

23 July 2008

Principal Registrar
Titles Division
Department of Primary Industry, Fisheries and Mines
Smith Street Mall
DARWIN NT 0800

Dear Sir

**EXPLORATION LICENCES 9887 & 10405 – MT SOLITARY JV
FIFTH ANNUAL REPORT, EXPENDITURE FOR YEAR FIVE & BUDGET FOR YEAR SIX**

Exploration Licences 9887 and 10405 have been part of the Mt Solitary Joint Venture between Tanami Gold NL (“TNGL”) and St Barbara Limited (purchased from the Administrators of Sons of Gwalia Limited on the 28 March 2005), with Tanami managing exploration within the licence areas. Tanami Gold NL withdrew from the JV on 21 February 2007.

The fifth anniversary of the Exploration Licences occurred on 8 July 2008. Please find attached expenditure for the fifth year of tenure for the Exploration Licences, together with the proposed program and budget for year six.

Within Tanami’s Central Australia landholdings a regional geological and prospectivity study was undertaken with the aim of reviewing prospectivity of existing landholdings, appraising prospectivity and assessing future exploration programs within the overall Company strategy. EL’s 9887 and 10405 were incorporated within this study.

EL10405 - SBM completed a field visit to this area in late 2007 which showed outcropping sedimentary and granitic rocks to be ostensibly fairly uninteresting for gold or base metal mineralization, or uranium, and reinforced the view that any areas of interest were beneath transported cover in the north and south of the current EL, with uranium the most likely commodity to be discovered, along the unconformity at the top of the Palaeoproterozoic, and in carbonaceous Neoproterozoic / Palaeozoic and the younger (Tertiary / Quaternary) sediments.

SBM has designed an aircore drilling programme comprising two traverses with holes at 400m spacing’s – a total of 25 holes to an average depth of 40m. St Barbara will still be required to consult with the CLC regarding heritage clearance to conduct the on field activities

EL9887 - SBM’s Year 6 work on EL9887 was spent arranging the gravity survey that was intended to be undertaken in the year. Due to difficulty in getting a geophysical crew and considerable anticipated mobilization costs, it was decided to incorporate the survey on EL 9887 with newly granted ELs in the Tennant Creek area.

SBM’s work was limited to a field trip to the area in late 2007 and planning for the upcoming gravity survey.

Pursuant to Section 172 of the Mining Act, we seek a variation of covenant in respect of Exploration Licences 9887 and 10405 for the year ending 7 July 2008. Total expenditure for EL9887 in the amount of \$6,214.54 did not meet the required covenant of \$10,000. Total expenditure for EL10405 in the amount of \$8,093.84 did not meet the required covenant of \$15,000. Please find enclosed our cheque in the amount of \$100 being the requisite fees.

St Barbara's intends to complete the gravity survey in mid August 2008.

Furthermore, as this was the only work of a field based nature within the last twelve month's we ask that this letter be accepted in lieu of the Fifth Annual Report for the year ending 7 July 2008.

Should you require any further information please contact me on (08) 9476 5507 or email kylie.price@stbarbara.com.au

Yours faithfully

Kylie Price
Land Officer