December 18 1998

The Director of Titles Administration
NT Dept. Mines & Energy
GPO Box 2901
DARWIN NT 0801

MLS 157 - ANNUAL REPORT 1998 - 1999

During the course of our exploration program in the Harts Range area, on other Chambigne Garnet tenements, we have taken time to inspect the above mentioned lease on several occasions.

We have endeavoured to ensure the integrity of the lease pegs and cleared vegetation as may have grown to obscure them.

Since the granting of this lease, there has been no other field activity (exploration) whatsoever in this particular tenement.

As originally stated, we will inform the Department of Mines and Energy prior to any anticipated field activity in MLS 157.

Yours faithfully

[Signature]

R JOLLY
MANAGING DIRECTOR