

13 July 2006

Mining Registrar
Department of Primary Industry, Fisheries and Mines
GPO Box 3000
DARWIN NT 0801

Dear Sir

EXPLORATION LICENCE 23912 – GREENBUSHES LTD

Please find attached annual report for the second year of term on EL 23912. An application for variation of the expenditure condition will also be lodged today.

The expenditure obligation for year two was not met because of Sons of Gwalia Ltd going into voluntary administration on 29 August 2004. Since our last annual report, Sons of Gwalia is in the final stages of undertaking a corporate restructure which will be submitted to creditors for approval shortly and if approved, it is expected that the company will merge from administration in October 2006. This will result in the appointment of a new Board and senior management and continuation of Sons of Gwalia's tantalum assets of which the Bynoe tenements are an important component.

Greenbushes Ltd is a wholly owned subsidiary of Sons of Gwalia Ltd.

Proposed expenditure for year 3 on EL 23912 is \$55,000. A site visit is planned for later this month which will assist in finalising work program details for 2006/07. The site visit will also examine rehabilitation activities in MLN 16 and the surrounding EL 23912. Personnel from your environmental department will also take part in the field visit.

Should you have any further requirements, please do not hesitate to contact me on (08) 9263 5555 or 0417 945774.

Yours faithfully,

Mark Campana