ARLTUNGA PROSPECTING & ASSOCIATES

OFFICE
Whites Gully Project
Cavenagh Range
VIA ALICE SPRINGS, NT 0871

PHONE 08-89569524

POSTAL
P. O Box 856
ALICE SPRINGS
N.T. 0871

ANNUAL REPORT - MCS - 157
JANUARY 1ST 2001 TO DECEMBER 31ST 2001

WHITES GULLY PROJECT

INTRODUCTION
Mr Gary Bohning is the major partner in Arltunga Prospecting and Associates
Arltunga Prospecting and Associates was formed in 1980.
Arltunga Prospecting and Associates have since their commencement, have been involved in exploration
and mining activities mainly in and around the ARLtunga, Winnecke and the Harts Range areas. Gary is the
Mine Manager on site.

COMMUNICATIONS
Phone - 08 89569524
Fax - 08 89569526
P.S. Please phone before faxing

REVIEW OF OPERATIONS - JANUARY TO DECEMBER

Sampling of MCS 157 has located a further small deposit of elluvial material suitable for processing approximately 150 tons.
Approximately 300 tons of material has been screened a stock piled ready for processing.
LOCATION AND REGIONAL GEOLOGICAL SETTING

Whites Gully Project is located 108 kilometers east of Alice Springs; it covers an area of Quartzite, Quartz and Schists of the Cavanagh Range.

The Whites Gully deposits occur in alluvial and elluvial of the decomposing quartz, quartzite and schists in the local area.

PLANT OPERATIONS

Results of Plant Operations up until December 2001

Plant did not operate

FINANCIAL REPORT

January 2001 to December 2001

Approximately $3,750 has been expended on the Whites Gully Project; this figure does not include wages.

Following break down of costs for this project.

<table>
<thead>
<tr>
<th>REHABILITATION</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLANT AND EQUIPMENT</td>
<td>15,000</td>
</tr>
<tr>
<td>SOIL TESTING AND SAMPLING</td>
<td>2,500</td>
</tr>
<tr>
<td>ACCOMMODATION AND TRAVEL</td>
<td></td>
</tr>
<tr>
<td>INSURANCE</td>
<td></td>
</tr>
<tr>
<td>FUELS AND OIL</td>
<td>1,500</td>
</tr>
<tr>
<td>REPAIRS AND MAINTENANCE</td>
<td>500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$3,750</td>
</tr>
</tbody>
</table>

TENEMENT INFORMATION

As at 31 December 2001

PROJECT -

| WHITES GULLY         | MCS 157,209 A (335 - A) |
| PATERSONS GULLY     | MCS (334 - A)           |
| RED ROCK             | MCS (336 - A)           |

Signature pp.

Mrs Elaine Bohning