EL 9733 YINBERRIE
MT TODD DISTRICT, NT

ANNUAL REPORT FOR EXPLORATION YEAR SIX OF TENURE 25 OCTOBER 2001 - 24 OCTOBER 2002

YIMUYN MANJERR (INVESTMENTS) PTY LTD (CONTROLLER APPOINTED).

YILGARN GOLD LTD (CONTROLLER APPOINTED) (SUBJECT TO DEED OF COMPANY ARRANGEMENT).

VALLANCE HOLDINGS PTY LTD (CONTROLLER APPOINTED).

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INTRODUCTION

Exploration Licence 9733 (Yinberrie) was granted to Pegasus Gold Australia Pty Ltd (subject to Deed of Company Arrangement), ("PGA") on 25 October, 1996 for a period of ten (10) years. The licence (16 graticular blocks) was granted under the Mt. Todd Project Further Agreement, effective 18 October, 1996, and covers surrendered titles that were held by PGA i.e. Exploration Licences 6037, 7227, 7519, 7745 and 7989 and Exploration Retention Licence 119.

EL 9733 falls partly within the Yinberrie Hills which is an area of cultural significance to the Jawoyn Aboriginal Community. The area is also a major breeding site for the Gouldian Finch with a Heritage application lodged over the region. Due to the potential disturbance of a small part of the Gouldian Finch breeding habitat and the accidental clearing of a small portion of land by contractors at the Mt. Todd Gold Mine in the 1995-96 year, PGA did not undertake field exploration within EL 9733 during 1996-97.

Following the severe decrease in the gold price and faults in the project design criteria, the Mt. Todd (now Yimuyn Manjerr) mine was put on care and maintenance status on 15 November, 1997 and PGA was placed under a Deed of Company Arrangement.

The Administrators of PGA undertook an extended sale process during 1998, with sale to the Yimuyn Manjerr Joint Venture (Multiplex Resources Pty Ltd then renamed Yimuyn Manjerr Investments Pty Ltd 93%, General Gold Resources NL 2%, PGA 5%) finalised on 18 March, 1999. General Gold Operations Pty Ltd (GGO) holds the Exploration Licence in trust for the Yimuyn Manjerr Joint Venture and has management control.

Operational and financial difficulties forced the shutdown of the Yimuyn Manjerr project on 7 July, 2000 with GGO placed under administration. Management of this licence is being undertaken by Yimuyn Manjerr Investments Pty Ltd, under the control of PGA (subject to Deed of Company Arrangement).

Exploration Licence 9733 was transferred on 1 October, 2001 to Yimuyn Manjerr (Investments) Pty Ltd (Controller Appointed) (Subject to Deed of Company Arrangement) - 95.73%, General Gold Resources NL (now called Yilgarn Gold Ltd) (Controller Appointed) (Subject to Deed of Company Arrangement) - 2.01% and Vallance Holdings Pty Ltd (Controller Appointed) - 2.26%.

This Report summarises exploration activities undertaken on EL 9733 during the twelve (12) months ended 24 October, 2002.
2. **LOCATION AND ACCESS**

EL 9733 is situated approximately 45km north of Katherine and between 1-6km to the west of the Yimuyn Manjerr Gold Mine (Figure 1). Access is gained via Yimuyn Manjerr Mine access roads and exploration tracks west or by the old disused gravel Edith Falls Road which runs eastward from the Stuart Highway. The historic Yinberrie Wolfram Field lies within the licence.

The region is of moderate and often rugged relief, and the country is well incised by numerous small creeks and drainages. The area is moderately timbered, including significant quantities of Salmon Gums that are the preferred nesting tree of the Gouldian Finch.

3. **GEOLOGICAL SETTING**

The Yinberrie Hills and EL 9733 are located within the southeastern portion of the Early Proterozoic Pine Creek Geosynclline. Metasediments, granitoids, basic intrusives, acid and intermediate volcanic rocks occur within this geological province (Figure 2).

Within the Mt. Todd area the oldest outcropping rocks are assigned to the Burrell Creek Formation. These rocks consist primarily of interbedded greywackes, siltstones and shales of turbidite affinity, which are interdispersed with minor volcanics. The formation contains slump structures, flute casts, graded beds and occasional crossbeds.

Rocks of the Burrell Creek Formation have been folded about northerly trending F1 fold axes. The folds are open to closed style and have moderate to steep westerly dipping axial planes, with some rocks being overturned. A later north-south compression event resulted in east-west trending open style upright D2 folds.

4. **PREVIOUS WORK CARRIED OUT - YEARS 1 TO 5**

Full details of all previous exploration work carried out is contained in the Annual Reports for EL 9733 for Years 1, 2, 3, 4 and 5 of Tenure.
EL9733 'YINBERRIE' TENEMENT LOCATION

DATE: FEBRUARY 2001
Figure 2 Regional Geological Setting
3.

5. **WORK CARRIED OUT - YEAR 6**

Operational and financial difficulties forced the shutdown of the Yimuyn Manjerr project on 7 July, 2000. Due to this shutdown there was no work carried out on the licence during Year 6.

A number of attempts were made during the year to find a buyer for EL 9733 and other licences surrounding the Yimuyn Manjerr Mine. In mid-2002, agreement was reached for the sale of the exploration licences and settlement is expected in the immediate future. Apart from the ongoing negotiations for the possible sale of this licence, there has been no other work carried out on the licence during Year 6.

6. **REHABILITATION**

No exploration activities were undertaken during the year that required rehabilitation.

7. **CONCLUSIONS AND RECOMMENDATIONS**

Surface geochemical sampling by Billiton and PGA within EL 9733 has defined three (3) Au prospects i.e. Anomaly One, Alfred and Twin Peaks.

Ongoing exploration to test the economic potential of these anomalies is recommended due to their close proximity to the Batman/Quigleys resources. The potential for defining new prospects with similar mineralisation styles requires further investigation.

However, Anomaly 1, Alfred and Twin Peaks are situated within the Yinberrie Hills which is of cultural significance to Aboriginal groups and is the largest known natural breeding habitat site of the Gouldian Finch. The Aboriginal community has been supportive of exploration proposals for the area and the threat to the Gouldian Finch by exploration activities is considered minimal but has yet to be verified by the monitoring program.

Proposals for future exploration activities will necessitate close consultation with several government agencies.
8. PROPOSED EXPLORATION AND BUDGET

Exploration proposed on EL 9733 during Year 7 is as follows:-

- Soil and Rock Chip Sampling $20,000
- Contract Geological Services $10,000
- RC Drilling $25,000
- Earthworks/Rehabilitation $ 5,000
- Assays $10,000
- Administration $10,000

TOTAL $80,000

9. EXPENDITURE STATEMENT

Due to the present operational difficulties of the management company, expenditure figures for Year 6 of EL 9733 are unavailable at this stage.