

ACACIA RESOURCES LIMITED

FOURTH ANNUAL REPORT FOR
EL 7893 BONROOK STATION

For the year ending 4 February 1998

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- Copy 1: NT Department of Mines and Energy
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CR 98 / 551

SUMMARY

Exploration Licence (EL) 7893, in the Pine Creek area, NT, is being explored by Acacia Resources Limited under a joint venture agreement signed in December 1994 with the title holders Nullarbor Holdings Limited and Solomon Pacific Resources NL. Acacia by funding exploration had the right to earn a 70% interest in the tenement.

Through the successful acquisition of Solomon Pacific Resource's in June 1996, Acacia assumed the interests of Solomon Pacific Resources in EL 7893 and now has the right to earn an 79.9% interest in the tenement. The centre of the tenement is located approximately 20km south east of Acacia's Union Reefs Gold Mine and treatment facilities.

During the year ending 4 February 1998 Acacia Resources conducted:

- Contoured Au, As, Cu, Pb and Zn soil sample data
- Conducted reconnaissance to investigate the effectiveness of previous soil sampling programs

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1.	EL 7893 Bonrook Tenement Location	As Shown
2.	Pine Creek Project, Bonrook EL 7893 Regional Geology	As Shown

1.0 INTRODUCTION

Exploration Licence (EL) 7893, in the Pine Creek area, NT, is being explored by Acacia Resource's Limited under a joint venture agreement with Nullarbor Holdings Limited. The centre of the tenement is located approximately 20km south east of the Union Reefs Gold Mine and treatment facilities and 8km south east of the township of Pine Creek.

Acacia Resources, is earning an interest in the Bonrook tenement with a view to finding a resource which could provide additional feed for its current operations at Union Reefs. This report details all work carried out in EL 7893 for the year ending 4 February 1997 the fourth year of the licence tenure.

2.0 TENEMENT STATUS

EL 7893 comprising 10 blocks was granted on 5 February 1993 for a period of 5 years to Nullarbor Holdings Limited. Under a letter agreement reached between Nullarbor Holdings and Solomon Pacific on 23 November 1994, Nullarbor held a 66.67% interest in the tenement and Solomon Pacific NL a 33.33% interest. Under a new joint venture agreement signed in December 1994, between Nullarbor Holdings Limited, Solomon Pacific Resources NL and Acacia Resources, Acacia could earn up to 70% of the tenement by funding exploration activities.

Through Acacia's take-over of Solomon Pacific Resources on the 24th June 1996, Acacia assumed Solomon Pacific's interest in EL 7893. Currently interests in the tenement stand at Acacia Resources 33.33%, Nullarbor Holdings 66.67%, and Acacia Resources may earn up to 79.9% of the tenement by sole funding of exploration activities.

In December 1994 a 50% partial reduction of 5 blocks was completed to meet statutory requirements.

In February 1996 a 50% partial reduction of 2 blocks was completed to meet statutory requirements.

A waiver on the partial reduction of 2 blocks was lodged with the NTDME on the 16 December 1996 and granted on 14 April 1997.

A covenant of \$12,000 was set for the fifth year of licence tenure.

A renewal for the licence was lodged on the 18 November 1997. No reply has yet been received.

3.0 LOCATION AND ACCESS

The centre of EL 7893 is located approximately 8km south east of the township of Pine Creek in the Northern Territory, (Figure 1). The licence area can be accessed via the Stuart Highway from Darwin to Pine Creek and then via the Old Stuart Highway a further 6-7km to the western margin of the licence. Further access can be gained to the central and eastern parts of the tenement via station tracks on Bonrook Station.

4.0 REGIONAL SETTING

EL 7893 is located in the Pine Creek area in the central Pine Creek Geosyncline (Figure 2). The geosyncline contains Early Proterozoic metasedimentary rocks resting on a gneissic and granitic Archaean basement. The metasediments represent a preserved basinal sequence up to 14km thick (Needham et al, 1980). These rocks were tightly folded and metamorphosed to greenschist facies (in some places amphibolite) at about 1890 to 1870 Ma (Ferguson, 1980).

The geosynclinal sequence is intruded by transitional igneous rocks including predeformational dolerite lopoliths and dykes and post deformational granites. Largely undeformed platform cover of Middle and Late Proterozoic, Cambro-Ordovician and Mesozoic strata rest on these with marked unconformity.

EL 7893 lies in the southern part of a neck of metasediments, assigned to the Burrell Creek and Mt Bonnie Formations (Stuart-Smith, 1987) which separates two lobes of the Cullen Batholith. This metasedimentary neck contains both the Union Reefs (Au) and Pine Creek (Au) ore bodies as well as numerous areas of historic workings.

5.0 TENEMENT GEOLOGY & MINERALISATION

EL 7893 is extensively covered by soil with Burrell Creek (Pfb) Formation rocks intruded by granitic rocks of the Bonrook Granite (Pgcb), the McCarthys Granite (Pgcc) and undifferentiated highly fractionated granites (Pgc). Swarms of quartz and quartz breccia veins are present along the northern and western margins of the granites. In the south western area, quartz-carbonate and quartz veins up to 3m wide which are sulphide rich are known within greywacke and siltstone units of the Burrell Creek Formation. Minor hornfelsing is apparent around the veins. A large greisen alteration zone occurs at the granite contact approximately 1km south of Bonrook Station adjacent to a NNW trending structure.

There are no known gold workings in the tenement however nearby mineral occurrences include a tin prospect NW of Bonrook Station and a gold prospect (quartz vein in granite) at the southern boundary of the licence. The gold is reported in a 1-2m wide fracture / brecciated quartz vein with sulphide boxwork in places (Thornett, 1988).

6.0 PREVIOUS WORK

Work completed prior to 1994 is summarised in the Second Annual Report for Bonrook Station (08.7472). Work conducted since 1994 is summarised below.

1994 - Report 08.7472

- Compilation and reinterpretation of the data acquired from previous explorers.
- Established a grid in the southwestern portion of the tenement across prospective stratigraphy of the Burrell Creek Formation. In total about 7 line km of gridding was completed.
- Soil sampled the newly gridded area.
- Geological traversing through the western parts of the tenement.
- Partial 50% relinquishment of 5 blocks.

1995 - Report 08.7761

- Compilation and reinterpretation of the data acquired from previous explorers.
- Extensions to the established exploration grid in the southwestern portion of the tenement across prospective stratigraphy of the Burrell Creek Formation. In total approximately 10.5 line km of crossline gridding was completed.
- Soil sampling on the newly gridded area. In total 314 soil samples were collected.
- Geological traversing through the western parts of the tenement. In total 52 Rockchip samples were collected.
- Application for a waiver on reduction of two (2) blocks was applied for and refused.

1996 - Report 08.8737

- construction of approximately 5 line kilometres of 200m X 50m grid lines
- collection of 17 spot soil samples
- acquisition of 1:25,000 colour aerial photography
- processing of aerial photography into scanned GIS images
- digital elevation modelling of aerial photography

7.0 WORK COMPLETED FOR THE YEAR ENDING 4 FEBRUARY 1998

7.1 Recontouring of Soil Data

Hungerford Geophysical consultants digitally recontoured Au, As, Cu, Pb, and Zn soil data within the tenement, revealing a coincident Au-As trend. The trend lies dominantly within the Brindabella lease to the south and strikes NW so that it projects into the southeast corner of Bonrook Station. The trend was not considered anomalous enough to justify further follow-up.

7.2 Reconnaissance

Field reconnaissance was conducted to determine the validity of previous soil sampling in areas of deep alluvial and sandy cover. It was concluded that vacuum soil sampling will be required in certain areas to achieve effective geochemical tests.

8.0 ENVIRONMENT

As exploration in the reporting period was non-intrusive (no major drilling or earth works) no rehabilitation has been required. An environmental register is included in Appendix 1.

9.0 PROPOSED WORK - Year Ending 4 February 1998

- Approximately 3.5 line km of gridding and soil sampling on a 400 x 50 grid in the southwest and west of the tenement. This sampling is part of a larger program that will complete the soil sampling coverage of the Burrell Creek Formation sediments within both the Bonrook Station and the Brindabella lease, to the south.
- Reconnaissance and the collection of rock chips will be conducted in the SE corner of the tenement over a previously untested NE striking wedge of sediments between two lobes of a granite intrusion.

10.0 EXPENDITURE STATEMENT

10.1 Proposed Expenditure - Year ending 4 February 1999

	\$
Staffing	3,000
Geochemistry	4,000
Gridding	2,000
Soil/Rockchip Assays	2,000
Rehabilitation	1,000
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TOTAL	\$12, 000

10.2 Expenditure - Year ending 4 February 1998

	\$
Support	3,449
Geochemical	60
Geophysical	677
Geology	821
Staffing	2,841
Overheads	830
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TOTAL	8,678

11.0 REFERENCES

- ANON., 1987, Exploration Report for EL 4969, Bonrook for the Period Ended 29th September 1987 by National Gold NL. Unpublished Report for NTDME CR87/252.
- DANN, R.N., 1984, Annual Report - EL4398 by Gold Fields Exploration Pty Ltd. Unpublished report for NTDME CR84/255.
- FAWCETT, C.J., 1992, Exploration Licence No 4907, Fourth Annual and Final Report. Report on Work Undertaken between 24th October 1988 - 23rd October 1992 by Pine Creek Goldfields Ltd. Unpublished report for NTDME CR93/082.
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- SPURWAY C, 1996 Third Annual Report for EL 7893 Bonrook Station, for the year ending 5 February 1996. Report No. 08.7761. (Unpublished report for the NTDME).
- SPURWAY C, 1996 Second Partial Relinquishment Report for EL 7893 Bonrook Station. Report No. 08.7762. (Unpublished report for the NTDME).
- STUART-SMITH PG, NEEDHAM RS, BAGAS L & WALLACE DH, 1987. Pine Creek, Northern Territory, 1:100,000 map and commentary. Bureau of Mineral Resources, Canberra.
- THORNETT, S.E., 1988, Annual Report on Exploration Licence No 4969, Pine Creek, NT by Zapopan NL. Unpublished Report for NTDME CR88/437.
- WITHAM, W.J.A., Exploration Licence Number 6255, Bonrook, Annual report for the year ending 16th November 1990.

SPURWAY C, 1997 Fourth Annual Report for EL 7893 Bonrook Station for the
year ending 5 February 1998. Report 08.8737.

TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
LAND STATUS RECORD

Project: Pine Creek

Tenement Name: Bonrook

Loc. Code: HK91

Tenement No's: EL 7893

Registered Holder(s): Nullarbor Holdings Limited (66.67%)
Acacia Resources Limited (33.33%)

Date Granted: 5/2/93

Term: 5 years

Area: 10 blocks

Bond/Security: \$1000, lodged by title holders

JV Partners (if any): Acacia Resources Limited (earning 80%)

Land Classification: (Crown, Private, Lease) Lease

Land Holder/Occupier: Franz Weber Foundation

Station: Bonrook

Address: C/- Forwood Pastoral Services
GPO Box 1547, Darwin NT, 0801

Phone: (089) 81 1508

Contacted By: Chris Spurway

Date: 7/2/96

Pastoral Notes: (Stock, Cultivation, Access, Rainfall)

Bonrook Lodge, Station Managers quarters and various sheds and stables.
Wild Horse Sanctuary, Station divided into various paddocks by ring lock and barb wire fences

Environmental Notes: (Flora/Fauna, Erosion, Bushfires, Flooding)

Open Tropical Savannah

Groundwater: (Bores/Wells/Dams, streams, drainage, test data)

Several water bores are located on the property

Aboriginal Notes: (Sacred Sites, Cultural)

Historic Relics: (Mine Workings, Equipment, Homesteads etc.)

Historic Sn workings west of the Bonrook Homestead
Au working beside the old Stuart Highway, previously covered by MCN's in southern portion of the
tenement (see attached figure)

Previous Activity: (Mining, Exploration, Forestry, etc.)

Licence previously covered by numerous exploration companies, no substantial disturbance evident.

TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
PRE-EXISTING ENVIRONMENTAL DISTURBANCE RECORD

Tenement Name: Bonrook

No(s): EL 7893

Exploration Activity Area:

Shafts/Pits/Dumps: Existing shallow pits existing beside Old Stuart Highway, in southern portion of licence area. Pits are up to 3m depth extending over approx 50m length, dump area surrounding these pits.

Recorded historic Sn workings west of Bonrook Homestead, area has not been visited.

Track/Access: Tenement bisected along western margin by sealed "Old Stuart Highway".

Access tracks exist along NT Gas Pipeline, along Power Transmission Lines.

Pastoral tracks constructed in and around Bonrook Homestead and leading to all water bores.

Line Clearing: None

Costeaning: None

Drill Sites: None

Other:

Location Data:

Other Ref:

Compiled by: Chris Spurway

Date: 15/2/96

TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
ACACIA ENVIRONMENTAL IMPACT RECORD

Tenement Name: Bonrook

No (s): EL 7893

Report Ref No's: 08.7472
08.7761
08.7762
08.8737

Exploration Activities:

Hand and mechanical auger sampling, 500 soil samples collected
Rock chip sampling, 58 samples collected.
No ground disturbing work conducted in 1997

Grids & Traverses:

Construction of two grid baselines marked by star pickets at 100m intervals
22km of gridding completed, marked at 50m intervals with metal fence droppers.

Soil Sampling:

500 mechanical auger to 4.5m or hoe pick samples collected, all sample sites backfilled after sample collection.

Costeans / Pits: Nil

Drilling: Nil

Drill Traverses: Nil

Drill Pads: Nil

Ground Geophysics: Nil

Access Tracks: Nil

Camps: Nil

Other: Nil

Compiled by: Jane Ham

Date: 25/2/98

TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
ACACIA REHABILITATION RECORD

Tenement Name: Bonrook

No(s): EL 7893

Disturbance: Soil Sampling

Rehabilitation: Backfilling

Date:

Grids & Traverses: 22 km's of 200 X 50m cross line gridding marked with iron fence droppers.
Fence droppers left in place as future reference for exploration.

Soil Sampling: Backfilling of all sample sites completed at time of sampling.

Costeans/Pits:

Drilling:

Drill Traverses:

Drill Pads:

Ground Geophysics:

Access Tracks:

Camps:

Other:

Inspected / Clearance:

Bond/Security released:

Compiled by: Jane Ham

Date: 25/2/98

Follow-up Inspection Report:



