12 April 2007

The Director of Titles
Department of Mines and Energy
GPO Box 3000
DARWIN NT 0801

VIA EMAIL TRANSMISSION

Dear Sir/Madam

RE: ANNUAL EXPENDITURE REPORTS FOR TENEMENTS MANAGED BY GRANGE RESOURCES LTD

On behalf of Grange Resources Ltd (as the managers of the tenement) we seek to be relieved from lodging an annual report for the following tenements as no work could be undertaken given the native title constraints:

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>TID</th>
<th>GRTDATE</th>
<th>YEAR END</th>
<th>EXPCOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>NT: MT SAMUEL</td>
<td>MCC 287</td>
<td>08-Feb-88</td>
<td>09-Mar-07</td>
<td>$ -</td>
</tr>
<tr>
<td>NT: MT SAMUEL</td>
<td>MCC 288</td>
<td>08-Feb-88</td>
<td>09-Mar-07</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Please be advised that no work has been undertaken due to native title issues. Grange Resources Ltd are monitoring the situation with a view to implementing active exploration programmes when possible.

Upon receipt, please have the below acknowledgement section duly signed and returned to our office by way of facsimile transmission. Thank you for your kind assistance.

Should you have any further queries on this matter, please do not hesitate to contact our office.

Yours faithfully

Jacqui Ly
McMahon Mining Titles

I acknowledge that all of the above documents have been received by this office for the hearing of the above tenement/s.