SAVANNA MINERAL RESOURCES PTY LTD

E.L. 8547

ANNUAL REPORT

For Period 14 February 1998 to 13 February 1999

(4th year of Tenure)

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SUMMARY

No field work has been undertaken on Exploration Licence 8547 during its fourth year of tenure due to the high level of activity for magnesite on adjacent tenements in the Batchelor area. In excess of 13,500m of reverse circulation drilling was done in the district by the Company in the 1998 dry season which resulted in depleted resources for exploration of E.L. 8547. Nevertheless the Company is keen to explore the E.L. for gold.

1. INTRODUCTION

The E.L. is centred 27km ESE of Batchelor and covers rocks of the Burrell Creek Formation in the Pine Creek Geosyncline. The tenement is prospective for Au which occurs in the region associated with quartz reefs typically in shears and the axial planes of folds.

To date the E.L. has been explored by airborne magnetics and rock chip sampling. No prospects have been located but significant rock chip results are known to have been obtained immediately to the east and south of the E.L.

2. TENEMENT STATUS

The tenement was granted on 14th February 1995 for a period of 6 years. It has now undergone 2 reductions and the current area covers 6 blocks as indicated on figures 1 and 2. The tenement is subject to a joint venture agreement between Savanna Mineral Resources Pty Ltd and the holders, J A Earthrowl, P M White and SBA Distributors.

3. PREVIOUS EXPLORATION

The work of previous explorers has been described in previous reports on this exploration licence.

4. CURRENT EXPLORATION

No field work was undertaken in the 1998 dry season due to the intense activity on adjoining titles held by Savanna. In excess of 13,500m of drilling was undertaken in 1998 mostly to assess the magnesite potential. This resulted in depleted resources for exploration on E.L. 8547

The Company remains keen to explore E.L. 8547 for its gold potential.

The principal target is the eastern side of the E.L. where Au values up to 15.7 g/t have been recorded some 700m to the east of the eastern boundary. It is intended to explore the E.L. by soil geochemistry, further rock chip sampling and by geological mapping.
5. EXPENDITURE

Contract Geologist  
443.50

Tenement Administration  
287.98

$ 731.48

To date a total of $46,378 has been expended on the licence.

6. PROGRAMME FOR 1999 - 2000

The programme for year 5 of the licence is:

Geological Mapping  
4,000.00

Soil Geochemistry  
8,000.00

Rock Chip Geochemistry  
2,000.00

Administration & Overheads  
1,500.00

$ 15,500.00