Mining Registrar
Minerals & Energy Titles Division
GPO Box 3000
DARWIN NT 0801

4 April 2009

ANNUAL REPORT: Mineral Claim 251 - Gunnister P/L & Woolanger P/L

Please find below a brief summary to indicate our continuing care and responsibility for the use of the abovementioned mineral lease.

There is very little difference to report each year, as the lease is continually used exclusively to fossick for garnets just below the surface on our daily guided tours - mostly during the cooler months. The revenue from these tours is part of the Gemtree overall operation and as it is visited regularly, we are able to closely observe the condition of the lease. If any rehabilitation of the area is needed we have a backhoe to undertake a clean-up program. However, the very nature of the fossicking operation allows for natural revegetation because of the minor impact the disturbance of the topsoil has on the whole area.

I enclose a copy of our 2008 annual report for which there are no alterations to be made.

Carmel Chalmers