

To the Department of
Business, Industry and
Resource Development
DARWIN NT

Received: Titles Division
Minerals & Energy Group

08 JUL 2005

Dept. Business, Industry
& Resource Development

Dear Sir,

Only recently I lodged my first year report regarding EL22440. Attached to this letter is a colour coded copy of the "Mary River Aeromagnetism and Radiometrics Survey", which was flown in an East -West direction at a 400m line spacing which defines the magnetic anomalies within EL22440.

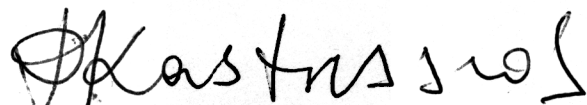
The area marked with orange texture on this copy of the magnetic anomalies, I have negotiated with the airborne geophysical surveys contractors "UTS" by means of geophysicist Angus McCoy, who works for "Geoimage Pty Ltd"; to fly an airborne survey once again in an East-West direction. But only this time the line spacing will be only 40 metres, effectively providing 10 times more airborne magnetic detail. The survey will be flown either this month (July) or next month (August).

The cost to me for the flight of the survey is \$9,900 GST inclusive. Plus the option of radiometrics, another \$1,000 and the simple delineation of magnetic highs \$2,000 - \$2,500 extra. All up about \$13,500.

The surface area of this detailed survey is approximately 15 square kilometres and covers 80% of the anomalies in EL22440. All of this work will be supplemented this year, with further targeted rocks and soil sampling of existing anomalous gossans and thorough search for all crystalline hematite outcroppings. We will also go out in the field and sample the gossans and look at chips from them under high magnification. As well as geochemical testing of rock chips.

For your information.

Kind Regards,



JIM KASTRISSIOS
6th July 2005

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