ANGLOGOLD AUSTRALASIA
&
SUPLEJACK RESOURCES (for Messenger & Kidd)

SEL 8788 - SUPLEJACK
FINAL REPORT ON EXPLORATION
PERIOD 5TH OCTOBER 1994
TO 4TH OCTOBER 2001
Volume 1 of 3
Text and Appendices

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Map Sheet:
TANAMI (SE52-15) - 1:250,000
WILSON CREEK (4959) - 1:100,000
BREADEN (4859) - 1:100,000

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PREFACE

The following report was prepared by P. Large on behalf of Anglogold Australia Limited and Joint venture partners, Malcolm Kidd and Paul Messenger for the period 5, October 1994 to 15 June, 2001. Additional information covering the period 16 June, 2001 to 4 October, 2001 between the termination of Anglogold as project managers and expiration of the tenement is provided by P Messenger.

SUMMARY

AngloGold Australia Limited (formally AngloGold Australasia Limited) operates SEL8788 (Suplejack) under a joint venture agreement with the licence holders. SEL 8788 was granted on the 5th of October 1994 for a period of three years. Tenure was renewed for an additional two year period expiring on the 4th of October 1999. A second two year renewal phase was granted in 1999 which expires on the 4th of October 2001. This report summarises the exploration completed within SEL8788 during the seven years of tenure, covering the period 5th October 1994 to the 4th October 2001.

Exploration completed during the period of tenure includes:

- Mapping – Tenement Scale, Thomas Prospect, Trucks/Pink Ridge Prospect
- Aerial Geophysical Survey (200m line spaced survey)
- Detailed Aeromagnetic Survey (50m line spaced survey)
- Ground Magnetic Survey – Tregony
- Gridding – 210.65 line kilometres
- Conventional Soil Sampling – 1019 samples
- Deep Leach 11 – 48 samples
- Lag Sampling – 184 samples
- Zarg/ARM1 Orientation sampling – 1512 samples
- MMI Orientation Sampling – 139 samples
- Enzyme Leach Testwork – 49 samples
- Low Density Loam Sampling – 292 samples
- Rockchip Sampling – 192 samples
- Geochemical posthole Rotary Airblast drilling – 1, 623 holes (23, 557 samples)
- Angled Rotary Airblast drilling – 888 holes (59, 961 samples)
- Reverse Circulation Drilling – 102 holes (12, 188 metres)
- Diamond Drilling – 7 holes (985.35 metres)
- Niche sampling – 22 samples
- Metallurgical Testwork – 3 samples
- Petrology – 57 samples
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  Surface Sample Assay Report_SEL8788
  Drillhole Ledger_SEL8788
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  Drillhole Geology Report_SEL8788
  Drillhole Survey Report_SEL8788

AngloGold Geological Logging Codes

1995 Aerial Geophysical Survey
  - Gridded Data
  - Image

1996 Aerial Geophysical Survey
  - Gridded Data
  - Image

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Format:
  ASCII Comma Delimited
  Adobe Acrobat

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1. **INTRODUCTION**

Substitute Exploration Licence (SEL) 8788 is located approximately 750 kilometres SSW of Darwin and 650km NW of Alice Springs. SEL8788 is operated by AngloGold Australia (formerly Acacia Resources) under a joint venture agreement with the licence holders Malcolm Kidd and Paul Messenger.

SEL 8788 expires on the 4\textsuperscript{th} of October 2001. This report summarises exploration completed within the licence during the seven years of tenure, between the 5\textsuperscript{th} October 1994 and the 4\textsuperscript{th} October 2001.

2. **TENEMENT**

SEL8788, comprising one hundred and seventy five (175) graticular blocks, was granted to Malcolm Kidd and Paul Messenger on the 5\textsuperscript{th} of October 1994 for a period of three years. The licence represented the amalgamation of previous licences EL7544 (100 blocks) and EL7873 (75 blocks).

EL7873 was originally granted to Dominion Mining on the 7\textsuperscript{th} of November 1992 for four years, and EL7544 was granted to Mr J Kidd on the 8\textsuperscript{th} of October 1991 for a period of four years. Subsequent to the grant, 50% equity in the tenement was transferred to Mr P R Messenger.

On the 5\textsuperscript{th} of May 1993, Dominion Gold Operations entered into a farm-in agreement with the titleholders whereby Dominion could earn a majority equity share.

SEL8788 is currently operated by AngloGold Australia (formerly Acacia Resources) under the Suplejack Joint Venture Agreement signed on the 25\textsuperscript{th} of May 1995 between Acacia and the licence holders, Kidd & Messenger, Dominion Mining Limited and Territory Goldfields. During 1995-1996, Acacia acquired Dominion Mining’s and Territory Goldfields share in the tenement.

Acacia applied for a two-year renewal of the entire tenement on July 4\textsuperscript{th} 1997. On January 8\textsuperscript{th} 1999, SEL8788 was renewed until the 4\textsuperscript{th} of October 1999.

On the 24\textsuperscript{th} of October 1997 Acacia entered into a joint venture agreement with Stockdale Prospecting Limited whereby Stockdale could conduct diamond exploration on SEL8788, concurrent with ongoing gold exploration by Acacia. Due to the lack of encouraging results, Stockdale withdrew from the joint venture agreement in December 1998.

A partial surrender of thirty five (35) blocks was completed on August 11\textsuperscript{th} 1999, with one hundred and forty (140) blocks retained as detailed below:

**Blocks Surrendered**

<table>
<thead>
<tr>
<th>Tanami Map No 49/2</th>
<th>Block No’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanami Map No 49/3</td>
<td>51/11, 52/11, 53/11, 54/11, 55/11, 56/11</td>
</tr>
<tr>
<td><strong>Total Blocks Surrendered:</strong></td>
<td><strong>35</strong></td>
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</table>
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<table>
<thead>
<tr>
<th>Tanami</th>
<th>Block No’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map No 49/3</td>
<td>51/12-17, 52/12-17, 53/12-17, 54/12-17, 55/12-17, 56/12-17, 57/11-17, 58/11-17, 59/11-17, 60/11-17, 61/11-17, 62/11-17, 63/11-17, 64/11-17, 65/11-17, 66/11-17, 67/11-17</td>
</tr>
</tbody>
</table>

Total Blocks Retained: 140

Acacia applied to renew the retained blocks (comprising 140 blocks; Figure 1) on August 12th 1999. This was subsequently renewed by the NTDME for a further period of two years on the 9th of March 2000. Expiry of the licence is now the 4th of October 2001.

AngloGold Australasia Limited (now renamed AngloGold Australia Limited) assumed control of the Suplejack Project following the successful takeover of Acacia Resources Limited in late 1999.

In mid July 2001 AngloGold Australia Limited withdrew from the Suplejack Joint Venture returning management of the project to Mr J Kidd and Mr P R Messenger.

3. ABORIGINAL ISSUES

The Indigenous Land Use Agreement (ILUA) covering Otter Gold Mine’s and AngloGold’s licences on the Suplejack Pastoral lease was advertised by the Native Title Tribunal on July 26th 2000. Any objections to this application were to be submitted to the Registrar in writing by October 26th, 2000.

4. LOCATION AND ACCESS

SEL8788 is located approximately 80km NNE of the Tanami Gold Mine (Figure 1). The tenement lies on the Tanami 1:250,000 (SE52-15) map sheet, and is centred on AMG grid reference 7862500N, 610000E. The licence is located entirely within the Suplejack Downs Pastoral Lease. Access to the property is via the Lajamanu-Tanami Road to Suplejack Downs, then by pastoral tracks and access established by the joint venture partners (refer Figure 2). Under a contract with AngloGold, the pastoralist has maintained the tracks through the tenement and uses them frequently to access bores and cattle.

5. PHYSIOGRAPHY AND CLIMATE

The Suplejack Downs area has a semi-arid, monsoonal climate. The average annual rainfall is less than 400mm and falls generally between December and March. Maximum daily temperatures exceeding 38°C are common between October and December. Mean minimum temperatures from March to August fall below 10°C and frosts can be experienced during this period.

The vegetation over most of the area is desert scrubland and sparse low woodland. Some good grassland occurs around the Suplejack Downs homestead, but elsewhere spinifex predominates. Suplejack Downs is characterised by breakaways, residual hills, and undulating terrain that slopes eastwards onto flat to gently undulating low level plains.

In this area several ephemeral creeks such as Wilson, Nanny Goat and Birthday Creeks drain the eastern side of the plateau. To the southeast of SEL8788, Lake Buck and a complex of salt pans occupy an area of local inland drainage on the low-level plains.
6. REGIONAL GEOLOGY

SEL8788 is located in the northeastern sector of the Tanami 1:250,000 map sheet, Northern Territory, and lies within the Granites-Tanami Block (Figure 3. The Granites-Tanami block consists of Archaean-Lower Proterozoic metasediments, metavolcanics and unmetamorphosed sedimentary and volcanic rocks, with intrusive Lower Proterozoic and Carpentarian granites. The block appears to be separated from the Halls Creek Province to the northwest by a concealed northeast trending major fault, and is thought to merge southward into the Arunta Block.

The Tanami Complex comprises Archaean-Lower Proterozoic metasedimentary and metavolcanic rocks, and has been subdivided into five constituent units based on geographic outcrop and sequence character. These are the Mount Charles Beds, the Killi Killi Beds, the Nanny Goat Creek Beds, the Nongra Beds and the Helena Creek Beds (Figure 4. Blake et al. (1970) considers these 5 units all to be broad age equivalents, although evidence suggests that some units may be slightly different in age from others.

The Mount Charles Beds, which are comprised of siltstones, shales, greywackes, banded cherts (BIF’s), basic volcanics and minor felsic to intermediate volcanics, host all known mineralisation at The Granites, Dead Bullock Soak, and the Tanami Gold Mine.

The lower Proterozoic lithologies have undergone intense structural deformation, including isoclinal folding and shearing, which has been attributed to the Barramundi Orogeny. Post- orogenic rocks including the Mount Winnecke Formation, Gardiner Sandstone, and Antrim Plateau Volcanics display predominantly low tenor deformation, such as open dome and basin folding (Figure 4).

The Nanny Goat Creek Beds consist predominantly of metasediments, in addition to volcanic rocks comprising acid porphyries, rhyolite and basalt. A gold resource of 1.27M tonnes @ 2.7 g/t Au (110,245 ounces) has been defined within the Nanny Goat Creek Beds in CDJV licence EL1254. The anomalous gold geochemical zones in SEL8788 are also associated with the Nanny Goat Creek Beds.

7. LOCAL GEOLOGY

Rock units within SEL 8788 comprise:

- Larranganni Beds (Cretaceous?)
- Antrim Plateau Volcanics (Cambrian)
- Suplejack Downs Sandstone (lower Proterozoic)
- Mount Winnecke Formation? (lower Proterozoic)
- Nanny Goat Creek Beds (lower Proterozoic)

The majority of the lease is covered by 5-10m of fluvial and aeolian surface deposits, and drilling is required to sample and map bedrock lithologies. Nanny Goat Creek Beds (defined by drilling and outcrop) occur in the southeastern half of the tenement, while outcrops of the younger cover sequences lie mainly in the northwest. The Suplejack Downs Sandstone forms a northerly-plunging anticline in the eastern central portion of the tenement, beneath which the Nanny Goat Creek Beds plunge (see Figure 4).

To date the mineralisation defined is hosted by the Nanny Goat Creek Beds. These consist predominantly of metasediments, in addition to felsic to intermediate volcanics (porphyritic in places) and basalt. Minor carbonaceous shales and chert are also encountered. Outcropping dacite mapped as Mt Winnecke Formation by the BMR {Blake et al. (1970)} is interbedded with the Nanny Goat Creek Beds, and is included in that sequence here. Basalt
in the same area mapped as Antrim Plateau Volcanics by the BMR is believed to also be part of the Nanny Goat Creek Bed sequence.

The NTGS have recently presented a reinterpretation of the stratigraphy from the previous work of Blake et al in the 1970s. The newly defined Nanny Goat Volcanics which consist solely of extrusive felsics (and basalts?), replaces the Nanny Goat Creek Beds and is interpreted to be the last phase of rifting before the deposition of the Birrindudu Group which at this stage is unchanged.

A major disagreement we have is with the Nanny Goat Volcanics, which we know to be interbedded with sediments at Suplejack. These sediments are currently interpreted by the NTGS to be Killi Killi Beds.

The main structural feature of relevance to mineralisation is a north-south trending lineation in the east of the tenement, evident on aeromagnetic and satellite images and termed the “Suplejack Shear”. Mineralisation defined to date at Tregony and Tregony North lies in an aeromagnetic low coincident with this feature. The “Edwina Shear” lies to the west and sub-parallel to the Suplejack Shear, and is also evident on aeromagnetic and satellite images. This structure is associated with an intermittently subcropping chert ridge and weakly elevated geochemistry. Other structures include NW-SE and NE-SW trending faults (possibly conjugate sets). Bedrock in mineralised areas comprises shale, greywacke and sandstone, and rarely basalt. Bedrock is generally deeply weathered, to up to 60m vertical depth, with some oxidation of sulphides continuing to around 100m depth.

8. PREVIOUS EXPLORATION

In 1972 and 1973, Trend Exploration carried out an airborne radiometric survey over an area including SEL8788. Only surficial anomalies were recognised.

From 1985 to 1987, PNC Exploration Australia Pty Ltd explored the licence principally for uranium, as part of a much larger tenement package. They flew colour aerial photography at 1:80,000 scale and carried out Landsat lineament analysis and reinterpretation of BMR aeromagnetic and gravity data from 1985 to 1986. Regional geological mapping, geochemical sampling and radiometric surveying was carried out in 1986 and 1987. Radiometric responses were generally low and the geochemical results were disappointing.

In 1988, M J Kidd explored the tenement for gold under EL6008. Stream sediment and rockchip samples were collected. Results were not encouraging.

In 1989 and 1990, Eupene Exploration Enterprises Pty Ltd conducted exploration on EL6008 on behalf of M J Kidd. Initial air photo controlled, helicopter assisted, laterite sampling was carried out. Sample spacing was 1 to 3 km over the Lower Proterozoic units with a wider spacing employed over the younger rocks. A zone some 15 kilometres long by several kilometres wide in the southeast of SEL8788 was recognised as having anomalous, high arsenic concentration. The maximum value was 170 ppm As (XRF). Re-analysis of these samples using a 1 ppb Au detection limit revealed several gold anomalies associated with the arsenic trend. The highest was 45 ppb Au (Neutron activation analysis) result which repeated at 8 ppb au (Aqua Regia digest/AAS finish).

In 1990 follow-up work on 500m to 1000m spaced sample lines consisted of laterite and soil BLEG samples collected at 250 to 500m spaced intervals. This work supported the original anomalies. The highest results were 195 ppm As (XRF) and 11.7 ppb Au (Aqua Regia digest/AAS finish). The results were considered encouraging, however, the anomalies remained poorly defined.
In 1991 EL7544, covering the southeast portion of SEL8788 was granted to MJ Kidd and PR Messenger. Work completed on EL7544 in 1992 and 1993 included surface and auger geochemical sampling, rock chip sampling and ground magnetic surveying.

In 1993 Dominion Mining Ltd commenced exploration on the tenement under a farm-in agreement with Kidd and Messenger. Tenement scale 800m x 500m (in places 800m x 250m) geochemical testing of EL7544 was completed during the year. This included lag sampling and vacuum drilling. Follow-up of anomalies by surface geochemical sampling on a 400m x 200m grid was then completed. In addition, follow-up work continued on the ‘Tregony’ anomaly identified by Messenger and Kidd in previous work. This included continuous rockchip sampling traverses, surface sampling, bedrock drilling and follow-up RAB drilling on 400m spaced lines. 183 vertical RAB holes and 85 angled RAB holes were completed (Morrison, 1993).

In 1994, work by Dominion included 1541 vertical RAB drill holes on a variety of grids (400m x 50m, 400m x 100m, 800m x 100m and 1600m x 200m). Follow-up angle RAB drilling comprising 63 holes for 3431m was also completed (Morrison, 1994).

Work by Kidd and Messenger on the northeastern portion of SEL8788, when held as EL6008, included broadly spaced laterite sampling as well as limited rock chip and stream sediment sampling. Dominion Mining Ltd held the area under EL7873 from 1992 to 1994. Dominions’ work included limited rock chip sampling, 147 lag samples, and 26 vacuum holes, mainly on a 800m x 500m grid.

Note: Sample Locations, Assay Results, Downhole Survey Information and Geological Data for samples and drillholes completed during the period of current tenure are included in a digital format (ASCII Comma Delimited) in Appendix 1. The Geological Logging Codes used in the logs are also included in Appendix 1 as an Adobe Acrobat file. Sample and Drillhole Locations are shown on Figure 9, Figure 10 and Figure 11 with annotated assay results shown on Figure 12, Figure 13 and Figure 14. Representative sections from the drilling completed over the seven years of tenure are included as Figures 22-28.

9. WORK COMPLETED 5\textsuperscript{th} OCT 1994 – 4\textsuperscript{th} OCT 1995 (ACACIA)

On the 25\textsuperscript{th} of May 1995 Acacia Resources Limited signed a Joint Venture agreement with the licence holders of SEL 8788, Kidd and Messenger, Dominion Mining Limited and Territory Goldfields to manage exploration within the licence. In the proceeding four months prior to the licences first anniversary the following exploration was completed:

9.1. 1995 Aerial Geophysical Survey
Geoterrex were contracted by Acacia to fly an aeromagnetic and radiometric survey over the Suplejack lease in August 1995. Approximately 2900 line kilometres of surveying was completed covering the majority of the tenement\textsuperscript{*}. The survey lines were flown in an east - west direction with 200m line spacing (Figure 6) and 60m sensor height. The survey was carried out utilising real time GPS navigation. Further technical specifications are presented in Appendix 2.

The magnetic intensity (TMI) image generated from the residual magnetic contour data (Figure 5), is included as Figure 7 and a total count radiometric image is included as Figure 8.

Observations from the survey include:
- definition of a 5km wide north – south trending strongly magnetic corridor in the eastern portion of the tenement
• Signatures over the western portion of the licence suggest the presence of thin mafic and or lateritic sequences. Ground inspection and drill testing confirms the presence of Antrium Plateau Volcanics.
• North-east trending structures which are coincident with breaks in the magnetic stratigraphy are evident
• Total Count and thorium responses are strongest over the western and northern portion of the licence associated with the Antrium Plateau Volcanics.
• Suplejack Downs Sandstone has a distinctively high potassium response.

*An area comprising (~9%) of the licence, was excluded from the survey at the request of the pastoralist, as mustering was in progress. The area excluded from the survey covered the Homestead & immediate surrounds including the cattle yards and main bores.

9.2. Rockchip Sampling
Seven (7) rockchip samples were collected from quartz-veined outcrops, mainly in the north of the tenement (Figure 9) during the course of geological reconnaissance work.

The samples were submitted to Amdel Laboratories (Darwin) for gold (Au) analysis using low level Fire Assay (method FA3; DL 0.001ppm). These samples were also analysed using HF multi-acid digest for Cu (DL-0.5), Pb (DL-0.5), Zn (DL-0.5), As (DL-0.5), Bi (DL-0.5), Sb (DL-0.5), W (DL-0.1), Mo (DL-0.1). All analyses were in ppm. Sample preparation included single stage mix and grind in mixermill for samples up to 3kg with barren quartz wash between samples.

The rockchips returned gold assays of less than detection (LLD = 1ppbAu; Figure 12). The base metal results were not considered anomalous.

9.3. Gridding and clearing
Approximately 4.65 line kilometres of gridding was completed during the reporting period in preparation for angled RAB drilling. The baseline established by Dominion was partially resurrected and the cross-line gridding was extended outward from it. Gridding involved using the GPS in averaging mode to establish an origin point, then completing the line using a compass and chain and line of site.

Due to areas of thick vegetation some hand line clearing was carried out prior to the initial phases of follow-up RAB drilling. This included additional clearing on the existing access track, baselines and crosslines and driving and pegging of five (5) new access lines.

9.4. Angled Rotary Airblast (RAB) Drilling
A program of angled RAB drilling commenced in late 1994 which was to test for primary gold mineralisation below co-incident gold and arsenic anomalism and at obvious breaks in the magnetic stratigraphy. Drilling was completed at the Trucks, Edwina, Tregony, Tregony North, Bertie and Daffy Prospects (Figure 2).

Rockdril Contractors were contracted to complete the RAB drilling using a truck mounted rig. Most of the holes were angled - 60° toward AMG-east and were designed to provide approximately 120% coverage of bedrock along drill fences. Samples were collected at one metre intervals and placed on the ground in rows of ten.

A total of one hundred and fourteen (114) holes were drilled for a total of seven thousand and thirteen (7013) metres. A composite sample was taken over every two metres resulting in the collection of three thousand, five hundred and forty eight (3548) samples.
The samples were assayed for gold (Au) by Amdel Laboratories (Darwin) using low level Fire Assay (method FA3) with a 50g charge (DL 0.001ppm). Sample preparation included single stage mix and grind in mixermill for samples up to 3kg with barren quartz wash between samples.

The results from the drilling were encouraging with significant anomalism detected in most prospect areas.

9.4.1. Trucks
Two RAB fences were completed at the Trucks Prospect. Drilling encountered up to 20m of clays, probably weathered Antrim Plateau Volcanics, separated from the underlying Nanny Goat Creek Beds by a thin silcrete horizon. In some places the Volcanics were underlain by a coarse grained, poorly sorted massive sandstone unit (Supplejack Sandstone). The cover thins to the east. Bedrock comprises shales and greywackes, with a granite body intersected by holes TKAR005-008. Weakly elevated values (maximum 67ppb Au) were returned from a greywacke with haematitic quartz veining and the granitic body.

9.4.2. Edwina
Drilling encountered up to 20m of transported brown puggy clays with minor sand horizons followed by a thin silcrete band, overlying Nanny Goat Creek Beds. Cover thins to a few metres to the west. Bedrock comprises mainly shale and greywacke. A graphitic shale, which coincides with the peak geochemical response (from previous Dominion posthole RAB) in the area, was encountered in drillholes EDAR008 and EDAR009. On this fence, a best assay of 87ppb Au was associated with quartz veining in a haematitic shale in drill hole EDAR008. The graphitic shale returned weakly elevated values.

9.4.3. Tregony
Two fences, comprising drill holes TGAR001-010 were completed at the Tregony Prospect on lines 7862500N and 7862700N. Previous angled RAB drilling by Dominion, who were following up a geochemical anomaly in the area, intersected up to 18m @ 0.34 g/t Au. The drilling completed in 1994 encountered a sequence of very coarse grained greywacke to the east, with interbedded greywacke, shale and possibly felsic volcanics to the west. Mineralisation occurred within the greywacke, near the contact of the two sequences. Cover in the area comprises up to around 10m of transported sand and gravel. Drill hole TGAR008 returned a best intersection for the prospect of 6m @ 712ppb Au, including 2m @ 1170ppb Au.

9.4.4. Tregony North
Bedrock lithology comprised mainly shale and possibly felsic volcanics, with cover, comprising transported sand and gravel, of up to 10m. The best results from this phase of drilling were; TNAR008 - 2m @ 415 ppb Au, TNAR004 - 4m @ 302 ppb Au, TNAR017 - 6m @ 1.56g/tAu and TNAR018 - 10m @ 0.58g/tAu. Anomalous intersections appear to be associated with zones of quartz veining, with some hematite alteration.

9.4.5. Bertie
One RAB fence was completed at Bertie to test a break in the western-most linear aeromagnetic high. Siltstone and quartzite, with minor shale were encountered. Results were disappointing, with a peak assay of 29ppbAu in hole BTAR004, hosted by siltstone with buck quartz veining.
9.4.6. Daffy
The traverse completed at Daffy intersected a sequence of felsic and intermediate porphyritic volcanics. Results were disappointing, with a best assay of 9ppbAu in drill hole DYAR001 on the western end of the fence.

9.5. Petrology
During the 1994/1995 reporting period twenty (20) samples were collected from SEL 8788 and were submitted to Pontifex and Associates for petrological examination. Nine (9), of these samples were collected from RAB drilling in the Trucks prospect, three (3) from RAB drilling in the Edwina prospect and four (4) from RAB drilling at Tregony. The remaining four (4) samples were collected from regional outcrops.

The samples submitted were divided by Pontifex into possible basement (pre-mass-flow arenitic schist, mass-flow arenite, granitoids), post-Barramundi Orogeny sediments (mass-flow arenite to quartz-rich arenite, sandstone to siltstone) plus what may be basalt from the Antrim Plateau Volcanics. Full descriptions and sample locations are given in Appendix 3.

10. WORK COMPLETED 5TH OCT 1995 – 4TH OCT 1996 (ACACIA)

10.1. Gridding and Clearing
A total of approximately one hundred and nine (109) line kilometres of gridding was completed at Suplejack during the 1995/1996 reporting period. This included the resurrection of fourteen (14) line kilometres of the 613200E baseline, which was originally gridded by Dominion using a theodolite with 400m spaced metal fence droppers.

The majority of traverses extended off the baseline, and were gridded using compass and chain by line-of-sight method. Minor clearing of vegetation to enable line-of-sight gridding was carried out using axes or a vehicle (Landcruiser). Approximately twenty eight (28) line kilometres of gridding was completed in the northwest of the tenement using a toyota mounted GPS. No clearing was carried out in these areas.

Minor clearing of tracks was carried out at Tregony North and Douglas by a blade mounted on a drill rig. Clearing in this case was carried out with the blade just above the ground.

10.2. Mapping
An interpretative basement geology plan for the south eastern portion of the licence was compiled during the 1995/1996 reporting period (Figure 17*). The plan was generated using geological data collected from the previous years drilling program, geological information from re-logging of the Dominion geochemical RAB holes, outcrop mapping and the BMR outcrop mapping.

*Note this plan has been updated several times since it was first generated in 1995/1996 as new drillhole information became available.

10.3. Rockchip Sampling
Forty (40) rock chip samples were collected, mainly from the Tregony and Boco Prospects. Sampled material generally comprised subcropping quartz veins. Samples were analysed at Amdel Laboratories for low level gold (FA3 Method) and As, Cu, Pb and Zn by IC2E Method. Detection limits were 1ppm for As, Cu, and Zn and 3ppm for Pb.
Results up to 48g/t Au were returned from the southern end of the Tregony Prospect (Figure 12). Other anomalous results include 0.11g/t Au from haematitic quartz veining in basalt north of Boco.

10.4. Soil Sampling
A program of soil sampling aimed at providing broad-spaced, first-pass coverage over the northwest portion of the tenement was carried out during August and September 1996. Outcrop in the area comprises Supplejack Downs Sandstone, Antrim Plateau Volcanics and Larrangani Beds. These all overlie the Lower Proterozoic Nanny Goat Creek Beds.

Sixty (60) soil samples were collected at 200m to 400m intervals, on two kilometre spaced traverses (Figure 9). A +10mm/-2mm mesh size was collected, with sampled material comprised mainly rock fragments, with minor pisolites and quartz float. Samples were assayed for low-level gold (FA3 method), together with As, Cu, Pb, and Zn (by IC2E method). Detection limits were 1ppm for As, Cu, and Zn and 3ppm for Pb.

The results were disappointing with a peak gold result of 6ppb Au and no anomalous base metals or arsenic.

10.5. Lag Sampling
A small lag sampling program was completed over the Tregony Prospect. A total of eighteen (18) samples were collected from sub-cropping/out-cropping basement. The sampling was completed on a 50x200m spaced grid where sample material was available.

The results largely echoed those returned from adjacent posthole RAB holes through the prospect area (Figure 12).

10.6. Drilling Completed
Statistics for drilling completed during the 1995/1996 reporting period are given in Table 1. The drilling was contracted out to Rockdril Contractors. Almet Masters, Edson 3000 and RDV700 (“Timberjack”) rigs (4 1/2" blade) were used for the RAB drilling, while an RDV1000 rig (5 1/8" hammer) was used for the RC drilling.

All drill hole samples were assayed for low level gold by Amdel Laboratories, Darwin, NT, using Fire Assay Method FA3 with a 50g charge (DL 0.001ppm Au). Any samples assaying over 200ppb Au were then re-assayed by Amdel, using FA1 Method (DL 0.01ppm Au). Resplits of angled RAB samples were also assayed by FA1 Method.

<table>
<thead>
<tr>
<th>Drill Type</th>
<th>Hole Nos.</th>
<th>No. Holes</th>
<th>No. Metres</th>
<th>No. Samples</th>
</tr>
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<td>BCRC001-003, TNRC001-003, TGRC001-004</td>
<td>10</td>
<td>1182</td>
<td>1217</td>
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Table 1 – Drilling Statistics for the 1995/1996 Reporting Period
Arsenic was analysed for by XRF1 Method (DL 2ppmAs) in cases where geochemical RAB samples were analysed for Au and As only. Some geochemical RAB samples were analysed for Au, As, Cu, Pb and Zn. In this case As, Cu, Pb and Zn were analysed by IC2E Method. Detection limits were 1ppm for As, Cu, and Zn and 3ppm for Pb.

Sample preparation included single stage mix and grind in mixermill for samples up to 3kg with barren quartz wash between samples.

10.6.1. Geochemical RAB Drilling

The aims of the posthole RAB geochemical sampling program conducted during the 1995/1996 reporting period were to:

1) infill and extend geochemical coverage in the areas of gold anomalism from *Tregony North* to *Boco*;
2) test the southern strike extension of the structure hosting gold mineralisation at *Tregony* and *Tregony North*, down through the *Donald* and *Douglas* Prospects;
3) Extend geochemical coverage in the areas of gold anomalism at the *Edwina* Prospect;
4) Test a lithological contact between basalt and felsic/intermediate volcanics to the west of the *Boco* Prospect for a “Crusade” - like (mineralised prospect to the north of SEL 8788) setting for gold mineralisation and
5) Test beneath cover in the north-west corner of the tenement.

The geochemical RAB holes were generally drilled 10-15m below transported overburdan (deeper in areas with wide mottled or leached zones) along at 50m intervals along 200/400m spaced traverses. An average of three 2-4m composite samples were collected per hole. A sample was collected just below the transported-residual boundary, and also at the bottom of the hole. In addition, any ferruginous/goethitic horizons or intervals containing vein quartz were sampled.

The results from the drilling were mixed:

1) Geochemical RAB drilling at the *Tregony North* Prospect defined a zone of anomalous gold geochemistry (>20ppbAu) extending for around 3km (*Figure 13*). The 4ppbAu contour extends from *Tregony North* to south of *Tregony*, a distance of around 10km. Several bedrock samples at *Tregony* north assayed greater than 100ppbAu, with a best result of 3m @ 1007ppbAu from 15m in TNPH192. Results from *Boco* were less encouraging, although a spot high of 675 ppb Au from 0-3m was returned from hole BCPH034.

2) Quartz veining was abundant in some holes across the interpreted extension of the Suplejack Shear but gold results were low, with a maximum value of 49ppb Au at the *Douglas* Prospect.

3) Maximum results of 58 and 59ppb Au were returned from the *Edwina* Prospect, along strike from previous anomalous posthole results. Unlike *Tregony* and *Tregony North*, anomalous zones were fairly narrow.

4) Drilling across the basalt-dacite contact in the west of *Boco* returned a peak result of 45ppbAu on the western end of line 7868100N, near the basalt-dacite contact. A low order anomaly (peak 12ppbAu) was defined within dacite 800m to the north. The majority of assays in the area were below the 1ppbAu detection limit.
5) The posthole RAB traverse in the northwest of the tenement, west of the Lajamanu Road, intersected a massive shale, thought to be a less resistant horizon within the Supplejack Downs Sandstone, along with minor Antrim Plateau basalt. The majority of holes returned gold assays of less than detection, although one hole had a peak gold result of 11ppb.

10.6.2. Angled RAB Drilling
Several phases of Angled RAB drilling were completed during this reporting period. Angled RAB holes were drilled at an inclination of –60 degree towards either the east or the west and averaged 65 metres in depth. The entire hole was sampled by two metre composites with samples submitted for low level gold only.

Initially, drilling targeted the geochemical anomaly in the Tregony North area, with holes drilled on a 400 x 30m pattern. The drilling density was reduced to 200 x 30m in a second phase.

The angled RAB drilling completed at the Tregony North prospect resulted in the definition of broad intersections of anomalous, but sub-economic gold mineralisation. Mineralisation was associated with weakly haematitic or “smokey” quartz veining. The anomalism straddles the contact between sericitic, coarse-grained sandstone to the east, and shale to the west.

Anomalous gold results generated from earlier Dominion 400m spaced angled RAB drilling at Tregony were followed up with angled RAB drilling which infilled Dominions work to 200 x 30m. After good results were received from the southern end of Tregony, the drilling density in this area was then reduced to 50 x 30m.

At Tregony, bedrock comprised mainly shale (haematitic when weathered), with interbedded greywacke and shale to the east. Quartz vein sets were observed near the contact of these two units with gold mineralisation related to the quartz. Mineralised lenses were interpreted to dip to the west, striking NNE-SSW. The best results included 17m @ 3.54 g/t Au and 14m @ 1.03 g/t Au.

The greater than 5 gram metre intercepts from this phase of drilling are included in Table 2.

10.6.3. Reverse Circulation (RC) Drilling
The first phase of RC Drilling within SEL 8788 was completed during the 1995/1996 reporting period, with a total of ten (10) holes drilled at the Boco, Tregony and Tregony North Prospects (Figure 10 and Figure 11). The holes were designed to test the best of the angled RAB results (from previous Dominion and Acacia drilling) at depth. Final hole depths ranged between 102 and 132 metres, with holes drilled at an inclination of –60 towards the east or the west. The down hole survey information collected during the drilling of these holes is included in a digital format in Appendix 1.

The results from the RC drilling were relatively disappointing with only four holes returning narrow, low grade intercepts. The best result was 9m @ 0.82 g/t Au (incl. 1m @ 4.4 g/t Au) from the Boco Prospect. The greater than 5 gram metre intercepts are included in Table 2.
### Table 2: 1995/1996 Angled RAB and RC Intercepts greater than 5 gram metres (* 2m composite samples).

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<tr>
<th>Hole No</th>
<th>N (AMG)</th>
<th>E (AMG)</th>
<th>From</th>
<th>To</th>
<th>Interval (m)</th>
<th>Grade (g/t)</th>
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<td></td>
<td>43</td>
<td>44</td>
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<td>4.40</td>
</tr>
</tbody>
</table>

Table 3: Locations of ground magnetic traverses.

### 10.7. Ground Magnetics

Five widely-spaced ground magnetic traverses (see Table 3) were completed over the tenement to better define the depth to magnetically intense horizons and their attitude. Two G-856 proton precession magnetometers were used, with one as a fixed base station and the other as a roving magnetometer. Station spacing was ten (10) metres and sensor height two (2) metres. Data was sent to Hungerford Geophysical Consultants for processing and interpretation.

<table>
<thead>
<tr>
<th>Line</th>
<th>N (AMG)</th>
<th>E (AMG) - From</th>
<th>E (AMG) - To</th>
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<td>610000</td>
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<td>617300</td>
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<td>3</td>
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<td>607700</td>
<td>614200</td>
</tr>
<tr>
<td>4</td>
<td>7870100</td>
<td>608000</td>
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</tr>
<tr>
<td>5</td>
<td>7878000</td>
<td>612500</td>
<td>616800</td>
</tr>
</tbody>
</table>

Table 3: Locations of ground magnetic traverses.
The Hungerford Geophysical Consultants’ report on the ground magnetics is presented in Appendix 4. The main conclusion was that magnetic high zones from the ground magnetics give modelled depths considerably less than those originally modelled from the 200m-spaced aeromagnetic data (flown in 1995). Several fold closures were also indicated from the modelled data.

10.8. 1996 Aerial Geophysical Survey
UTS Geophysics were contracted to complete a detailed aerial geophysical survey during September 1996 over the Tregony - Boco area. A fixed wing aircraft was used, with east-west lines spaced at 50m (as opposed to the 200m spaced lines in the earlier survey), and a sensor height of 15-20m. Further technical specifications are presented in Appendix 2.

The raw data received from UTS Geophysics was submitted to Hungerford Geophysical Consultants for processing and interpretation (Figure 15). A TMI image generated from the data is presented as Figure 16.

10.9. Petrology
Sixteen (16) rock and drill chip samples collected from various parts of the licence in late 1995 were submitted to Pontifex and Associates in South Australia for thin-sectioning and petrographic descriptions. Petrological descriptions and sample locations are included in Appendix 3.

10.10. Pima Study
Fifty nine (59) pulps from two adjacent angled RAB holes (TKAR028-029) at the Trucks Prospect were sent to Sasha Pontual of Auspec International for PIMA (Portable Infrared Mineral Analyser) analysis. This method of analysis uses spectral data to analyse clay minerals, and can provide a means distinguishing between transported and residual clays.

The report by Auspec International on the PIMA analysis of pulps is included as Appendix 5.

11. WORK COMPLETED 5TH OCT 1996 – 4TH OCT 1997 (ACACIA)

11.1. Gridding and Clearing
Twenty five (25) line kilometres of gridding was completed at Suplejack during the 1996/1997 reporting period. Most lines were orientated east-west by extending off from the north-south trending 613200E baseline. Gridding was completed using a compass and tape by line of sight method. Minor clearing of vegetation to enable line-of-sight gridding was carried out using axes or a vehicle (Landcruiser).

Several traverses, at Edwina and Montague Duck, were emplaced by using a differential GPS to define an origin point for each line, and then gridded using a compass and chain and line-of-sight.

11.2. Mapping and Rockchip Sampling
One hundred and eight (108) rock chip samples comprising quartz veins and quartz float were collected at the Tregony Prospect during this reporting period. The sampling was carried out in conjunction with geological mapping.

Reconnaissance and re-logging of old drill holes was carried out in the Edwina - Montague Duck area. A total of three (3) rock chip samples were collected at Edwina, and eight (8) were collected at Montague Duck.
Rockchip sampling was also completed at *Pink Ridge*, outcropping Nanny Goat Creek Beds west of the Lajamanu Road and from outcrops in the north of the tenement. A total of seventeen (17) samples were collected from these areas (Figure 9).

The rock chip samples were analysed at Amdel Laboratories for low level gold (FA3 Method) and As, Cu, Pb and Zn by IC2E Method. Detection limits were 1ppm for As, Cu, and Zn and 3ppm for Pb.

Sample 260206 from *Tregony* returned the best result of 1.07g/tAu, while sample 242788 assayed 0.27g/tAu and sample 242791 returned 0.35 g/tAu. Other anomalous results included 0.12g/t from a chert ridge at *Montague Duck*.

### 11.3. Deep Leach 11 and Mobile Metal Ion (MMI) Orientation Sampling

Two orientation surveys were conducted at *Tregony North* and one at *Tregony* in order to trial partial digestion assay techniques. In the first trial conducted in late 1996, forty eight (48) soil samples were collected on four lines at Tregony North. Samples of partly consolidated aeolian sand were collected from about 20cm below the surface and sieved to -2mm. Sieved material was collected in plastic bags and sent to Amdel in Adelaide for analysis by Deep Leach 11 Method, which is a partial extraction technique. Samples were assayed for low level gold (0.01ppbDL), in addition to 25 other elements.

In June 1997, Alan Mann from the Geochemistry Research Centre visited the site as part of Meriwa Project M267. One hundred and thirty nine (139) samples were collected and analysed for Au, Ag, Pd, Co and Ni by the partial extraction method MMI-B. Twenty metre spaced surface soil samples were collected on three, 50 to 100m spaced traverses, over buried mineralisation at the Tregony and Tregony North Prospects. A number of samples from drill holes in the areas were also collected. The surface samples collected at Tregony North were from the same locations as those of the Deep Leach trial, enabling a direct comparison of results.

A number of down hole samples were also collected to analyse the gold-silver ratio in order to test the extent of gold re-mobilisation in the weathering profile. A number of samples of visible gold from drill holes were also analysed with the microprobe to test whether the grains were of primary origin or whether the gold had been re-mobilised in solution.

The main conclusions of the two orientation surveys were:

1. Even in areas of thin cover, partial digestion techniques with low detection limits are suitable for gold exploration at Suplejack. However orientation studies over varying cover types and thickness are necessary.
2. Gold remobilisation is a prominent feature, as demonstrated by the high gold to silver ratio (in both down-hole MMI sampling, and qualitative SEM analyses) to depths up to 100m. Sulphide-rich zones commonly show iron-oxide staining up to 100m.
3. The Deep Leach samples gave a higher peak response ratio, together with higher background and absolute values at Tregony North.

Correspondance from Alan Mann regarding the MMI orientation survey comparing the results with the standard fire assay results is included in Appendix 6.

### 11.4. Drilling Completed

Statistics for drilling completed during the 1996/1997 reporting period are given in *Table 4*. The drilling was carried out by Rockdril Contractors. Edson 3000 and RDV700 ("Timberjack") rigs using a 4½” blade were used for the RAB drilling. RC
drilling was completed with Universal 650 or RDV1000 rigs (both using a 5\(\frac{1}{8}\)" hammer), while the RDV1000 was used for the diamond holes and RC precollars.

All posthole and angled RAB drill samples were assayed for low level gold by Amdel Laboratories (Darwin), using Fire Assay Method FA3 with a 50g charge (DL 0.001ppmAu). Samples assaying over 100ppbAu were then re-assayed by Amdel using FA1 Method (DL 0.01ppmAu). Resplits of angled RAB, RC and diamond drill samples were assayed by FA1 Method. The posthole RAB samples were also submitted for Arsenic analysis which was completed using XRF1 Method (DL 2ppmAs).

<table>
<thead>
<tr>
<th>Drill Type</th>
<th>Prospect</th>
<th>Hole Nos.</th>
<th>No. Holes</th>
<th>No. Metres</th>
<th>No. Samples</th>
<th>No. Resplits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posthole</td>
<td>West Boco Er Edwina Montague Dk</td>
<td>BCPH242-288 ERPH001-047 EDPH117-179 MDPH001-039</td>
<td>47 47 63 39</td>
<td>687 702 1352 1404</td>
<td>122 116 251 176</td>
<td>- - - -</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>196</td>
<td>4145</td>
<td>676</td>
</tr>
<tr>
<td>Angled RAB</td>
<td>Tregony West Boco Edwina Montague Dk</td>
<td>TGAR062-190 BCAR001-011 EDAR025-045 MDAR001-017</td>
<td>129 29 41</td>
<td>9131 1967 1172</td>
<td>3059 659 397</td>
<td>247 66 43</td>
</tr>
<tr>
<td>RC</td>
<td>Tregony North Trucks</td>
<td>TGDH001-002</td>
<td>16 24 7</td>
<td>149.75 80.1 180.1</td>
<td>426 50 121</td>
<td>150 276 547</td>
</tr>
</tbody>
</table>

Table 4 – Drilling Statistics for the 1996/1997 Reporting Period.

Sample preparation included single stage mix and grind in mixer mill for samples up to 3kg with barren quartz wash between samples.

Re-assaying of selected pulps as check samples was carried out by ALS Laboratories in Alice Springs.

11.4.1. Posthole RAB Drilling

During July 1997, one hundred and ninety six (196) geochemical RAB (“posthole RAB”) holes were completed within SEL 8788. The aims of the drilling were to:
1. Test basalt-dacite contact west of Boco (400 x 50m spaced drilling);
2. Test a theoretical target generated from the detailed aeromagnetics at the “ER” prospect (north of Edwina);
3. follow up geochemical and aeromagnetic targets at Edwina and to;
4. Infill geochem drilling at Montague Duck.

The vertical geochemical RAB holes were drilled to an average depth of 10-15m below cover (deeper in areas with wide mottled or leached zones). An average of three 2-4m composite samples were collected per hole. A sample was collected just below/or straddling the transported-residual boundary, and also at the bottom of the hole. In addition, any ferruginous/goethitic horizons or intervals containing vein quartz were also sampled.

Boco - Drilling at Boco intersected mainly porphyritic dacites and dark, fine-grained massive basalts, beneath 1-12m of transported sand, pisolithic gravel, and clay. There were several weakly anomalous gold results (maximum of 8ppb Au) associated with basalt-dacite contacts but the majority of the results were less than detection.

Er - The maximum gold value returned from drilling at the Er prospect was 3ppbAu in greywacke, which is not considered significant.

Edwina - Sediments comprising shale and greywacke were intersected at Edwina. Cover ranged from 1m to 30m in thickness and comprised decomposed sandstone (Suplejack Sandstone) and pisolithic gravel overlying Antrim Plateau Volcanics. The best results were 34ppbAu in EDPH145 and 19ppb Au in EDPH157.

Montague Duck - Drilling at Montague Duck intersected similar stratigraphy to Edwina though the Antrim Plateau Volcanics were thicker. The NNW-trending Edwina Shear, defined by a chert horizon, was intersected in places.

Significant gold assays were returned from several drill holes at Montague Duck. MDPH038 intersected 3m @ 235ppbAu within a goethitic zone in the Antrim Plateau Volcanics, and several other holes intersected anomalous values, up to 97ppbAu. Anomalism in the residuum was offset from anomalism in the APV and was of lower tenor.

11.4.2. Angled RAB Drilling

The 1996/1997 Angled RAB drilling program was completed in several phases. The majority of drilling was completed at the Tregony Prospect with the following aims:

1) Test southerly extensions to the mineralisation up to 250m south of Acacia's previous drilling in the main zone of mineralisation;
2) Infill 200m-spaced angled RAB lines north of the best mineralisation to 100m;
3) Test an aeromagnetic target to the west of geochemical anomalies at Tregony, in an area with no previous drilling.

A follow-up angled RAB program was completed at Tregony in June to follow up anomalous intersections received from the first phase of drilling. In addition Angled RAB programs were completed at Boco, between Tregony and Tregony North and between Edwina and Montague Duck with the aim of testing for the presence of primary gold mineralisation beneath posthole geochemical anomalies (Figure 12).

Angled RAB holes were drilled to an average depth of 65m, with the entire hole sampled with 3m composites. Samples were assayed for low level gold only (1ppb DL).

Tregony - At Tregony, the drilling highlighted two new zones of mineralisation. These were centred around 7860700N and 7861300N, along strike to the north of the previously defined main zone of mineralisation, and results included 10m @ 1.76g/tAu in TGAR093 and 23m @ 0.66g/tAu in TGAR120 (Table 8). The three
pods of mineralisation occur over a strike length of 1.5km, with each pod being around 300m long.

Drilling of the aeromagnetic target in the NW portion of the prospect and also south of the main mineralised zone at Tregony intersected only narrow, low grade zones of mineralisation.

Boco West - West of Boco, drilling encountered mainly basalts and dacites, with minor quartz veining. BCAR010 returned 3m @ 2.11g/t Au from shale with minor quartz veining.

Edwina/Montague Duck - The results from the angled RAB drilling at Edwina were disappointing with no significantly anomalous results. However results from Montague Duck included peak assays of 8m @ 0.71g/t from quartz-veined chert, and 13m @ 0.25g/t Au within chert and graphitic shale, both on the Edwina Shear.

<table>
<thead>
<tr>
<th>Hole No</th>
<th>N (AMG)</th>
<th>E (AMG)</th>
<th>From</th>
<th>To</th>
<th>Interval (m)</th>
<th>Grade (g/t)</th>
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<td>48</td>
<td>56</td>
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<td>0.71</td>
</tr>
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</table>

Table 5 – 1996/1997 Angled RAB intercepts greater than 5 gram metres (*3m composite samples).

11.4.3. RC Drilling
A total of thirty three (33) RC holes were drilled within the Suplejack licence during the 1996/1997 reporting period. The majority of the drilling was completed at the Tregony prospect (Figure 11). Initially nine (9) holes were drilled into the southern mineralised zone to test for depth extensions of previously identified mineralisation. A further eighteen (18) holes were drilled later in the reporting period, to test at depth mineralisation intersected in angled RAB drilling at the northern and central pods.

Five (5) holes were drilled at Tregony North and one (1) hole at the Trucks Prospect following up anomalism generated from angled RAB drilling.

The RC holes were sampled at one metre intervals with one 34 kg sample submitted for analysis and the remainder of the sample retained in plastic bags on site. The samples were submitted for gold only (FA1 Method, 0.01ppm Au DL). The results returned from the drilling that were greater than ten gram metres are included in Table 6.
**Tregony** - The RC drilling of the southern pod of mineralisation at *Tregony* returned a number of potentially economic intersections, including 8m @ 19.09g/t, 6m @ 9.61g/t, and 5m @ 6.25g/tAu. Drilling of the central pod returned best results of 6m @ 1.41g/t, while the northern pod returned 1m @ 65.6g/t.

**Tregony North** - The best result at *Tregony North* was 5m @ 3.46g/t in TNRC006 associated with buck quartz veining in a coarse-grained volcanioclastic sandstone.

**Trucks** - TKRC001 at *Trucks* intersected 50m of Suplejack Downs before encountering saprolitic mafics. Drilling conditions were quite wet, and the hole was abandoned at 84m due to the cyclone blocking up with clay. No significant mineralisation was encountered.

### Table 6 – 1996/1997 RC intercepts greater than 10 gram metres.

<table>
<thead>
<tr>
<th>Hole No</th>
<th>N (AMG)</th>
<th>E (AMG)</th>
<th>From</th>
<th>To</th>
<th>Interval (m)</th>
<th>Grade (g/t)</th>
</tr>
</thead>
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<td>71</td>
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<td>6.25</td>
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</tbody>
</table>

11.4.4. Diamond Drilling

Three (3) HQ diamond drill holes were completed during May-June 1997. These holes were designed primarily to test orientations of bedding and mineralised structures. Total depth for TGDH001 was 193.3m with a 60m RC pre-collar, and TGDH002 was 232.2m deep with a 90m RC precollar. TNDH001 was abandoned after the rod string became bogged. Total depth for TNDH002 was 120.7m, including a 50m RC precollar.

Core was orientated every 6m, although orientation and extrapolation of the mark often failed in broken shale. The core was photographed and logged, with SG measurements taken on selected intervals. The entire hole was assayed in each case, with half core sent to the Laboratory, and half retained. Core was assayed for gold only (Method FA1, DL 0.01ppmAu).

The significant results returned from the diamond drilling are included in Table 7.
<table>
<thead>
<tr>
<th>Hole No</th>
<th>N (AMG)</th>
<th>E (AMG)</th>
<th>From</th>
<th>To</th>
<th>Interval (m)</th>
<th>Grade (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

Table 7 – Significant Intercepts from Diamond Drilling completed in 1996/1997.

The diamond drilling at Tregony showed that lithological contacts were sub-vertical to steeply west-dipping, locally steeply east-dipping and strike approximately north-south. Rock types in the southern pod comprise an isoclinally folded sequence of shale and greywacke. Mineralisation lies in a zone of shale, with a deep core of greywacke. Sequences of interbedded shale and greywacke lie to the east and west of the main mineralised zone.

Orientations of quartz veins and fault structures were more variable. Mineralisation is hosted by 40-80° west-dipping tension veins (comprising quartz + pyrite and chlorite). The bounding structures (probably associated with the Suplejack Shear) appear sub-vertical (sub-parallel to foliation and bedding), with a west block up, reverse movement. The axis of the tension vein array dips shallowly to the south in the area of the diamond holes, representing the probable plunge of ore shoots.

The lithological contacts at Tregony North dip steeply to the west. Gold mineralisation appears to dip to the west, but at a shallower angle (around 60°) than at Tregony. Minor quartz veining within sandstone and greywacke was observed.

11.5. **Niche Sampling**

Twenty two (22) samples of various potential gold “sites” (such as different vein types and orientations) were collected from the drill core, in an attempt to define gold “niche/s”. Small (often around 50g) samples were selectively cut out from the core. These samples were described in detail and submitted to Amdel (Darwin) for gold analysis (Method FA1, DL 0.01ppm Au). Full sample descriptions and results are included in Appendix 7.

Results of the “niche sampling” are given in Appendix 7. These suggest that most gold is hosted within westerly-dipping quartz veins.

11.6. **Petrology**

Twenty one (21) drill chip samples and one (1) rock chip sample were collected from Tregony and Tregony North and were submitted to Applied Petrological Services, N.Z. in March 1997 for thin-sectioning and petrographic descriptions. Sample locations are given in Appendix 1. Full petrological descriptions are included in Appendix 3.

11.7. **Aerial Photography**

Kevron Aerial Surveys were contracted through Whelans to conduct and aerial photography over the Suplejack licence in May 1997. Six (6) runs (42 photographs) at 1:25000 scale were completed over the SE portion of the tenement, and three (3) runs (21 photographs) at 1:8000 scale were flown over the Tregony to Edwina area.

12.1. **Gridding and Clearing**
During the reporting period approximately seventeen (17) kilometres of gridding was completed within SEL8788. The gridding was completed in an east-west orientation with lines extended from the north-south trending 613200E baseline. The gridding was conducted using a compass and tape by the line of sight method. A 500m long north-south orientated baseline was established at the Thomas prospect along 614100E using the tape and compass method. This gridding was later checked using a differential GPS. Minor clearing of vegetation was carried out along the newly gridded traverses using axes to enable line of sight gridding.

12.2. **Rockchip Sampling**
Six (6) rockchips mostly comprising quartz veins were collected from the Douglas Prospect during the 1997/1998 reporting period. An additional three (3) samples were collected several kilometres north of the Boco Prospect from outcropping Suplejack Sandstone.

All rock chip samples were analysed at Amdel Laboratories for low level gold (FA3 Method) and As, Cu, Pb and Zn by IC2E Method.

None of the samples returned anomalous gold results with all results < 5ppb Au. One sample returned weakly anomalous base metal values (22ppm As, 45ppm Cu, 41ppm Ni, 28ppb Pb and 110ppm Zn).

12.3. **Soil Sampling**
Forty two (42) conventional soil samples were collected from Tregony North on the same traverses (7865600N, 7865700N and 7865800N) as the MMI and Deep Leach studies in 1997 (see section 10.3 of this report). Samples were analysed for gold using Fire Assay (Method FA3L, DL 0.1ppb) in addition to As, Cu, Pb and Zn by ICP-MS in order to compare results with the partial extraction techniques.

Conventional soil sampling over the Tregony North traverses returned similar results to the Deep Leach 11 technique but were higher overall and gave a much broader anomaly than the deep leach or MMI technique.

12.4. **Drilling Completed**
Statistics for drilling completed during the 1997/1998 reporting period are given in Table 8. Further details are given in the following sections. Drillhole collar coordinates for all holes are included in Appendix 1.

The drilling was carried out by Rockdril Contractors. RDV700 (“Timberjack”) and RDV1000 rigs using a 4 1/2” blade were used for the RAB drilling. RC and Diamond drilling was completed with an RDV1000 rig (RC with a 5 1/8” hammer).

All angled RAB drill samples were assayed for low level gold by Amdel Laboratories, Darwin, NT, using Fire Assay Method FA3 with a 50g charge (DL 0.001ppmAu). Any samples assaying over 100ppbAu were then re-assayed by Amdel using FA1 Method (DL 0.01ppmAu). RC, diamond and one metre angled RAB resplit samples were assayed by FA1 Method.

12.4.1. **Angled RAB Drilling**
Angled RAB holes were drilled to an average of 70m depth, with the whole hole sampled as 3m composites. Samples were assayed for low level gold only (FA3 Method, 1ppb Au DL). If the three metre composite samples assayed in excess of 0.5ppmAu, where possible the anomalous interval was re-sampled at one metre intervals and re-assayed for gold only (FA1 Method, 0.01ppmAu DL).
**Table 8 - Drilling Statistics for the 1997/1998 Reporting Period.**

Approximately half of all the angled RAB drilling completed within SEL8788 during the 1997/1998 reporting period was drilled at Tregony North. The aim of the drilling was to test the entire strike of the north-south trending posthole geochemical anomaly at Tregony North.

Results at Tregony North were disappointing with the best results (Table 10) including 3m @ 3.36g/tAu, 4m @ 1.78g/tAu and 6m @ 1.05 g/t Au.

At Tregony (Central Zone to Northern Zone) thirteen (13) angled RAB holes were completed to infill the entire Tregony anomaly to 50m drill spacing. Results from the two infill lines included 4m @ 1.91g/tAu and 4m @ 0.6g/tAu. These intercepts extend a lens/pod already defined at Tregony-Central Zone 50m further to the north.

Two phases of angled RAB drilling were completed at the Thomas prospect (Figure 11) during the reporting period. The initial program was designed to infill the area between Tregony and Tregony North with 200m spaced drill fences to test for extensions of mineralisation. Following encouraging results a second program of 100m spaced infill drilling was completed in September. The best results included 10m @ 5.51g/tAu, 9m @ 5.45g/tAu, 12m @ 1.22g/t and 9m @ 1.09g/t (Table 9).

A total of nine holes were drilled along two traverses at Boco West testing for extensions of sub-economical mineralisation (3m @ 2.11 g/t) discovered in 1997 at this prospect. No significant Au assay results were received from this work.

An additional thirteen holes were completed at Boco to follow-up 9m @ 0.8 g/t and 3m @ 1.1 g/t. The only result of significance returned from the angled RAB drilling at Boco was 3m @ 4.19g/tAu (Table 9).

One angled RAB traverse was completed at Donald testing the peak of a narrow discrete geochemical anomaly along strike from Tregony and Tregony North. Two
traverses were completed at Douglas over a low chert ridge similar to that seen at the Tregony prospects. There were no results of significance to report from drilling at the Douglas or Donald prospects.

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Hole</th>
<th>Northing</th>
<th>Easting</th>
<th>From (m)</th>
<th>To (m)</th>
<th>Interval</th>
<th>Intercept</th>
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<td>69</td>
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<td>4.19</td>
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Table 9 - 1997/1998 Angled RAB intercepts greater than 5 gram metres (*3m composite samples).

12.4.2. RC Drilling
A total of 5930m of RC drilling was completed during the 1997/1998 reporting period. The majority of RC holes were surveyed downhole at 30 to 40m intervals. Survey data is included in Appendix 1. RC holes were sampled every metre, with the bulk of the samples kept on site in plastic bags. A 3-4kg sample was split every metre into a calico bag for analysis. Samples were analysed for gold only (FA1 Method, 0.01ppmAu DL). The greater than 10 gram results are included in Table 10.

**Tregony**
The majority of the RC drilling completed within SEL8788 during this reporting period was at Tregony. The work was split up into 3 phases of drilling. The first program consisting of 10 holes (TGRC0032 - 0041) was completed in October - November 1997.

The aims of the drilling were to:
1. Test depth extensions in the Tregony – Central Zone
2. Test down-dip continuity of mineralisation at Tregony – Main Zone
3. Test for down-dip extensions at Tregony - Northern Zone
4. Two deep holes at Tregony Main Zone to test conceptual targets developed from serial section analysis.
The RC drilling (TGRC0032 - 0038) at Tregony-Central defined several significant zones of near surface mineralisation. Drilling below these intercepts suggests that there is little or no down dip potential in this area.

The drilling at Tregony-Main Zone to assess the down-dip continuity of mineralisation returned results which included 10m @ 2.78g/tAu and 1m @ 4.78g/tAu.

The program of RC completed at Tregony-Northern Zone in late May was fairly inconclusive. Whilst some results of economic significance were reported (ie. 5m @ 2.26g/tAu and 2m @ 5.25g/tAu) these were scattered and inconsistent. No new mineralisation was defined.

The holes drilled at Tregony-Main Zone intersected the conceptual targets they were aimed at with results of 13m @ 2.5g/tAu and 8m @ 4.99g/tAu returned.

<table>
<thead>
<tr>
<th>Hole</th>
<th>Northing</th>
<th>Easting</th>
<th>Fm (m)</th>
<th>To (m)</th>
<th>Intercept</th>
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<td>66</td>
<td>75</td>
<td>9m @ 1.24 g/t</td>
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<td>TGRC0035</td>
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<td>17 @ 3.09 g/t</td>
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<td>TGRC0040</td>
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<td>49</td>
<td>10m @ 2.78 g/t</td>
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<tr>
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<td>6</td>
<td>4m @ 7.1 g/t</td>
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<td>TGRC0069</td>
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<td>68</td>
<td>13m @ 2.5 g/t</td>
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<td>8m @ 4.99 g/t</td>
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<td>TMRC0003</td>
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<td>614133</td>
<td>66</td>
<td>68</td>
<td>3m @ 3.48 g/t</td>
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</table>

Table 10 - 1997/1998 RC Intercepts greater than 10 gram metres

**Thomas**

A nine (9) hole RC program was completed at the Thomas Prospect below the intercepts returned from the angled RAB drilling completed earlier in the reporting period.

The mineralisation is contained within a near vertical to easterly dipping succession of medium to very coarse grained, graded clastic sediments (predominantly greywacke and conglomerate). The coarse grained package is flanked to the east and west by intercalated shale, siltstone and greywacke successions.

The drilling indicates that the mineralisation has a north-south trending rod like geometry. Significant results from this work include 3m @ 3.48g/tAu, 9m @ 0.99g/tAu and 2m @ 3.08g/tAu.
Trucks
A vertical, 72m deep RC hole (TKRC0002) was drilled at the Trucks prospect for the purpose of exploring for water for use on Suplejack Station. This hole was sampled as an angled RAB hole (three metre composite samples).

Flow rates were measured with a V-notch at around 1950l/hour, which was insufficient for a bore-hole. There were no anomalous assays recorded in the hole.

12.4.3. Diamond Drilling
Three HQ diamond drill holes (TGDH0003 - 0005) were completed during April - May. These holes were designed to test orientations of bedding and mineralised structures in fresh bedrock and in the upper weathered profile at Tregony Central Zone (TGDH0003 - 0004) and Tregony-Northern Zone (TGDH0005). TGDH0003 was cored from the surface for a total depth of 108.3m. Total depth for TGDH0004 was 178.9 with a 120m RC pre-collar. TGDH0005 was cored to 95.2m with an 18m RC pre-collar.

Core was orientated every 6m, although orientation and extrapolation of the mark often failed in broken shale and weathered rock. The holes were surveyed downhole at 40m intervals. The core was photographed and logged, with SG measurements taken every metre (where possible). The entire hole was assayed in each case, with the core cut in half, and one segment sent to the Laboratory, the other retained on site. Core was assayed for gold only (Method FA1, DL 0.01ppmAu).

The drilling showed that lithological contacts are subvertical to steeply west-dipping, and locally steeply east-dipping. Lithological contacts strike approximately north-south. Orientations of quartz veins and fault structures are more variable. Mineralisation is hosted by 40-80° west-dipping tension veins (comprising quartz + pyrite and chlorite) as well as in sub-vertical highly sheared quartz, chlorite + pyrite + chalcopyrite + arsenopyrite veins.

The best results from the drilling are included in Table 11.

<table>
<thead>
<tr>
<th>Hole</th>
<th>Northing</th>
<th>Easting</th>
<th>Fm (m)</th>
<th>To (m)</th>
<th>Intercept</th>
</tr>
</thead>
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<td>2m @ 0.72 g/t</td>
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<td>81.6</td>
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<td>106.6</td>
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<td></td>
<td>63</td>
<td>64</td>
<td>1m @ 1.51 g/t</td>
</tr>
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</table>

Table 11 – 1997/1998 Diamond Drilling Significant Intercepts

12.5. Petrology
Nineteen (19) drill chip and diamond core samples from Tregony (13), ER (4) and Tregony North (2) were submitted to Applied Petrological Services, N.Z. during the 1997/1998 period for thin-section and polished section petrographic analysis.
Sample locations and full petrological descriptions are given in Appendix 3. The main summary points of the report are:

- **Au mineralisation is primarily associated with quartz + chlorite + sericite/musc + pyrite + apatite + tourmaline + galena veining with earliest gold deposition synchronous with quartz, chlorite and pyrite.**
- **The majority of the gold occurs within large quartz, chlorite and pyrite veins (as inclusions within qtz, pyrite and arsenopyrite) or in fine pyrite (now haematite) and quartz stringers with only minor amounts occurring in the chloritic/py vein selvedges**
- **Strong deformation fabrics are present in the mineralised veins (syn- &/or post-ore deposition). Gold is hosted by plastically deformed quartz which is genetically associated with a regional style metamorphism.**
- **Fluid inclusions (CO₂ bearing) and secondary mineralogy suggests mineralising fluids with a high volatile content. A metamorphic and/or igneous hydrothermal component within the final hydrothermal fluid mix is envisaged.**
- **Native gold intergrown with hydrated Fe-oxides deposited along stylolitic fractures indicates some Au re-mobilisation**

### 12.6. Metallurgical Testwork

Three (3) ten kilogram composite samples of ore-grade material from RC holes TGRC0008, TGRC0026 and TGRC0029 were submitted to METCON Laboratories in NSW for preliminary metallurgical testwork. The samples comprised saprolite with completely oxidised sulphides, weathered bedrock with completely oxidised sulphides and weathered bedrock (transition zone) with partially oxidised sulphides. Sample locations and the full technical report are included as Appendix 8.

A summary of the conclusions from the METCON work were:

1. The ore contains some high grade intersections of between 30 to 60g/t,
2. There is a significant free gold component in the ore,
3. Gold flakes around 1 to 2mm in width were abundant in one of the intercepts,
4. Probably because of the free gold component the ore appeared to be relatively slow leaching which was in some cases incomplete after 48 hours,
5. Despite the slow leaching rates gold extractions of over 90% were obtained from each of the composites with scope for improvement,
6. Reagent consumption’s of both lime and cyanide were moderate.

### 12.7. Structural Study

Laing Exploration Pty Ltd was contracted late in 1997 to conduct a course for Tanami based Acacia exploration geologists on “Ore Systems Analysis in the Tanami” and to make observations on the structure and nature of the Tregony ore system. Principal consultant, Dr Bill Laing spent 1.5 days on site examining drillcore and studying relevant sections from the Tregony Prospect. The exerts relevant to SEL 8788, from the report submitted to Acacia from Laing Exploration (“The Tanami Gold Ore System: Preliminary Geological Evaluation and Exploration Audit”) are included as Appendix 9. A few points in summary from this report were:

- The Tregony orebody occurs in an inferred dilational jog (part of a TVA - tension vein array) contained within the SSZ (Suplejack Shear Zone)
- The SSZ is a major low strain shear zone along a greywacke/shale contact. Overall displacement vector on the SSZ indicates dip-slip reverse faulting (West side up)
- The Au bearing TVA is bounded to the west by an S1 shear plane (see Appendix 9) and to the east by an S2 shear plane.
ENE trending faults may be associated with mineralisation (ie. ore channels). They also appear to “compartmentalise” mineralisation along the strike of the TVA axis.

12.8. Stockdale Prospecting Limited
Stockdale Prospecting Limited commenced diamond exploration activities within SEL8788 in late October following the signing of a joint venture agreement with Acacia Resources Limited on the 24th October. They completed the following exploration:

12.8.1. Reconnaissance Heavy Mineral Sampling
A total of two hundred and ninety two (292) heavy mineral reconnaissance samples, consisting of twenty seven (27) stream samples and two hundred and sixty five (265) loam samples, were collected over SEL8788. Sampling involved the collection of helicopter stream, helicopter loam and vehicle loam samples. Sample locations, preparation and examination are included in the Stockdale Prospecting Report included in Appendix 10.

The results of the reconnaissance heavy mineral sampling program conducted by Stockdale Prospecting Ltd. were discouraging and gave “little encouragement for the existence of an economic diamond resource”. However, particulate gold was observed in a heavy mineral separate from a loam sample to the west of the Thomas Prospect.

12.8.2. RC Target Testing
Stockdale Prospecting Ltd completed a two (2) hole program (GTI209, SUP006) within SEL8788 in testing several spot high aeromagnetic anomalies that had been modelled by geophysicists as possible kimberlite pipes.

Access to the drill sites was via existing tracks. No extra clearing or gridding was required. The samples obtained from the drilling were submitted to Stockdales sorting laboratories in Darwin and Melbourne. Hole locations are included in Appendix 10 and in a digital format in Appendix 1.

Neither hole intersected diamond bearing ultramafics. In both cases the aeromagnetic anomalies were explained by relatively fresh basalt in the near surface.

13. WORK COMPLETED 5TH OCT 1998 – 4TH OCT 1999 (ACACIA)

13.1. Gridding and Clearing
During the 1998/1999 reporting period approximately fifty five (55) line kilometres of gridding was completed within SEL8788. Approximately half of the east-west traverses were gridding using the “line of site” compass and tape method. The remainder were completed using a vehicle mounted GPS unit. Minor hand clearing was carried out along the new traverses.

13.2. Remote Sensing and Regolith Studies
Regolith and landform mapping was commenced within the Suplejack licence as part of an ongoing research programme (duration ~ 18 months), which is being funded by CRCLeme, AGSO, Acacia Resources (now AngloGold Australia Limited), Otter Gold and North Flinders Mining. As part of this work, Landsat TM data has been reprocessed for the entire Tanami region.

13.3. Geological Mapping and Compilation
A week was spent mapping in the Pink Ridge/Trucks area to identify areas which could be successfully lag sampled. It was found that although there is a considerable
amount of outcrop and subcrop in the area, most of it was Antrim Plateau Volcanics or
Suplejack Sandstone rather than basement (Figure 18). However several areas were
identified that are suitable for lag sampling.

An interpretative geological map of the Thomas Prospect was compiled using all of
the available drilling information up to early 1999 (Figure 19).

Geology - The package of sediments observed at the Thomas Prospect consist of
intercalated shale, siltstone, lithic sandstone (greywacke) and quartz pebble
conglomerate (used as a marker horizon; Figure 19). The mode of deposition and the
lithologies observed are typical of a turbidite sequence.

Structure - The Thomas Prospect lies within or on the margin of the Suplejack Shear
Zone (SSZ). The dominant structural trend at the Thomas Prospect is in a north-south
orientation parallel to the lithological contacts. It is assumed that S0=S1 (dominant
cleavage) as is the case at the Tregony Prospect 800m to the south. The prospect
area is faulted by as few as five faults, as is indicated by breaks in the geology and the
distribution of mineralisation, these inferred faults, which trend in a north-easterly
direction appear sympathetic with the movement sense suggested on the SSZ. The
faults are interpreted as extensional dip-slip (NW block up). There is minimal
movement (only 5-10m) on some faults and up to 50m on others.

13.4. Soil Sampling
A soil orientation program was conducted over the Thomas prospect in May 1999 to
determine whether mineralisation buried under transported cover could be detected.
Samples were taken at 25m to 50m spacings along two traverses over some of the
better drilling intercepts. The top 10 -15cm was removed and a sample was taken.
The samples were sieved to –80# (200u) and three (3) samples of each fraction were
collected. A total of two hundred & four (204) spot soil samples (sample numbers
1510001 – 1510210, not inclusive) were collected. Of these samples thirty four (34), -
80# samples were submitted to ACTLABS (Perth) for enzyme leach analysis and sixty
eight (68), –80# and +80# samples were submitted to Amdel Darwin for conventional
low level fire assay analysis. Samples were also collected for MMI work, but due to an
insufficient number of samples surviving transport, were not submitted for analysis.
Thirty four (34) +80# samples were kept on site as a “residue” sample in case
additional assaying was required.

To assess the variation and repeatability of the enzyme leach response over time, a
second soil orientation program was conducted over the Thomas Prospect in August
1999 along one of the traverses discussed above. The sampling procedure and
sample spacing was repeated, with a total of fifteen (15), –80# samples (sample
numbers 1510385-1510399) submitted to ACTLABS (Perth) for analysis.

The conventional fire assay soil samples failed to identify any mineralisation with no
anomalous samples.

The results of the first enzyme leach orientation program were disappointing with no
obvious “elemental patterns” observed. The interpretative geologist at ACTLABS
postulated that the unusual response may have been due to downwards “flushing” of
the profile after wet season rains, removing and/or redistributing the cations and
anions in the profile. “Resetting” of the enzyme leach geochemical cell above the
mineralised zones may have been hampered by the high degree of fine silt and clay in
the transported channel fill.

The second enzyme leach orientation program conducted later in the year was
considerably more encouraging with the interpretative geologist being able to pinpoint
the position of the buried mineralisation to within 25-50m of that intersected in drilling. The offset is probably due to the enzyme leach responding to mineralisation at the transition zone or top of the fresh rock rather than the oxide material intersected in drilling.

The results of the two programs suggest that whilst the technique can successfully delineate mineralisation buried below significant transported cover (in particular clay dominated sedimentary fill), the response is transient in nature.

13.5. Lag Sampling
A small lag sampling program was carried out over areas of sub cropping – outcropping Nanny Goat Creek Beds identified by the mapping in the Trucks and Pink Ridge area. A total of one hundred and sixty six (166), +5mm lag samples (1510213 – 1510359) were collected on a 200m x 50m pattern and assayed for Au (ppb) and As (ppb).

Lag samples were analysed at Amdel Laboratories for low level gold (FA3 Method) and As by IC2E Method.

Results from the lag sampling at Pink Ridge/Trucks were generally disappointing. The best result from this program was 6ppb Au.

13.6. Drilling Completed
Statistics for drilling completed during the reporting period are given in Table 12. Further details are given in the following sections.

Drilling was contracted to Bostech Drilling and Rockdril Contractors.

The angled and posthole RAB drill samples were assayed for low level gold by Amdel Laboratories, Darwin, NT, using Fire Assay Method FA3 with a 50g charge (DL 0.001ppmAu). Any samples assaying over 100ppbAu were then re-assayed by Amdel using FA1 Method (DL 0.01ppmAu). RC and one metre angled RAB resplit samples were assayed by FA1 Method.

<table>
<thead>
<tr>
<th>Drill Type</th>
<th>Prospect</th>
<th>Hole Nos</th>
<th>No. Holes</th>
<th>No. Metres</th>
<th>No. Samples</th>
<th>No. Resplits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angled</td>
<td>Boco Montague</td>
<td>BCAR0034 - 0036 MDAR0018- 0044</td>
<td>3</td>
<td>249</td>
<td>176</td>
<td>93</td>
</tr>
<tr>
<td>RAB</td>
<td>Duck/Trucks</td>
<td></td>
<td>27</td>
<td>1796</td>
<td>601</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Tregony</td>
<td>TAGAR0313 - 0323</td>
<td>11</td>
<td>639</td>
<td>309</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>Tregony Nth</td>
<td>TNR0369 – 0372</td>
<td>4</td>
<td>279</td>
<td>111</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Thomas</td>
<td>TAGR0292 - 0312</td>
<td>21</td>
<td>1821</td>
<td>579</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Tregony Nth</td>
<td>SubTotal = 66</td>
<td></td>
<td>4,784m</td>
<td>1766</td>
<td>207</td>
</tr>
<tr>
<td></td>
<td>Thomas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Posthole</td>
<td>Montague Duck</td>
<td>MDPH0040-0135 SRPH0032-0235</td>
<td>96</td>
<td>2547</td>
<td>409</td>
<td>0</td>
</tr>
<tr>
<td>Regional</td>
<td></td>
<td></td>
<td>204</td>
<td>4733</td>
<td>633</td>
<td>0</td>
</tr>
<tr>
<td>SubTotal</td>
<td></td>
<td></td>
<td>300</td>
<td>7,280m</td>
<td>1042</td>
<td>0</td>
</tr>
<tr>
<td>RC</td>
<td>Thomas</td>
<td>TMRC0010–0017</td>
<td>8</td>
<td>912</td>
<td>912</td>
<td>0</td>
</tr>
<tr>
<td>SubTotal</td>
<td></td>
<td></td>
<td>8</td>
<td>912</td>
<td>912</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 12 - Drilling Statistics for the 1998/1999 Reporting Period.
13.6.1. Posthole RAB Drilling
Posthole RAB drilling focused on three main areas; Montague Duck, Trucks, Pink Ridge and the northern portion of the tenement around the Boco and Daffy prospects. One line was also completed to the north of the Douglas Prospect. Samples were assayed for low level gold only (FA3 Method, 1ppb Au DL).

The Montague Duck/Trucks drilling returned numerous anomalous results with two holes intersecting >50ppb (max. 92ppb) and a further eleven holes with results over 20ppb. At Trucks two distinct +20ppb anomalies were defined, one of which has a strike length of 2km. The drilling at Montague Duck filled in a gap between existing lines and outlined a coherent +20ppb anomaly of over 1.5km of strike with a north-north west to north west strike within a broad northerly striking zone of weaker. The majority of these results appear to be at the base of the Antrim Plateau Volcanics.

The results from the program completed around Boco and to the north of Boco were mostly below detection with only one weakly anomalous result (6ppb Au). The single line from Douglas returned one sample greater than 4 ppb Au (8ppb Au). The samples collected from the two lines near camp were all below detection except for a spot high of 25ppb.

13.6.2. Angled RAB Drilling
Angled RAB drilling focused on four main areas; Thomas, Tregony Main Zone, Boco, Montague Duck & Trucks. Angled RAB holes were drilled to an average depth of 70m, and sampled in 3m composites. Samples were assayed for low level gold only (FA3 Method, 1ppb Au DL). If the three metre composite samples assayed in excess of 0.5ppmAu, where possible the anomalous interval was re-sampled at one metre intervals and re-assayed for gold only (FA1 Method, 0.01ppmAu DL).

Thomas -To test continuity of high grade zones delineated in earlier drilling the program was designed to infill the majority of the prospect area to 50m line spacing. Where possible angled RAB drilling was used. Where the interpreted depth of mineralisation was greater than 90m, RC drilling was used. Around the better intercepts the drill spacing was reduced to 25m.

The angled RAB drilling confirmed the interpretation of a series of narrow rod-like shoots with best results of 6m @ 3.10 g/t Au and 6m @ 1.19 g/t Au (Table 13).

<table>
<thead>
<tr>
<th>Hole</th>
<th>Northing</th>
<th>Easting</th>
<th>Fm (m)</th>
<th>To (m)</th>
<th>Intercept</th>
</tr>
</thead>
<tbody>
<tr>
<td>TGAR0293</td>
<td>7862650</td>
<td>614185</td>
<td>42</td>
<td>48</td>
<td>6m @ 0.94 g/t *</td>
</tr>
<tr>
<td>TGAR0294</td>
<td>7862650</td>
<td>614164</td>
<td>18</td>
<td>24</td>
<td>6m @ 3.10 g/t *</td>
</tr>
<tr>
<td>TGAR0297</td>
<td>7862825</td>
<td>614205</td>
<td>12</td>
<td>15</td>
<td>3m @ 1.86 g/t *</td>
</tr>
<tr>
<td>TGAR0299</td>
<td>7862825</td>
<td>614155</td>
<td>12</td>
<td>15</td>
<td>3m @ 1.86 g/t *</td>
</tr>
<tr>
<td></td>
<td>63</td>
<td>69</td>
<td></td>
<td></td>
<td>6m @ 0.86 g/t *</td>
</tr>
<tr>
<td>TGAR0309</td>
<td>7862250</td>
<td>614075</td>
<td>30</td>
<td>33</td>
<td>3m @ 1.57 g/t *</td>
</tr>
<tr>
<td>TGAR0313</td>
<td>7859900</td>
<td>613950</td>
<td>6</td>
<td>9</td>
<td>3m @ 143.4g/t *</td>
</tr>
<tr>
<td>TGAR0314</td>
<td>7859900</td>
<td>613950</td>
<td>7</td>
<td>10</td>
<td>3m @ 11.3g/t</td>
</tr>
<tr>
<td>TGAR0315</td>
<td>7859900</td>
<td>613920</td>
<td>44</td>
<td>50</td>
<td>6m @ 1.29g/t</td>
</tr>
<tr>
<td>TGAR0323</td>
<td>7860650</td>
<td>613800</td>
<td>1</td>
<td>8</td>
<td>7m @ 6.67g/t</td>
</tr>
</tbody>
</table>

Table 13 – 1998/1999 Angled RAB Intercepts greater than 5 gram metres

Tregony Main Zone & Boco - Seven holes were drilled to the south of Tregony main zone, and five shallow angled RAB holes were drilled at Tregony Central Zone.
to test whether mineralisation exists as a series of rod like shoots. In addition, three holes were drilled at Boco.

Weak mineralisation was intersected at Boco, including 3m @ 1.90g/t and 3m @ 1.21g/t Au. The intervals failed to repeat when re-split.

The angled RAB drilling at Tregony confirmed the interpretation of a series of narrow rod-like shoots. All of the angled RAB holes at Tregony contained anomalous (> 100ppb) intervals, although only 4 holes intersected > 0.5g/t Au. The holes drilled to the south of the Tregony Main Zone, confirmed the southward continuation of this zone, with best intercepts of 3m @ 143g/t Au (TGAR0313), 3m @ 11.3g/t Au (TGAR0314) and 6m @ 1.29g/t (TGAR0315).

At Tregony Central, the 5 holes chasing interpreted narrow shoots intersected 2 to 4m of transported cover, with greywacke and siltstone units seen below in all holes. Quartz veining was intersected in all holes and although generally minor, several significant zones of veining were intersected, including in TGAR0323 from 0 to 3m, and 7 to 10m. TGAR0323 returned 6m @ 28.7g/t Au from 3m composites, which subsequently resplit to 7m @ 6.67g/t Au. There were no other significant results from this work.

**Montague Duck / Trucks** - The angled RAB programme at Montague Duck and Trucks was aimed at following up the anomalous results intercepted in the posthole drilling completed in May and June 1999.

The angled RAB results were only weakly anomalous with a best result of 290ppb in MDAR0038. These results do not explain the source of the gold anomalism at the base of the Antrim Plateau Volcanics.

**13.6.3. RC Drilling**

A total of 984m of RC drilling was completed during the reporting period at the Thomas prospect.

The RC holes were surveyed downhole at 30 to 40m intervals. RC holes were sampled every metre, with the bulk of the samples kept on site in plastic bags. A 3-4kg sample was split every metre into a calico bag for analysis. Samples were analysed for gold only (FA1 Method, 0.01ppmAu DL).

Whilst there were many significant results obtained from this phase of drilling, and also from the RAB work (refer Table 13 and Table 14), the width and tenor of the previous high grade intercepts was not replicated.

<table>
<thead>
<tr>
<th>Hole</th>
<th>Northing</th>
<th>Easting</th>
<th>Fm (m)</th>
<th>To (m)</th>
<th>Intercept</th>
</tr>
</thead>
<tbody>
<tr>
<td>TMRC0014</td>
<td>7862750</td>
<td>614115</td>
<td>96</td>
<td>102</td>
<td>6m @ 1.12 g/t</td>
</tr>
<tr>
<td>TMRC0015</td>
<td>7862775</td>
<td>614170</td>
<td>71</td>
<td>77</td>
<td>6m @ 1.58 g/t</td>
</tr>
<tr>
<td>TMRC0015</td>
<td>85</td>
<td>94</td>
<td>94</td>
<td>95</td>
<td>9m @ 1.55 g/t</td>
</tr>
<tr>
<td>TMRC0016</td>
<td>7862775</td>
<td>614150</td>
<td>92</td>
<td>95</td>
<td>3m @ 2.55 g/t</td>
</tr>
<tr>
<td>TMRC0017</td>
<td>7862775</td>
<td>614130</td>
<td>93</td>
<td>102</td>
<td>9m @ 0.92 g/t</td>
</tr>
</tbody>
</table>

Table 14 – 1998/1999 RC Intercepts greater than 5 gram metres.
14. WORK COMPLETED 5TH OCT 1999 – 4TH OCT 2000 (ANGLOGOLD)

14.1. Geological Modelling
During the 1999/2000 reporting period the mineralisation at the Tregony prospect was modelled in-house by AngloGold using Vulcan software.

The Tregony gold deposit consists of two main mineralised zones, Main (<7860400N) and Central (>7860400N). The two areas were modelled in Vulcan as separate zones, for which two separate models were constructed. A single modelling domain was used for each model.

3D wireframes were developed representing the geological lens interpretations. The geological interpretation of each of these deposits was modelled in three dimensions to define ore lodes and weathering zones (Figure 20). The definition of lode boundaries was based on geological characteristics (i.e. alteration intensity, rock type, structural style) and gold grade.

Lodes in the Main zone were interpreted as shallow-dipping (approximately 35° to the west), while the Central zone lodes were sub-vertical to dipping to the west. These are illustrated in the modelled shapes for the two zones (Figure 20).

The mineralised zones are characterised by narrow quartz veins in an interbedded greywacke/shale sedimentary package. The gold distribution is nuggety and low-grade, and down-dip continuity is poor.

14.2. Resource Estimation
Mining & Resource Technology (MRT) completed a resource estimate on the modelled Tregony deposit. Data from the Vulcan model was supplied to MRT with the following scope of work:

- Statistical analysis of gold distribution to address grade modelling issues.
- Variography to model the spatial continuity trends within the model domains to provide input parameters for Multiple Indicator Kriging (MIK) estimation.
- Production of a recoverable global resource model based on the results of all drilling information available (April 2000)
- Classification of the global resource into Measured, Indicated and Inferred Resource categories in compliance with the JORC code.

The modelling was completed on both the Main and Central Zones of the Tregony mineralisation.

The global resource models used a parent block size of 10 m east-west (X), 10 m north-south (Y) and 5 m vertically (Z). The smallest sub-block size was 2.5 m (X) by 5 m (Y) by 2.5 m (Z) for enhanced resolution at the boundaries between the various domains.

The Mineral Resource estimated for the Tregony deposit was based on drill holes available as of April 2000, using Multiple Indicator Kriging for interpolation based on grades from 3 m composites. The recoverable resource is based on an SMU volume-variance correction.

A global indicated and inferred resource for both areas at 1g/t cut off was calculated for 331,265 tonnes at 1.9g/t for approximately 20,000 ounces (Table 15).
Main Deposit

<table>
<thead>
<tr>
<th></th>
<th>0.5 g/t Au cut-off</th>
<th>1.0 g/t Au cut-off</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes</td>
<td>Au g/t</td>
</tr>
<tr>
<td>Indicated</td>
<td>408,355</td>
<td>1.26</td>
</tr>
<tr>
<td>Inferred</td>
<td>144,671</td>
<td>0.85</td>
</tr>
<tr>
<td>Total</td>
<td>553,026</td>
<td>1.15</td>
</tr>
</tbody>
</table>

Central Deposit

<table>
<thead>
<tr>
<th></th>
<th>0.5 g/t Au cut-off</th>
<th>1.0 g/t Au cut-off</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes</td>
<td>Au g/t</td>
</tr>
<tr>
<td>Indicated</td>
<td>223,906</td>
<td>1.06</td>
</tr>
<tr>
<td>Inferred</td>
<td>337,466</td>
<td>0.88</td>
</tr>
<tr>
<td>Total</td>
<td>561,373</td>
<td>0.95</td>
</tr>
</tbody>
</table>

Table 15 – Resource estimations for Tregony mineralisation.

14.3. Geological and Geochemical Review

During the reporting period an in-house review of all the previous exploration data and datasets was completed by AngloGold (Stephens 2000). This review was given the following scope of work.

- Review all work conducted by prior explorers
- Review the nature and effectiveness of all work conducted.
- Assess the extent to which the tenement has been effectively explored
- Assess the potential remaining for economic mineralisation.
- Provide a prioritised ranking of prospects
- Evaluate the geological factors used for resource calculations completed by MRT.
- Provide an indication of work programs required to complete an effective evaluation of the Suplejack Project

The main conclusion that emerged from the review was that exploration within the tenement has been effective in most areas. Several poorly tested targets noted were to the north of the Boco prospect, west of Edwinia, west of Pink Ridge, Trucks and Montague Duck. Exploration in most of these areas is hampered by thick Antrim Plateau and/or Suplejack Sandstone cover.

14.4. Soil Sampling

Work completed by AngloGold in other licences indicated that new analytical methods including ultra-low level techniques (ALS-Chemex’s ZARG and Amdel Laboratories’ ARM1) can effectively detect mineralisation beneath transported cover in excess of 20m depth from the collection of surface soil media.

In the Suplejack licence Amdel’s ARM1 ultra-low level technique was trialed with the dual purpose of assessing it’s application over the transporting cover encountered in the area and to assess the techniques effectiveness in areas of extrusive Antrim Plateau Volcanics (APV) cover.

Four orientation grids were sampled: South Tregony/Donald Prospect Area, Montague Duck Prospect Area, Boco Prospect Area and the North Tregony/Boco Prospect Area.

The soil sampling was completed on 400m by 25m centres. A total of one thousand, five hundred and twelve (1512) soil samples were collected from the four soil grids in
the Suplejack licence area. The samples were collected using a conventional garden spade from a depth of 10cm to 25cm below surface. These samples were then sieved to ~200µm (-80#) and a 200g sample collected and submitted in a paper pulp packet.

At the Tregony South/Donald and Montague Duck prospects the contoured ARM1 results were coincident with contours of "best gold in residual profile" derived from the extensive posthole and angled RAB drilling completed in these areas. Of significance, these contours are coincident with PHRAB/ARAB Au contours derived from beneath 15-20m of Antrim Plateau Volcanics, indicating the method was capable of penetrating cover. In the other areas little or no correlation with residual posthole RAB was evident.

The ARM1 Au results appear to be registering gold mineralisation beneath 1-3m of Antrim Plateau Volcanics. At the Montague Duck prospect the contoured soil assays broadly reflected "best Au in residual" from 50m spaced PHRAB and ARAB drilling in the area. Importantly in areas surrounding MDAR0005 a NW-SSE anomalous trend was evident along with a number of broad low–level anomalies to the east. These anomalies are on Antrim Plateau Volcanic cover in excess of 20-25m. The largest of these anomalies can be traced over a length of approximately 1600m.

At Boco a broad highly anomalous line of soils was returned from the northern most soil line (787100mN) with a peak of 3.2ppb. This anomaly was delineated in an area previously drilled by Dominion in which the PHRAB failed to penetrate the Antrim Plateau Volcanics.

The soil sampling at the North Tregony/Boco prospect over a NW-SE trending set of interpreted aeromagnetic lineaments showed a variation from the other grids. With the exception of those assay results in the SE corner of the grid, there was little or no correlation with the residual posthole RAB results. The Arm1 work defined a zone of coherent Au anomalism in a NW-SE trend over a strike length of 2.75km.

15. WORK COMPLETED 5TH OCT 2000 – 31ST AUG 2001 (ANGLOGOLD)

15.1. Soil Sampling
Following the orientation survey completed in the previous reporting period, two soil grids were completed to test possible NW-SE structures for “Groundrush” style mineralisation to the west of the Thomas/Tregony mineralisation.

A total of seven hundred and thirteen (713) soil samples were collected from the two grids at a 400m X 50m spacing. The samples were sieved with the ~80# fraction collected and submitted to Amdel Laboratories for analysis using ARM1, ultra-low level gold technique. The samples were also analysed for As, Ag, Cu, Pb, Zn, Co, Ni, Bi, Sb, Cd, Mo, Se and Te. The final solution analyses were completed using ICP-MS.

Results received for the two soil grids defined a narrow >6ppb anomaly trending NW-SE in the northern portion of the eastern soil grid (Figure 12). The anomaly corresponds with a subtle NW-SE break in the aeromagnetics in this area.

15.2. Drilling Completed
Angled RAB drilling was completed within the Suplejack lease during the 2000/2001 reporting period. The drilling focused on three main areas; Boco, North Tregony/Boco and Montague Duck. Statistics for drilling completed are given in Table 16.

Bostech Drilling were contracted to complete the drilling using a RDV750 rig with a 41/2” blade. The entire hole was assayed using three metre composite samples
which weighed between 2.5 and 5 kilograms. Samples were submitted to ALS-Chemex Laboratories, Alice Springs, NT for low level gold analysis using Fire Assay Method PM209 with a 50g charge (DL 0.01ppm Au).

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Hole Nos</th>
<th>No. Holes</th>
<th>No. Metres</th>
<th>No. Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boco</td>
<td>BCAR0037-0041</td>
<td>5</td>
<td>290</td>
<td>98</td>
</tr>
<tr>
<td>Tregony Nth / Boco</td>
<td>BCAR0042-0054</td>
<td>13</td>
<td>585</td>
<td>200</td>
</tr>
<tr>
<td>Montague Duck</td>
<td>MDAR0045-0060</td>
<td>16</td>
<td>1071</td>
<td>362</td>
</tr>
<tr>
<td><strong>Total =</strong></td>
<td></td>
<td><strong>34</strong></td>
<td><strong>1946</strong></td>
<td><strong>660</strong></td>
</tr>
</tbody>
</table>

Table 16 – Drilling Statistics for the 2000/2001 reporting period.

**Boco** - The drilling completed within the northern portion of the Suplejack lease targeted gold anomalism generated from the ARM1 soil sampling completed in late 2000 (see section 14.1).

**Tregony North** - The drilling completed in the *Tregony North* area was aimed at testing several fault splays in the vicinity of the dacite/sediment contact.

**Montague Duck / Trucks** - The ARM1 soil sampling completed earlier in 2000 defined a tight well constrained gold anomaly within the *Montague Duck* area to the north west of the previous angled RAB traverses. Several traverses were drilled through this area to test the validity of this anomaly.

The assay results from the drilling were disappointing with all returning less than or equal to 1ppb.

### 15.3. Multi-Element Analysis

During 2001 a program of multi-element re-assaying of RC and diamond pulps was completed at Suplejack. Pulps were selected from drill section 7860050 through the Tregony Main Resource and were submitted to ALS (Alice Springs) for analysis. The exercise was part of a larger study by AngloGold Australia aimed at establishing vectors towards gold mineralisation in the Tanami based on multi-element associations. The results of these analyses are included in *Appendix 1*.

Interpretation of the analyses using both Pearson and Spearman Correlation Algorithms and correlation matrices indicated that gold has a significant correlation with bismuth, tellurium, antimony, & silver. Copper has an association with bismuth indirectly associating copper with gold. This agreed with petrological observations of Au mineralisation being associated with chalcopyrite, arsenopyrite, galena and tourmaline.

### 16. WORK COMPLETED 16TH JUNE 2000 – 4TH OCT 2001 (MESSENGER & KIDD)

Upon the withdrawal of Anglogold from the Suplejack Downs Farmin Agreement on 15 June, 2001 Messenger & Kidd resumed management of the Suplejack project. This section details work carried out during this period including a due diligence assessment by Normandy Exploration Pty Ltd for the purpose of assessing a potential farm-in arrangement.


Following the withdrawal of Anglogold from the Suplejack Downs Farmin Agreement Normandy Exploration Pty Ltd were approached with a view to entering a farmin agreement over SEL 8788. This agreement would have allowed an amalgamation of
SEL 8788 with an adjoining Normandy-controlled tenement application for the purpose of conducting further exploration on the licence area. A confidentiality Agreement was signed and Normandy Staff spent two days in a specially prepared Melbourne data room reviewing confidential data pertaining to the Suplejack Project. A comprehensive set of digital data files was subsequently sent to Normandy staff in Adelaide and two weeks were spent in the Suplejack area in August. Field work conducted by Normandy comprised helicopter-supported regional lag sampling, re-sampling of selected intervals from the RC drilling, examining drill core, inspecting surface geology and talking to Paul Messenger. The work completed is described below.

Lag samples were collected on a nominal 1 kilometre by 500-metre grid subject to sample medium availability. Sample medium collected was +5mm. Sampling statistics are listed in Table 17 and results are included in Appendix 1.

<table>
<thead>
<tr>
<th>Sample Numbers</th>
<th>Samples Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>5033719 – 5033800</td>
<td>82</td>
</tr>
<tr>
<td>5034001 – 5034201</td>
<td>201</td>
</tr>
<tr>
<td>Total</td>
<td>283</td>
</tr>
</tbody>
</table>

Table 17. Lag Samples – Normandy Due Diligence.

Normandy collected RC drill chip samples from the Tregony prospect for check re-assay. The samples collected represent totally oxidised and partially oxidised sections of the Tregony mineralisation. It was not possible to obtain samples of non-oxidised mineralised rocks. Re-assay samples are listed in Table 18 and results are given in Table 19.

<table>
<thead>
<tr>
<th>Hole</th>
<th>From</th>
<th>To</th>
<th>Normandy Sample Nos.</th>
<th>Existing interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>TGRC0024</td>
<td>57</td>
<td>69</td>
<td>5203724 – 5203735</td>
<td>6m @ 9.46g/t</td>
</tr>
<tr>
<td>TGRC0037</td>
<td>10</td>
<td>30</td>
<td>5203752 – 5203771</td>
<td>17m @ 2.95g/t</td>
</tr>
<tr>
<td>TGRC0029</td>
<td>65</td>
<td>75</td>
<td>5203772 – 5203781</td>
<td>5m @ 6.73g/t</td>
</tr>
<tr>
<td>TGRC0035</td>
<td>17</td>
<td>42</td>
<td>5203782 – 5203806</td>
<td>19-27, 8m @ 3.64 + 36-40, 4m @ 2.13</td>
</tr>
<tr>
<td>TGRC0040</td>
<td>36</td>
<td>57</td>
<td>5203807 – 5203820</td>
<td>39-49, 10m @ 2.78</td>
</tr>
<tr>
<td>TGRC0043</td>
<td>47</td>
<td>57</td>
<td>5203821 – 5203830</td>
<td>49-54, 5m @ 2.19</td>
</tr>
<tr>
<td>TGRC0032</td>
<td>65</td>
<td>75</td>
<td>5203831 – 5203840</td>
<td>67-74, 7m @ 1.41</td>
</tr>
</tbody>
</table>

Total Samples 101

Table 18. Re-Sampled Tregony Reverse Circulation drill intercepts – Normandy Due Diligence.
Table 19. RC Drill Intercept Re-assay Results – Normandy Due Diligence.

From the diamond core, 9 samples were collected and sent to Pontifex for petrological description. Details of petrology samples are given in Table 20.

Table 20. Petrological Samples – Normandy Due Diligence.

Normandy Exploration Pty Ltd declined the offer from Messenger & Kidd to farm into and amalgamate SEL 8788 on 27 August, 2001. The low level of assay results returned from the lag sampling and a perception that the Tregony zone had insufficient up-side potential to fit the Normandy targets were given as reasons for this decision.

16.2. Ore Resource Re-estimation

Messenger re-interpreted and expanded the Tregony Main and Tregony Central ore envelopes to include mineralisation greater than 0.3 g/t. This cut-off grade was selected to help overcome the extreme “nugget problem” highlighted by metallurgical test work conducted in 1998. On the basis of these modified ore outlines a section-based polygonal ore resource estimate was calculated. This resource estimate is depth constrained to 100 m at Tregony Main and 60 m at Tregony Central. The revised ore resource estimate is summarised in Table 21.

<table>
<thead>
<tr>
<th>Northing</th>
<th>Area</th>
<th>Volume</th>
<th>Tonnes</th>
<th>Weighting</th>
<th>Grade</th>
<th>Weighted Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>7860500</td>
<td>200</td>
<td>10000</td>
<td>25000</td>
<td>0.0434</td>
<td>0.79</td>
<td>0.03</td>
</tr>
<tr>
<td>7860550</td>
<td>343</td>
<td>17150</td>
<td>42875</td>
<td>0.0744</td>
<td>2.28</td>
<td>0.17</td>
</tr>
<tr>
<td>7860600</td>
<td>900</td>
<td>45000</td>
<td>11250</td>
<td>0.1951</td>
<td>0.73</td>
<td>0.14</td>
</tr>
<tr>
<td>7860650</td>
<td>500</td>
<td>25000</td>
<td>62500</td>
<td>0.1084</td>
<td>2.22</td>
<td>0.24</td>
</tr>
<tr>
<td>7860700</td>
<td>600</td>
<td>30000</td>
<td>75000</td>
<td>0.1301</td>
<td>1.4</td>
<td>0.18</td>
</tr>
<tr>
<td>7860750</td>
<td>840</td>
<td>42000</td>
<td>105000</td>
<td>0.1821</td>
<td>0.83</td>
<td>0.15</td>
</tr>
</tbody>
</table>
Table 21 – Polygonal Ore Resource Estimate based on re-interpreted Ore envelopes using a 0.3 g/t cut off grade – Tregony.

16.3. Evaluation of Elluvial/Palaeo-channel Gold Potential
Recognition of enriched near surface drill intercepts at Tregony Central, including 1 m @ 55 g/t from 2 m and 1 m @ 31 g/t from 4 m, prompted an assessment of the elluvial gold potential at this zone. In August, 2001 several shallow auger holes were drilled in the immediate vicinity of TGAR 0323. These holes returned visible gold in gravel at the base of alluvium. In addition a metal detector survey identified an area of 60 m x 20 m containing near surface deposits of nugget and specimen gold.

The distribution of gravel and alluvium in the area was mapped and 18 x five (5) kg grab samples of quartz lag were collected for Bulk Leach Extractable Gold (BLEG) analysis. Three (3) kg sample splits were leached at ALS Chemex Brisbane laboratory. Three (3) kg samples were utilised because of the coarse nuggety nature of the known gold mineralisation.

Results of the BLEG sampling are included with Appendix 1. All 18 samples returned gold values greater than 5 ppb, 17 samples exceeded 10 ppb, 10 exceeded 50 ppb, and 6 samples exceeded 200 ppb. The highest BLEG assay was 1.18 g/t.

The results of this work were used to define a zone of anomalous gravel covering 150 x 40 m.

16.4. Bulk Sample evaluation of elluvial deposits – Tregony
Within the zone of anomalous gravel defined by BLEG sampling, a shallow excavation was sunk to a maximum depth of 0.6m adjacent to a BLEG sample that returned 760 ppb Au. From this excavation nine (9) x 80 kg samples of gravel were collected and processed through a hammer mill and re-circulating sluice circuit. It was anticipated
that these large samples would effectively overcome the “nugget problem”. The results of this work are summarised in Table 22. From these results it can be seen that the average grade of the total samples treated (710 kg) was 27 g/t Au with an effective recovery of ~95%. Hence it was shown that the 3 kg BLEG samples had grossly underestimated the contained gold within 0.6 m of the surface.

<table>
<thead>
<tr>
<th>Sample No.</th>
<th>Nom. Wt.* (kg)</th>
<th>Recovered Au (g)</th>
<th>Calculated Recovered Grade (g/t)</th>
<th>Calculated Head Grade (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2</td>
<td>150</td>
<td>2.3</td>
<td>15.3</td>
<td>16.1</td>
</tr>
<tr>
<td>3</td>
<td>80</td>
<td>1.9</td>
<td>23.8</td>
<td>25.0</td>
</tr>
<tr>
<td>4,5</td>
<td>160</td>
<td>3.8</td>
<td>23.8</td>
<td>25.0</td>
</tr>
<tr>
<td>6</td>
<td>80</td>
<td>6.6</td>
<td>82.5</td>
<td>86.8</td>
</tr>
<tr>
<td>7</td>
<td>80</td>
<td>1.8</td>
<td>22.5</td>
<td>23.7</td>
</tr>
<tr>
<td>8,9</td>
<td>160</td>
<td>2.2</td>
<td>13.8</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>710</strong></td>
<td><strong>18.6</strong></td>
<td><strong>26.2</strong></td>
<td><strong>27.6</strong></td>
</tr>
</tbody>
</table>

Nom. Wt.* calculated on the basis of the number of barrow loads treated prior to washing divided into the total weight of material treated as determined below.

Total weight of material treated calculated by measuring the volume of tailings produced multiplied by the SG of tailings as determined below.

Volume of Tails produced = 450 litres (0.45 m³)

SG calculated by measuring volume and weight of a representative sample of tails

Volume of Tails SG Sample = 2040 ml

Weight of Tails SG Sample = 3228.6 g

SG = 3228.6/2040 = 1.58 g/ml

Average grade of tails = 1.4 g/t N=8, range = 0.76 - 2.06

Sample Location = 7860606mN 613786 mE AGD 84 AMG Zone 52

Table 22. Results of Bulk Sampling – Tregony Central

Four representative samples of the bulk sample tails were collected and submitted to ALS Chemex, Brisbane laboratory for fire assay. These results are summarised in Table 23.

<table>
<thead>
<tr>
<th>Tail Sample</th>
<th>Au ppm AU-AA26 (DL=0.01)</th>
<th>AU-AA26 CHECK (DL=0.01)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tail 1</td>
<td>2.06</td>
<td>1.60</td>
</tr>
<tr>
<td>Tail 2</td>
<td>1.20</td>
<td>1.19</td>
</tr>
<tr>
<td>Tail 3</td>
<td>1.73</td>
<td>1.91</td>
</tr>
<tr>
<td>Tail 4</td>
<td>0.75</td>
<td>0.86</td>
</tr>
</tbody>
</table>

Table 23. Fire Assay Results of Tails from Composite Bulk Sample.

16.5. Follow-up of a point lag anomaly south of Crusade

During the Normandy due diligence lag survey a point anomaly was defined by a sample assay of 236.5 ppb Au with a repeat value of 52 ppb Au. Supporting this point anomaly were several other lag samples that returned values ranging from 1.1 to 2.7 ppb Au over an area of 2 x 2 km. Away from this anomalous zone lag samples typically returned values <0.5 ppb Au.

This anomaly was followed-up by Messenger & Kidd in September, 2001. An additional 6 lag samples were collected from within a 25 m radius of the original sample. All samples returned values >2 ppb Au with a peak response of 32.4 ppb Au.
and 4 samples assayed >5 ppb Au. Results are included with Appendix 1. This anomaly is considered significant given its similar magnitude to the original sampling at Tregony, its proximity to the Crusade gold deposit, which lies <5 km to the NNE, and the fact that little effective exploration has been conducted in this area.

17. QUALITY CONTROLS

17.1. Control Standards
As part of AngloGold’s routine quality control procedure, pulp standards covering a range of gold grades (appropriate grade for the tenor of expected results and the detection limit of the analytical technique) were inserted into every batch of samples dispatched to the laboratories. Generally three (3) standards were inserted for every one hundred (100) samples. The standards used were purchased from Gannet Holdings and Ore Research. The analytical results were monitored monthly.

In addition blanks (sand containing 0ppm gold) were submitted in some groups of samples to monitor whether the laboratory mills were being fully cleaned between samples.

As these samples were not material collected from the Suplejack licence the results from the Standard and blanks are not included in Appendix 1.

17.2. Check Assay Work
Check assay work is regularly undertaken as part of AngloGold’s exploration activities. Check samples submitted during the period of tenure fell into five categories defined as:

- **INTER LAB REPEATS**: Pulps, from ~ 5% of mineralised intervals were sent to a check laboratory, to test for lab variability (ie biases).
- **FIELD DUPLICATES**: Submission of a field duplicate for analysis at the original lab, with the original sample batch, to test for repeatability within the batch.
- **FIELD RESPLITS**: Collection of a duplicate field split (i.e, a duplicate from the RC field sample) for analysis at the original laboratory to test AngloGold’s field sampling practices, and gold distribution.
- **LAB RESIDUES**: Resplit of residues at the original laboratory and analysis of the -75 micron material to test lab homogenisation & splitting process.
- **SCREEN FIRE ASSAYS**: Submittal to original laboratory of residues for analysis of – 75 micron and +75 micron fractions, to test for coarse gold.

The results from all of the check samples collected during the period of tenure are included in Appendix 1.

18. ENVIRONMENTAL ISSUES

All regional and grid based exploration was conducted in a fashion that restricted environmental disturbance to a minimum. The use of a Global Positioning System (GPS) enabled accurate navigation during regional soil and posthole RAB
geochemical drilling, minimising the amount of vehicle traverse tracks and vegetation disturbance.

During grid based exploration disturbance was limited to base and cross lines in which the absolute minimum of vegetation was cleared, so as only to allow vehicle access and line of sight along the grid line. All of the cross line gridding completed within the licence was marked using wooden grid pegs which are rapidly destroyed by the environment (specifically termites, fire and weathering). The main baseline was marked using steel droppers. These will be removed from the site following the surrender date.

All drillholes were capped immediately on the completion of drilling. Prior to 1999 all RC and Diamond holes were capped with concrete plugs and backfilled whilst RAB holes were pugged with plastic “octoplugs” and backfilled. Since 1999 all holes have been capped using a concrete plug and then backfilled.

The tenement has been checked on an annual basis to assess how efficiently the rehabilitation has been completed. Any collapsed or eroded holes were immediately re-plugged and back-filled.

During 2001 an “Environmental Exit Audit” was completed on SEL 8788. All major prospects and drill traverses were visited and photographed. Drill collars were inspected for collar collapse and erosion. The majority of drilled areas had re-vegetated naturally to a level where collars, drill pads, sample spoils piles and access routes were unrecognisable or very difficult to discern from the undisturbed bush. Remaining access roads have been left in place at the request of the pastoralist.

Exceptional to this observation was the Tregony Main and Tregony Central areas where a small number of drill collars had collapsed and access routes were far more visible. The collapsed drill collars dominantly occurred in areas of sub-cropping rock and had been plugged using plastic “octaplugs”. The collapsed collars were rehabilitated using concrete plugs during the audit process.

An environmental register is included as Appendix 11.

19. EXPENDITURE STATEMENT

The total expenditure spent by AngloGold Australia Limited within the Suplejack licence during the period of tenure exceeded covenant by approximately $ 2 000 000.

<table>
<thead>
<tr>
<th>Period</th>
<th>Covenant</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>5th Oct 1997 – 4th Oct 1998</td>
<td>$ 540 000</td>
<td>$ 1 233 120</td>
</tr>
<tr>
<td>5th Oct 1998 – 4th Oct 1999</td>
<td>$ 592 000</td>
<td>$ 661 809</td>
</tr>
<tr>
<td>5th Oct 1999 – 4th Oct 2000</td>
<td>$ 300 000</td>
<td>$ 117 294</td>
</tr>
<tr>
<td>5th Oct 2000 – 4th Oct 2001</td>
<td>$ 320 000</td>
<td>$ 238 050*</td>
</tr>
<tr>
<td></td>
<td>$ 3 080 485</td>
<td>$ 5 118 866</td>
</tr>
</tbody>
</table>

* See Table 24a

Table 24 – Expenditure over the period of tenure.

<table>
<thead>
<tr>
<th>Period</th>
<th>Operator</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Range</td>
<td>Company</td>
<td>Expenditure</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>16th Jun 2001 – 4th Oct 2001</td>
<td>Normandy</td>
<td>$ 50,538</td>
</tr>
</tbody>
</table>

Table 24a – Expenditure over the period 5th October, 2000 to 4th October, 2001

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