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No. 9971

EL 2826

CHOWILLA REGIONAL RESERVE

ANNUAL REPORTS TO LICENCE SURRENDER FOR THE PERIOD 17/7/2002 TO 18/2/2005

Submitted by
Southern Titanium NL
2005

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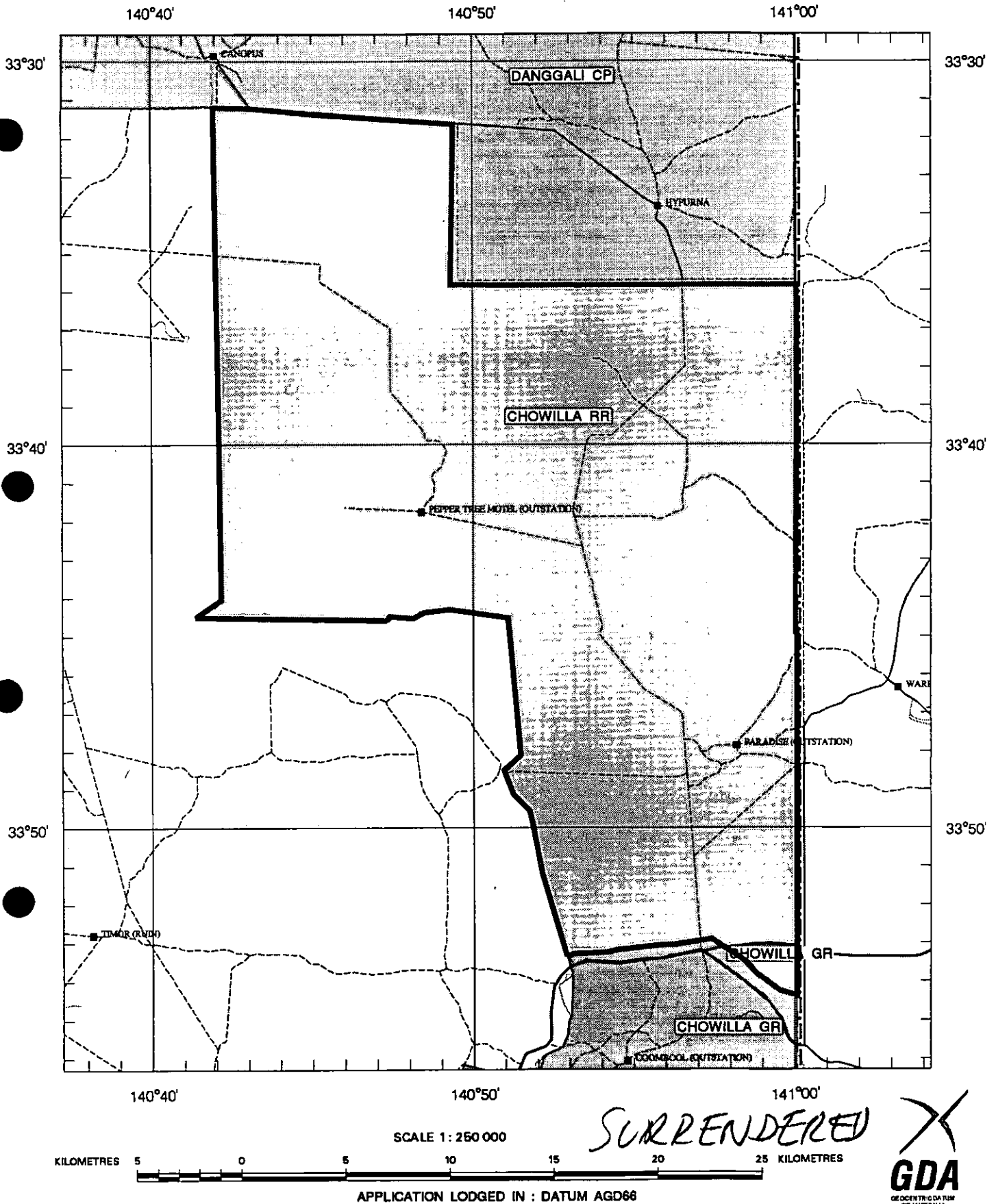
Enquiries: Customer Services Branch
Minerals and Energy Resources
7th Floor
101 Grenfell Street, Adelaide 5000

Telephone: (08) 8463 3000
Facsimile: (08) 8204 1880



Government of South Australia
Primary Industries and Resources SA

SCHEDULE A



APPLICANT : SOUTHERN TITANIUM NL

FILE REF : 11/01

TYPE : MINERAL ONLY

AREA : 749 km² (approx.)

1:250000 MAPSHEETS : CHOWILLA

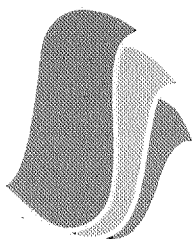
LOCALITY : CHOWILLA REGIONAL RESERVE AREA - Approximately 50 km north of Renmark

DATE GRANTED : 17 July 2001

DATE EXPIRED : 16 July 2002

EL No : 2826

2003 2004 2005

**SOUTHERN TITANIUM NL**

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TITANIUM NL

8 September 2003

Primary Industries and Resources S.A.
Office of Minerals and Energy Resources
GPO Box 1671
Adelaide S.A. 5001

Attn: Mr George Kwitko

Dear Sir,

Re: Annual Technical Report, EL 2826 Chowilla, year ending 16/07/03

No field work was carried out in this reporting period.

Southern Titanium NL has been in the process of negotiating a Heritage and access and clearance agreement with the Riverland Aboriginal Cultural Heritage association (RACHA) to cover all of the relevant Southern Titanium tenements within the area. A similar agreement has been reached with the Mannum Aboriginal Community Association (MACA), to deal with heritage and access for exploration and mining in tenements held further south.

Exploration Licence 2826 covers 'Native Title land' under the Mining Act. It has been the company's strategy to negotiate an agreement with RACHA as a first step, and this process is continuing. In addition, our solicitors have proceeded with issuing a Part 9B notice for this area in 2002. Southern Titanium NL has been advised as of Mid August 2003 that the Native Title Claimants have recently sought legal representation to assist with the Part 9B negotiations.

Exploration work on this tenement has thus been restricted to further review of previous explorers' results to generate preliminary exploration targets, a review of the PIRSA drilling program results, and the interpretation and manipulation of Landsat Thermal data to generate new targets for reconnaissance drilling.

Southern Titanium hopes that access to the tenement for reconnaissance drilling will be achieved within the next year.

A summarised expenditure statement is attached. Should you require further information, please contact me in the Adelaide Office.

Yours sincerely,

Richard J. Hill,
Project Geologist,



MERFF

R2003/01417

