Dear John

ANNUAL REPORT
MCC 803 (EXPLORER 218)

As you will be aware, North Flinders Mines Limited have withdrawn from the Tennant Creek district to concentrate on the Tanami region (letter T J Ireland to the Principal Registrar dated 9 May 1995).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 803, 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 Explorer 218 magnetic anomaly which is located on the Mary Lane Shear Zone east of Ivanhoe. PosGold are currently reviewing the Central Joint Venture tenements and planning exploration for 1995/96 in conjunction with Tennant Creek Holdings Pty Ltd, who are solely funding exploration.

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

c.c  Mr Rob Fripp
Camelot Resources NL
PO Box 492
WEST PERTH WA 6005