ADDITIONAL INFORMATION IN SUPPORT OF EXPLORATION LICENCE APPLICATION IN THE TANAMI REGION

1.0 INTRODUCTION

The area under application "Blip" is located approximately 90 kilometres north-northwest of the Tanami Mine, and approximately 20km southwest of Acacia's Browns Range tenement (EL7800), where Acacia is currently carrying out a gold exploration program (refer Figures 1 and 2). This application is on behalf of Acacia Resources.

The tenement is considered prospective by Acacia for the following reasons:

1) The aeromagnetics show a magnetic high anomaly (see Figure 2). In addition, the tenement lies in a region in which the aeromagnetics show complex folding and strong north-south shears or structures.

2) Nongra Beds have been mapped in the area of the tenement - the Nongra Beds are considered to be the stratigraphic equivalent of the Tanami Complex Mt Charles Beds, which host The Granites, Dead Bullock Soak and Tanami gold deposits and known resources in the Central Desert Joint Venture areas.

3) Prospective iron-rich lithologies (including banded chert and ?ultramafics), in addition to strong quartz-veining have been encountered in some areas of Acacia's EL7800 to the northeast.

4) The tenement lies close to the margin of the Browns Range Dome. This has been dated as Archaean, but work on Acacia's EL7800 suggest that younger granitic intrusions may also be present in the area.

In addition, the tenement lies in an area which has had little previous exploration for gold. Accordingly, an exploration programme is proposed that will systematically test the area via 'grass roots' geological, geophysical, geochemical and drilling techniques.
The area under application "Blip" consists of 1 graticular blocks covering a total area of ~ 3sqkm. If granted the exploration programme can be managed, in conjunction with ongoing exploration in other Acacia tenements, from our base camp in the region.

Since 1990, Acacia (through Billiton) has spent $21.3m on exploration in the Tanami and $5.0m is budgeted for baseline exploration in the Tanami in 1999. This proposed programme will form part of an on-going commitment by Acacia Resources to the Tanami area with the objective of developing a viable mining operation in the region.

2.0 PROPOSED PROGRAMMES

In the first year of the licence the following programme is proposed:-

- Compilation of previous explorers data from open file and integration of this data into a GIS based system.

- Processing and interpretation of available aeromagnetic and radiometric data. Flying of detailed aeromagnetics where necessary.

- Acquisition and interpretation of air photos for the licence area.

- Geological/regolith mapping, and rockchip sampling of selected magnetic and/or structural targets.

- Geochemical Sampling, including soil and/or posthole RAB drilling over prospective stratigraphic and structural targets.

The level of exploration in the following years will depend on exploration results obtained in year 1, but given the recent development of the Tanami Mine and the advanced stage nature of exploration by Acacia Resources and its partner Otter Gold Mines at the Tanami mine, and our ongoing grass-roots exploration out
in the western Tanami and in the Suplejack region, the commitment of Acacia to the region is likely to remain at substantial levels.

2.1 **Proposed Expenditure - Year 1**

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td><strong>Staffing/Support Costs</strong></td>
<td></td>
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<tr>
<td>- compilation of previous explorers data.</td>
<td>500</td>
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<tr>
<td>- processing of available airborne magnetic and radiometric data and purchasing of additional data as required.</td>
<td>1,000</td>
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<tr>
<td>- flying detailed aeromagnetic survey</td>
<td>1,000</td>
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<tr>
<td>- gridding/geological mapping and rockchip sampling</td>
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<tr>
<td><strong>Analyses</strong></td>
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<td></td>
<td>2,000</td>
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<td><strong>RAB/ Aircore Drilling</strong></td>
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<td></td>
<td>4,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>10,000</strong></td>
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3.0 **TECHNICAL RESOURCES**

Acacia Resources (previously the Shell Company of Australia Limited) has been operating in Australia for 24 years, and during that time has undertaken exploration programmes in many areas of Australia. In particular, their sustained, technically sound, exploration efforts have resulted in development of the Union Reefs Gold Mine in the Pine Creek Region (NT), the Sunrise Dam Gold Mine in the Laverton Region (WA), and
their sustained, technically sound, exploration efforts have resulted in development of the Union Reefs Gold Mine in the Pine Creek Region (NT), the Sunrise Dam Gold Mine in the Laverton Region (WA), and contributed to mine development in the Katherine region at Mt Todd. Acacia’s efforts in the Tanami (from mid 1990 - early 1995) progressed the current Tanami Mine area to development.

In recent years, exploration success has been achieved by Acacia in the Tanami, within SEL 8788, in the Suplejack region, where recent significant intercepts have included 6m @ 9.61g/t (Au), and 5m @ 6.25g/t (Au). In the western Tanami (WA), Acacia has also had some success with recent significant intercepts including 7m @ 2.3g/t Au from transported material. Mineralisation in this western Tanami region is localised along the Trans Tanami structural corridor, in a structural setting similar to the recent intercepts of the Central Desert JV partners at Galifrey and Pendragon (refer Figure 1).

Acacia Resources has a staff which includes almost 50 professional geoscientists, 18 of whom are working in the NT on Acacia minesites and/or baseline exploration.

4.0 FINANCIAL RESOURCES

Acacia Resources floated on the Australian Stock Exchange in October 1994 and is currently capitalised at > $610m (November 1998).

The publicly owned Acacia will enjoy a substantial cash flow from the Boddington (331/3% owned), Union Reefs (100% owned), Sunrise Dam (100% owned), Brocks Creek (100% owned) and Tanami - Central Desert (40% owned) mines in WA and the NT.

Acacia Resources has made a large commitment to mineral exploration in Australia, and funds will be made available to meet the costs of exploration in this licence.