1 September 1995

The Principal Registrar
Department of Mines and Energy
GPO Box 2901
DARWIN NT 0801

Dear Sir

ANNUAL REPORT MCC's 55, 57 (EXPLORERS 49, 50)

As you will be aware North Flinders Mines Limited have withdrawn from the Tennant Creek District to concentrate on the Tanami Region (letter T J Ireland to the Principal Registrar dated 9 May 1995).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 MCC's 55 and 57, 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 49 and 50, and since taking over as operator of the Joint Venture, PosGold have begun a review of previous exploration on the tenement. PosGold consider the Explorer 49 and 50 magnetic anomalies located immediately west of the TC8 Mine to be high priority exploration targets worthy of a substantial exploration programme.

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. (*)

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