



**POSGOLD
LIMITED**

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Northern Territory 0861

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Our Ref:
Your Ref:

95482/dmel/mlp
MCC 809

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



Dear John

**ANNUAL REPORT
MCC 809 (EXTENSION)**

As you will be aware, North Flinders Mines Limited have withdrawn from the Tennant Creek district to concentrate on the Tanami region (letter T J Ireland to the Principal Registrar dated 9 May 1995).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 809, 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.

In the last 12 months NFM carried out no exploration on the Extension Prospect, which is located approximately 12km west of Tennant Creek. Previous exploration has included ground magnetic and gravity surveys, a bedrock geochemical survey and comprehensive RAB, RC and diamond drilling. Following a review of the project by Tennant Creek Holdings Pty Ltd a Mobile Metal Ion survey will be carried out in late November.

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**

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