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20th March, 2007

Minerals and Energy Titles Division Attention: Denise Turnbull Mining Registrar Dept. of Primary Industry, Fisheries and Mines GPO Box 3000 Darwin, NT 0801

Re: Surrender of Tenements

Dear Madam,

We now realise that we are required to notify you in writing of our intention to surrender a claim prior to rent becoming due. It was our intention to notify the Department by way of the closure reports sent within three months of the anniversary date.

We hereby advise that we intended surrendering MCN's 326 and 875 and so did not pay the rental for the forthcoming year. A combined closure report for MCN's 326 and 875 has been forwarded along with the consolidated annual report for the remaining tenements.

Yours sincerely,

Beverley A. Genat, for

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Ian Genat,

Mine Manager and Operator