Environment in Alice Springs.
- examination, sampling and description of cuttings from existing waterbores located in the near vicinity of the MPFZ.

**Geophysics**

- ground magnetic and gravity traverses at regular intervals across the MPFZ to define its position beneath surficial sandy soil and across specific, identifiable rock units dissected by this structure (particularly those of intrusive igneous origin).
- imaging and interpretation of existing, NTGS airborne-geophysical data for the Ayers Rock and Petermann Ranges 1: 250 000 mapsheet area.

**Geochemistry**

- multi-element analysis of cuttings from existing waterbores, of water from selected, producing bores in the near vicinity of the MPFZ and of rock samples from the licence area (as possible, according to very sparse outcrop).

**Year 2 Budget, EL 22710**

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<tbody>
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<td>Geology</td>
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<td>Overheads (15%)</td>
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<td><strong>TOTAL</strong></td>
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I trust that the information provided here meets your requirements. If additional details are required, please contact the writer.

Yours sincerely,

(Mr) AJ Hosking

cc. John Percival, Goldsearch Sydney, NSW
Jim Allender, Unley, SA
Tony Le Brun, Rose Bay, NSW
Tuesday, 11 March, 2003

Christine Shepherdson
Mining Registrar
Department of Business, Industry and Resource Development
GPO Box 3000
DARWIN  NT  0801

Dear Ms Shepherdson

RE: EL 22710 (Hosking, Allender, Le Brun & Goldsearch Limited)

Please find attached cheque for $1,716.00 being payment of annual rent for the above exploration licence.

If you have any queries please contact me on the above number.

Yours Faithfully

John Percival
General Manager Operations