



**POSGOLD
LIMITED**

PO Box 294, Tennant Creek
Northern Territory 0861

ACN 007 511 006

Phone (089) 620 399
Fax (089) 620 377

Our Ref: 95297/dmel/mlp

Mr John Lindsay
Mining Registrar
Department of Mines and Energy
PO Box 479
TENNANT CREEK NT 0861



Dear John

ANNUAL REPORT MLC 182-184 (EXPLORERS 109 AND 110)

North Flinders Mines Limited have withdrawn from the Tennant Creek District to concentrate on the Tanami Region (letter T J Ireland to the Principal Registrar dated 9 May 1995).

The sale of NFM's Tennant Creek assets, in particular the Central Joint Venture tenements including MLC's 182-184, was a prolonged and complicated matter taking almost 12 months to complete. The successful bidder Tennant Creek Holdings Pty Ltd will manage the Central Joint Venture project and PosGold's Tennant Creek office will operate the Joint Venture.

During the last 12 month period NFM carried out no exploration on Explorers 109 and 110, and since taking over as operator of the Joint Venture, PosGold have begun a review of previous exploration on the tenements. Explorers 109 and 110 are located NE of Tennant Creek in the vicinity of the Microwave Tower. Limited exploration of these targets has been undertaken in recent years and further evaluation of the mineral resource potential of these targets will be considered.

Should you require any further information please contact me or Tanya Dowling at the Company's Tennant Creek office.

Yours sincerely

**M I HATCHER
CHIEF GEOLOGIST**

Enc. (*)

c.c. Steven Dean
Camelot Resources NL
PO BOX 492
WEST PERTH WA 6005

CRAB/320

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