ANGLOGOLD AUSTRALASIA

EXPLORATION LICENCE 7812
UNION REEFS NORTH

EIGHTH ANNUAL REPORT
FOR THE YEAR ENDED JANUARY 5th 2001

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Drafting: Amanda Horner
Date: February 2001 Copy No: 3

Map Sheet:
1:250 000 Pine Creek SD52-8
1:100 000 Pine Creek 5270

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SUMMARY

Exploration Licence (EL) 7812 - Union Reefs North in the Pine Creek area, NT, is currently being explored by AngloGold Australasia. The centre of the tenement lies approximately 7 km north of Anglogold’s Union Reefs Gold Mine. The Union Reefs North licence has been held by AngloGold (formally Acacia Resources Ltd) since 1993 and is just coming to the end of its first period of renewal.

This report summarises the work completed within EL 7812 during the reporting period ending the 5th January 2001.
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1. INTRODUCTION

Exploration Licence (EL) 7812 - Union Reefs North in the Pine Creek area, NT, is currently being explored by AngloGold Australasia. The centre of the tenement lies approximately 7 km north of AngloGold’s Union Reefs Gold Mine which had a published resource of 11.76Mt @ 1.64 g/t Au as of March 2000. The north east area of the lease is along strike from Mt Porter, with a resource of 210, 000t @ 4.7g/t Au.

2. TENEMENT STATUS

Exploration Licence 7812 (Union Reefs North) covering 18 blocks was granted to The Shell Company of Australia Limited on 6 January 1993 and subsequently assigned to Acacia Resources Limited. A partial reduction of 9 blocks was completed on December 5, 1994 and a further reduction of 3 blocks was completed on December 5, 1995.

An application for a waiver of reduction to extend the period of six remaining blocks to 5 January 1999 was granted on 9 June 1998. An application for a renewal of the licence for a further two years was granted on 23 November 1998. The current renewal period ends on 5th January 2001.

Following a successful takeover bid for Acacia Resources Ltd, AngloGold Australasia assumed management of the licence in late 1999. An application for a second renewal of the licence was submitted on the 13th of November 2000 extending tenure for an additional two years. The renewal application was approved on the 13th November 2000, extending tenure for an additional two years expiring on the 5th January 2003.

Covenant for the current reporting period was set at $29, 000 and the tenement remains at 6 blocks.

3. LOCATION AND ACCESS

Union Reefs North lies to the north west of the Union Reefs Gold Mine (Figure 1). The centre of the tenement is approximately 20 km north of the township of Pine Creek. Access to the area is via the well maintained Frances Creek and Mount Wells gravel roads and local gravel tracks.

4. REGIONAL GEOLOGY

Union Reefs North is located in the central portion of the Pine Creek Geosyncline (Figure 2). The geosyncline comprises early Proterozoic metasedimentary rocks unconformably overlying gneissic and granitic Archaean basement. The metasedimentary rocks are part of a preserved basinal sequence up to 14km thick (Needham et al., 1980) which were tightly folded and metamorphosed to predominantly greenschist facies at about 1890 - 1870 Ma (Ferguson, 1980). Greenschist and amphibolite facies metamorphism occurs in contact aureoles of syn-to post-orogenic granitoid intrusions.
The geosynclinal sequence is intruded by transitional igneous rocks including pre-deformational dolerite lopoliths and dykes, and post-deformational granites. Weakly deformed middle and late Proterozoic, Cambro-Ordovician and Mesozoic cover sediments unconformably overlie the early Proterozoic metasedimentary rocks.

5. LOCAL GEOLOGY

The intrusive Mount Porter Granite dominates the lease area, and the north and southwest margins by sediments of the lower Proterozoic Burrell Creek Formation with a lesser portion Mount Bonnie, Gerowie Tuff and Koolpin Formations (Figure 2). The sediments have been folded to produce upright NNW trending folds and sub-vertical to steeply dipping bedding throughout the area. Greenschist facies metamorphism appears to broadly synchronous with this deformation.

The sediments have been intruded by the Allamber Springs and Mount Porter Granites in the middle and SE corner of the tenement. The Mount Porter Granite is a pink/green, coarse, porphyritic hornblende - biotite granodiorite. The Allamber Springs Granite is a concentrically zoned biotite leucogranite and hornblende-biotite granodiorite dated at 1825-1818 Ma, which post-dates the Mount Porter Granite.

6. PREVIOUS WORK

Exploration previous to the granting of EL7812 was dominantly by Billiton Australia in joint venture with Coronation Gold Mines in 1989. This work included limited stream sediment sampling in the area of the outcropping Mt Porter and Allamber Springs granites, which produced negative results. The stream sediment sampling was considered ineffective because of the low relief of the granite outcrop and lack of trapsites.

Work conducted by Billiton Australia, and subsequently, Acacia Resources since the granting of EL7812 is detailed below.

Year Ending 5th January 1994 - Report 08.6666

- Interpretation of aerial photography that identified a number of faults and general fold structures.
- Review of the previous work conducted by Billiton Australia in 1989.
- Partial reduction (50%) of 9 blocks.

Year Ending 5th January 1995 - Report 08.7288

- Collection of 12 stream sediment samples which were assayed for Au, Cu, Pb, Zn and As in the area of a magnetic high identified in the northern part of the tenement. Results were negative.
Year Ending 5th January 1996 - Report 08.7756

- Compilation and re-interpretation of previous work.
- 5.2 line km of gridding on 200 x 50m grid lines.
- 207 spot soil samples in the southwestern part of the tenement.
- Partial reduction (30%) of 3 blocks.

Year Ending 5th January 1997 - Report 08.8726

- Reprocessing of multi-client aeromagnetic data to produce total magnetic intensity (TMI) and first vertical derivative (1VD) images.
- Flew 1:25 000 colour aerial photography.

Year Ending 5th January 1998 - Report 08.8971

- 5.5 line km gridding.
- 432 soil samples from the north western part of the lease.
- Detailed aeromagnetic and radiometric survey in southern part of the lease.

Year Ending 5th January 1999 - Report 08.10007

- 4.5 line km gridding (N-S baseline 331.5° MN).
- 183 hand soil samples
- Regional geophysical data compilation

Year Ending 5th January 2000 – Report 08.19599

- Literature study

7. WORK COMPLETED PERIOD ENDING 5th JANUARY 2001

Due to the uncertainty caused by an attempted takeover bid by Delta and the subsequent successful takeover by AngloGold in late 1999, Acacia was forced to keep exploration expenditure to a minimum. Following the AngloGold takeover exploration efforts were hampered by an extended wet season limiting access to the tenement until late May. This large reduction in the available field season led to the prioritisation of all work intended for this reporting period. As a result, the planned geochemical surface sampling and geological reconnaissance work completed within the Union Reefs North licence has yet to be completed.

8. ENVIRONMENTAL ISSUES

No environmental disturbance was caused in this reporting period. Some rehabilitation work was completed within the northern portion of the tenement removing grid pegs and checking previous work had been rehabilitated correctly. An environmental register is Appendix 1.
9. EXPENDITURE FOR PERIOD ENDING 5TH JANUARY 2001

The exploration expenditure for Union Reefs North for the period ending 5th January, 2001 is detailed below:

$  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing &amp; Support</td>
<td>9,384</td>
</tr>
<tr>
<td>Vehicles</td>
<td>246</td>
</tr>
<tr>
<td>Contractors</td>
<td>255</td>
</tr>
<tr>
<td>Consumables</td>
<td>17</td>
</tr>
<tr>
<td>Administration (15%)</td>
<td>1,485</td>
</tr>
</tbody>
</table>

**Total** $11,387

The expenditure commitment for this reporting period was $29,000.

10. PROPOSED PROGRAM AND EXPENDITURE FOR PERIOD ENDING 5TH JANUARY 2002

Proposed work for the period ending 5th January 2002 includes reconnaissance mapping, rockchip sampling and infill soil sampling as follow up on previous results. The proposed expenditure is detailed below:

$  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Staffing and Support</td>
<td>2,500</td>
</tr>
<tr>
<td>Mapping</td>
<td>1,000</td>
</tr>
<tr>
<td>Soil Sampling</td>
<td>3,000</td>
</tr>
<tr>
<td>Assays</td>
<td>1,000</td>
</tr>
</tbody>
</table>

**Total** $7,500
11. REFERENCES

Giles. D., 1994
Exploration Licence 7812, Union Reefs North, First Annual Report For the Year Ended January 5, 1994 (unpublished report 08.6666)

Ham. J., 1998
Exploration Licence 7812, Union Reefs North, Fifth Annual Report For the Year Ended January 5, 1998 (unpublished report 08.8971)

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Spurway. C., 1996
Exploration Licence 7812, Union Reefs North, Third Annual Report For the Year Ended January 5, 1996 (unpublished report 08.7756)

Stephens, D., 2000
Exploration Licence 7812, Union Reefs North, Seventh Annual Report For the Year Ended January 5, 2000 (unpublished report 08.10599)

Stuart-Smith, P.G., Needham, R.S., Page, R.W., & Wyborn L.A.I., 1993
APPENDIX 1

ENVIRONMENTAL REGISTER
### TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER

#### LAND STATUS RECORD

**Project:** Union Reefs North  
**Tenement Name:** Union Reefs North  
**Loc. Code:** UR03  
**Tenement No's:** EL7812  
**Registered Holder(s):** AngloGold Australasia  
**Date Granted:** 6/1/93  
**Term:** 6yrs  
**Area:** 19km²  
**Bond/Security:** $20,000  
**JV Partners (if any):** NA  
**Land Classification:** (Crown, Private, Lease) Lease  
**Land Holder/Occupier:** Gary Hamilton  
**Station:** Mary River West  
**Address:** 9 Pall Mall Currumbin QLD  
**Phone:** (075) 534 7408  
**Contacted By:** E Wakefield  
**Date:** 1995  

**Pastoral Notes:** (Stock, Cultivation, Access, Rainfall)  
Open grazing land, little evidence of domestic livestock. Access via the Mt Wells Rd, the North Australia Railway Easement or any number of unmarked bush tracks.

**Environmental Notes:** (Flora/Fauna, Erosion, Bushfires, Flooding)  
Open tropical savannah. Prone to flooding during the wet. Access difficult during the wet.

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

**Aboriginal Notes:** (Sacred Sites, Cultural)  
There are no recorded cultural or scared sites in EL7812. The lease was covered by AAPA certificate C97/058, which expired on 6th May 1999 and C98/149, expiring on the 18th December 2000, during the reporting period.

**Historic Relics:** (Mine Workings, Equipment, Homesteads etc.)  
There are no recorded historic sites in EL7812.

**Previous Activity:** (Mining, Exploration, Forestry, etc.)  
The area was previously explored by Billiton Australia in joint venture with Coronation Hill. Previous exploration included stream sediment sampling and caused minimal.
## TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
### PRE-EXISTING ENVIRONMENTAL DISTURBANCE RECORD

<table>
<thead>
<tr>
<th><strong>Tenement Name:</strong></th>
<th>Union Reefs North</th>
<th><strong>No(s):</strong></th>
<th>EL7812</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exploration Activity Area:</strong></td>
<td>Northwestern part of current licence</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shafts/Pits/Dumps:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Track/Access:</strong></td>
<td>Stuart Highway, Spring Hill Road, and Mt Wells Rd. Numerous bush tracks.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Line Clearing:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Costeanning:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Drill Sites:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td>Gridding and soil sampling</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Location Data:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Compiled by:</strong></td>
<td>Jane Ham</td>
<td><strong>Date:</strong></td>
<td>December 1997</td>
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**TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER**  
**ANGLOGOLD ENVIRONMENTAL IMPACT RECORD**

<table>
<thead>
<tr>
<th>Tenement Name:</th>
<th>Union Reefs North</th>
<th><strong>No(s):</strong></th>
<th>EL7812</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exploration Activities:</strong></td>
<td>Gridding, stream sediment sampling, soil sampling</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grids &amp; Traverses:</strong></td>
<td>5.2 line km (1995/96)</td>
<td>5.5 line km (1997/98)</td>
<td>4.5 line km (1998/99)</td>
</tr>
<tr>
<td><strong>Soil Sampling:</strong></td>
<td>207 spot soil samples (1995/96)</td>
<td>432 spot soil samples (1997/98)</td>
<td>183 spot soil samples (1998/99)</td>
</tr>
<tr>
<td><strong>Costeans / Pits:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Drilling:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Drill Traverses:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Drill Pads:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ground Geophysics:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Access Tracks:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Camps:</strong></td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td>12 stream sediment samples (1994/95)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Compiled by:</strong></td>
<td>Penny Large</td>
<td><strong>Date:</strong></td>
<td>January 2001</td>
</tr>
</tbody>
</table>
TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
ANGLOGOLD REHABILITATION RECORD

Tenement Name: Union Reefs North
No(s): EL9581
Disturbance: gridding, soil sampling
Rehabilitation: Ongoing
Date: December 1999

Grids & Traverses:
- 5.2 line km - minimal disturbance (1995/96)
- 5.5 line km - minimal disturbance (1997/98)
- 4.5 line km - minimal disturbance (1998/99)
  grid pegs left for future reference

Soil Sampling:
- 207 soil samples - minimal disturbance (1995/96)
- 432 soil samples - minimal disturbance (1997/98)
- 183 soil samples - minimal disturbance (1998/99)
  soil sample sites backfilled at time of sampling

Costeans/Pits: NA
Drilling: NA
Drill Traverses: NA
Drill Pads: NA
Ground Geophysics: NA
Access Tracks: NA
Camps: NA
Other: 12 stream sediment samples - minimal disturbance

Inspected / Clearance: Bond/Security released:
Compiled by: Penny Large
Date: January 2001

Follow-up Inspection Report:
APPENDIX 2

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