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Location Map 1:100,000
SUMMARY

Exploration during the tenure of this tenement resulting in the detailed definition of a copper-cobalt-nickel-lead orebody and resulted in the upgrading of other portions of the tenement. As such, the old tenement is now subject to application of Exploration Retention Licence (ERL(A)148) and a Mining Lease Application (MLN(A)1162).

Expenditure of $2,621,718 was reported over the 10 year period.

TENEMENT DETAILS

Application for the tenement was made by Compass Resources NL in mid 1989. It was granted for a period of 6 years on 16 July 1990, covering 28 blocks totalling 79 square kilometres.

On the third anniversary in 1993, 14 blocks (the southern half) were relinquished. The remaining 14 blocks remained in force for the life of the tenement. They are designated 3841, 3941, 3842, 3942, 4042, 3843, 3943, 3844, 3745, 3646, 3647, 3548, 3648, 3549.

Applications for a Mining Lease (MLN(A)1162) and and Exploration Retention Licence (ERL(A)148) cover the existing Exploration Licence.

Ownership is currently 90% Compass Resources NL and 10% Guardian Resources NL as a result of a joint venture between the two companies.
WORK COMPLETED

All the work listed below has been reported in the Annual Reports for that year.

YEAR 1

Locating, collating and interpretation of previous exploration data. Area 55 was gridded and mapped. A bore for water was abandoned at 54m, and five diamond drill holes totalling 669.5m were completed. A trial reverse circulation drillhole was abandoned at 23.5 m. A total of 21 RAB holes (192m) were also completed. Samples of oxide ore from the abandoned water bore were forwarded for metallurgical testwork. Expenditure recorded was $121,618.17

YEAR 2

An additional 21 RAB holes (252m) were completed at the area 55 prospect. An additional three diamond drill holes totalling 262.4m were completed, together with nine reverse circulation drill holes (443m) at the area 55 prospect. A program of 27 RAB holes (160m) was completed at the triangle prospect - located west of the Finnis River.

Leach tests were carried out on ore samples from the first two diamond drill holes and the water bore. This involved both hydrchlorine and sulphuric acid as leachants.

Expenditure was recorded as $110,577.31.

YEAR 3

An additional 3 diamond drill holes (489.65m) and five reverse circulation drill holes (242m) were completed at the area 55 prospect. Mineralogical and metallurgical testwork was carried out and reported.

Expenditure for the year totalled $152,695.07
YEAR 4

During this year, Acacia Resources Limited undertook the exploration programme.

Work completed involved soil sampling and rockchip sampling together with a trial TEM survey. A series of 19 reverse circulation drill holes (1018m) and seven diamond drill holes (1509.6m) were completed.

All drill data was entered into a micromine computer database.

Metallurgical testwork continued together with additional mineralogical investigations.

Expenditure reported was $557,774.

YEAR 5

Acacia Resources Limited re-established the grid and had the drill collars surveyed. A total of 2011m of reverse circulation drilling from 59 holes was completed, 18 of these holes were used as precollars for later diamond drilling. A total of 1128.4m of diamond drill coring from 29 holes was completed.

Reported expenditure was $702,615.

YEAR 6

The area 55 grid was extended and geophysical surveys involving downhole and surface EM, mise-a-la-masse, and downhole and surface IP surveys were completed for Acacia Resources.

Regional geological mapping was completed over the northern portion of the EL and adjoining tenements.

A total of 22 reverse circulation drill holes totalling 1142m was completed, together with 1048.1m of diamond drill coring in 10 holes.

Metallurgical testwork continued and results were reported.
The geological resource for the area 55 prospect was calculated, which using a 1% copper equivalent cutoff was reported as 3.6 million tonnes @ 0.64% Cu, 0.18% Co, 0.18% Ni.

A conceptual mining study of the area 55 deposit was completed and reported.

Reported expenditure was $600,509.

**YEAR 7**

Compass Resources NL undertook the work following the Acacia Resources withdrawal from the area.

Two diamond drill holes totalling 257.2m were completed. Metallurgical testwork continued with results being reported.

Compass contracted a consultant company to remodel and recalculate the resource using all available geological and structural data.

Reported expenditure was $201,998.85.

**YEAR 8**

One additional diamond drill hole (336.5m) was completed during the year. A mining lease application (MLN(A)1162) over the area 55 mineralisation was lodged.

A new ore resource was reported, that being an indicated resource of 4.1 million tonnes @ 0.84% Cu, 0.22% Co, 0.22% Ni, 0.98% Pb and 4.3 g/t Ag with cutoffs of >0.5% Cu with <0.06% Co and <0.5% Cu with >0.10% Co.

Reported expenditure was $116,288.70.
YEAR 9

Following an update of the computer database, a new geological model and resource calculation was undertaken by Compass's consultants. This resulted in the calculation of a figure of 12.4 million tonnes @ 0.48% Cu, 0.14% Co, 0.14% Ni and 0.56% Pb as an indicated resource with cutoffs of >0.5% Cu and <0.5% Co with >0.05% Co.

Reported expenditure was $32,370.81.

YEAR 10

At the Rum Jungle Creek West prospect, one reverse circulation drillhole (54m) was completed in weathered and fresh dolomite.

Reported expenditure was $25,301.10.

All the annual reports pertaining to the abovementioned programmes have been lodged with the Northern Territory Department of Mines and Energy.
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