

LYNCH MINING

PTY LTD

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16 May 2002

Mr. George Kwitco
Primary Industries and Resources SA
GPO Box 1671
ADELAIDE SA 5001



Dear George,

Re: EL 2560 Lake Charles Annual Report to 25 October 2001

No field work was undertaken on this tenement for the year to 25 October 2001 and consequently there is no technical data to report.

We remain very committed to the potential of our exploration holdings (including those of Alphadale Pty Ltd) in the Curnamona Craton. This includes in addition to this licence EL 2662 Billeroo West, EL 2812 Benagerie, EL 2225 Emu Dam and EL 2616 Eurinilla. Our commitment is evidenced by the substantial expenditure of over \$14 million on our Benagerie Ridge Joint Venture in recent years. Approximately \$1 million has been spent to date on the Lake Charles and Billeroo West tenements. The Lake Charles Magnetic Complex within EL 2560 is very similar in appearance to the Benagerie Ridge Magnetic Complex and given a more favourable exploration regime than has been the fact over the past few years we are confident we would have been able to attract a joint venture party to further explore this tenement.

We believe there is a change taking place with respect to exploration in the investment markets in part no doubt due to the reported successes elsewhere in South Australia. This change along with initiatives we are implementing ourselves we hope will lead to a renewed interest in this tenement. We are currently in discussion with a number of parties with respect to our Curnamona holdings and are hopeful that this will lead to the appointment of a joint venture partner to invest in exploration in this licence.



Expenditure for the 12 months to 25 October 2001 was \$ 4,264 which brings total expenditure for EL2560 to date to \$ 140,000. A statement of annual expenditure is attached. Approximately \$800,000 was spent on the Lake Charles area under the previous tenement number (EL1860).

Yours faithfully,
LYNCH MINING PTY LTD



JOHN LYNCH
MANAGING DIRECTOR

EXPENDITURE STATEMENT

EL 2560 LAKE CHARLES

From 26 October 2000 to 25 October 2001

<u>Account</u>	<u>Amount</u>
Contract Geology	\$ 893
Salaries and Wages	\$ 248
Drafting & Plan Printing	\$ 90
Post & Stationery	\$ 7
Rental	\$ 2,042
Tenement Fees	\$ 428
Administration and Overheads	\$ 556
<u>TOTAL</u>	<u>\$ 4,264</u>



12 February 2003

Mr. George Kwitco
Primary Industries and Resources SA
GPO Box 1671
ADELAIDE SA 5001

Dear George,

Re: EL 2560 Lake Charles Annual Report to 25 October 2002

No fieldwork was undertaken on this tenement for the year to 25 October 2002 and consequently there is no technical data to report.

We remain very committed to the potential of our exploration holdings in the Curnamona Craton. This includes in addition to this licence EL 2664 Billeroo West, EL 2812 Benagerie and EL 2878 Emu Dam. Our commitment is evidenced by the substantial expenditure of over \$14 million on our Benagerie Ridge Joint Venture in recent years. As you may be aware we are in the process of purchasing Pasminco's 70% share of this Joint Venture and that will result in our holding 100% title to a large contiguous area of high exploration potential in the Curnamona.

Approximately \$1 million has been spent to date on the Lake Charles and Billeroo West tenements. The Lake Charles Magnetic Complex within EL 2560 is very similar in geophysical appearance to the Benagerie Ridge Magnetic Complex.

We have had discussions with a number of interested parties with respect to our Curnamona holdings but further developments are pending finalisation of arrangements with Pasminco. Progress is being made but for reasons unknown to ourselves it is a very slow process. We are confident that completion of the purchase from Pasminco will allow us to select a joint venture partner to invest in the Curnamona including exploration of the Lake Charles licence.

Expenditure for the 12 months to 25 October 2002 was \$ 3,150 that brings total expenditure for EL2560 to date to \$ 143,150. A statement of annual expenditure is attached. Approximately \$800,000 was spent on the Lake Charles area under the previous tenement number (EL1860).

Yours faithfully,
LYNCH MINING PTY LTD

JOHN LYNCH
MANAGING DIRECTOR

EXPENDITURE STATEMENT

EL 2560 LAKE CHARLES

From 26 October 2001 to 25 October 2002

<u>Account</u>	<u>Amount</u>
Salaries and Wages	\$ 462
Tenement Fees	\$ 2,277
Administration and Overheads	<u>\$ 411</u>
<u>TOTAL</u>	<u>\$ 3,150</u>

EL 2560

**NO ANNUAL TECHNICAL REPORT
RECEIVED FOR
25 OCTOBER 2003**