1996 ANNUAL REPORT
EL 8612 - MT. MABLE
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INTRODUCTION

Tenement Status

Exploration Licence 8612 was granted to Acacia Resources Limited (Acacia) on 29 August, 1995 for a period of 6 years (Figure 1). The tenement now forms part of the Joint Venture between Compass Resources NL and Guardian Resources NL. Compass is the current manager of the joint venture, taking over from Acacia Resources on 16 July, 1997. This report covers work carried out between 29 August 1996 and 28 August, 1997.

Location and Access

Exploration Licence 8612 is situated approximately 15 kilometres southwest of the Batchelor township, approximately 90 kilometres south of Darwin (Figure 1). It consists of two units covering an area of approximately 6.5 square kilometres.

Access to the tenement is via sealed roads to Batchelor and then westward towards Litchfield National Park before heading south along several fire tracks and property boundary fences.

Physiography

The Exploration Licence consists mainly of undulating to flat landscape which drains into the Finnis River. Vegetation consists mainly of medium sized gums and a grassy understorey. Small patches of rain forest occur around semi-permanent water holes in major drainages.

Average rainfall for the area is 1456 mm/year, nearly all of which falls between the months of November and March. The area is largely inaccessible during these months.
REGIONAL GEOLOGY

Exploration Licence 8612 is situated in the Rum Jungle Region of the Pine Creek Geosyncline on the southwestern edge of the Waterhouse Complex. The oval shaped complex consists predominantly of granite, granodiorite, quartz-monzonite, quartz-monzodiorite and rare tonalite and monzonite, and are unconformably overlain by the Early Proterozoic Geosynclinal Sequence.

The Crater Formation (up to 600 metres thick) forms the basal sequence with the Coomalie Dolomite conformably overlying the Crater Formation with a reported maximum thickness of 1,000 metres. The Coomalie Dolomite comprises stromatolitic magnesite, dolomitic marble and minor calcareous para-amphibolite.

The Whites Formation, which overlies the Coomalie Dolomite, consists of a sequence of calcareous, pyritic and carbonaceous argillites. Overlying the Whites Formation are the sediments of the Wildman Siltstone, which include the Acacia Gap Quartzite Member and the Mount Dean Volcanic Member. The Wildman Siltstone comprises lutites, quartz sandstone and minor felsic to intermediate volcanics.

Most of the uranium, lead-zinc-silver and copper deposits in the Rum Jungle Region are situated in the transitional zone between the Coomalie Dolomite and overlying Whites Formation.

The Early Proterozoic sequence of the Rum Jungle Region underwent deformation during the peak of the Top End Orogeny, and subsequently during granitoid intrusion, resulting in tight to isoclinal folding, faulting and shearing (Ahmad, et al., 1993). Later movement during the Middle Proterozoic and Phanerozoic mainly caused reactivation of older faults and minor tilting. The Giants Reef Fault is the major fault in the region and is interpreted as a post-Early Proterozoic express of the Western Fault Zone which extends
over 200 kilometres and is part of the laterally extensive faults on the Halls Creek and Fitzmaurice Mobile Zones (Ahmad et al., 1993).

LOCAL GEOLOGY

Stratigraphy

Outcrop in Exploration Licence 8612 is sparse, silicified and poorly preserved. However, the Exploration Licence is situated along the contact between the basement and Crater Formation and includes the overlying Coomalie Dolomite. The Coomalie Dolomite is present in the central portion of the tenement, and comprises stromatolitic, tremolitic, silicified and saccharoidal dolomite. Minor cherty quartz units (most likely secondary), are interbedded with the dolomite and occasionally exhibit intense small scale folding. Zones of sericite alteration have been logged on various drill holes within the dolomite (Coles, 1988).

Graphitic to pyritic shales of the Whites Formation have been mapped within the southwest block, increasing in thickness to the west.

The presence of domal, stratiform and conical stromatolites have been observed elsewhere within the Coomalie Dolomite (Crick and Murie, 1980; Squire, 1995b). Crick (1987) suggests the Whites Formation represents a facies change from the intertidal to supratidal evaporitic conditions of the Coomalie Dolomite to an intertidal to subtidal environment, and is therefore a typical transgressive sequence.

Transported cover blankets much of the tenement and may be separated into two distinctly different types. The Cretaceous transported cover comprises fine to moderately coarse quartzose sands, silts and clays. The colour is generally pale cream, though colloidal iron staining has been observed near surface. The Tertiary transported
cover is the most commonly observed transported material and may overlie the Cretaceous cover. It comprises ferruginous clays and sand with minor silicified scree.

PREVIOUS EXPLORATION

Prior to 1977, the Bureau of Mineral Resources and Territory Enterprises Pty. Ltd. had undertaken regional exploration including the area covered by Exploration Licence 8612. This resulted in the mining of uranium and uranium - base metal deposits.

Uranerz Australia Pty. Ltd. undertook a major exploration programme specifically looking for uranium. Within the current Exploration Licence this included the drilling of RAB and percussion drill holes at the Riverside Prospect, located approximately 2.5 km to south west of the Camp Creek Homestead.

EXPLORATION COMPLETED THIS YEAR.

It appears that up until Compass became operator of the exploration programme on 16 June 1997, no active fieldwork had been undertaken during the year.

Compass has since undertaken a review of the previous exploration results in order to plan for the next field season.

Proposed Programme and Budget.

Because of the small area of the tenement, the prospective contact between the Whites Formation and the Coomalie dolomite is restricted to a strike length of approximately 2 kilometres.
Compass' exploration is aimed specifically at locating base metal (uranium) mineralisation at or near this contact. As such, future work will be concentrated in the Riverside prospect area where work to date has located anomalous copper and uranium values.

A review of all previous work at this prospect will be undertaken in association with field verification of mapping, grid locations etc. Geochemical sampling will be undertaken if considered necessary. It is anticipated that this work will enable 2 short R/C holes (50 metres each) to be sited and drilled.

Estimated costs:

- Drilling $3,500
- Geochemistry $500
- Geological $2,000

A budget of $6,000 is proposed for this project.
PLANS AND BUDGET

Interpretation of both recent mapping and the recently acquired airborne geophysical survey data has located an unexplored area located in the southern portion of the tenement where an apparent syncline structure contains the Whites Formation.

It is planned to explore this area for base metal mineralisation during the next year of tenure. The area is reported to have sparse bedrock exposure and is heavily lateritised.

This work will by necessity involve field mapping, rock chip sampling as considered appropriate, to be followed by RAB or R/C drilling to determine bedrock lithologies present.

It is estimated that this will include geological costs of $2,500, drilling costs of $3,000, geochemical costs of $1,500 and supporting costs of $3,000.

A budget of $10,000 has been set to undertake this work.
REFERENCES


EXPENDITURE REPORT
EL. 8612 - MT MABLE

Acacia Resources Limited expenditure to 18 June 1997 705.00

Compass Resources NL expenditure 19 June to 31 July 1997

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Total Expenditure for the 12 month period 900.50