

ACACIA MINERALS PTY LIMITED

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EXPLORATION LICENCE 26479

OIL BORE

FIRST AND FINAL ANNUAL REPORT

12th May 2008 -19th September 2008

LICENSEE:

Acacia Minerals Pty Limited

AUTHOR:

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SF53-11

ELKEDRA 1:250 000

6154

Ooratippra 1:100 000

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ACA009 1:300.000 EL 26479 APPLICATION PLAN
OORATIPPRA PROJECT

SUMMARY

Acacia Minerals Pty Limited (ACN 127 419 729) (Acacia) was granted EL 26479 (Oil Bore) on the 12th May 2008. Principal reason for the acquisition was the Company's belief that the area is highly prospective for diamonds.

Acacia also holds Exploration Licence 24993, EL 25019, EL 24822 and the much earlier EL 22488.

The ELs are worked as one project known as the "Ooratippra Diamond Project".

While EL 26479 is still considered prospective for diamonds, other targets in the Ooratippra Project area appear to have more potential and with the down-turn in the exploration industry, it was decided to surrender the EL and concentrate on those other areas.

This Report covers the limited exploration work carried out on EL 26479 during the first and final year of tenure from the 12th May 2008 to the 19th September 2008.

Work done includes:

- Research
- Satellite interpretation
- Geophysical Interpretation
- Land-owner liaison

1. INTRODUCTION

Acacia Minerals Pty Limited (ACN 127 419 729) (Acacia) was granted EL 26479, known as Oil Bore, on the 12th May 2008. Principal reason for the acquisition was the Company's belief that the area is highly prospective for diamonds.

This Report summarises the limited exploration work carried out on EL 26479 during the partial first and final year of tenure from the 12th May 2008 to 19th September 2008.

2. LOCATION AND ACCESS

Exploration Licence 26479 is situated approximately 350kms southeast of Tennant Creek. The Licence is within the Elkedra 1:250 000 scale map sheet and is located on the Ooratippra (6154) 1:100 000 scale map sheet.

Access to the Licence area from Tennant Creek is south via the Stuart Highway and then east onto the Ali Curung Aboriginal Community road. This leads to the Sandover Highway which is then followed approximately 80kms east to the northwest portion of the Licence area. Most of the EL has little relief and vegetation, and is quite accessible via good station tracks servicing the water bores in the area.

Alternatively, the Licence area can be accessed via the Sandover Highway from Mount Isa or Alice Springs, and south using the Lucy Creek Station roads.

The Licence can also be accessed by air as Ooratippra Station has a good landing strip capable of being used by twin engined aircraft

The accompanying Ooratippra Project shows the Exploration Licence and the landing strip in relation to the Sandover Highway.

3. TENURE

Exploration Licence 26479 was granted to Acacia on the 12th of May 2008 for a period of 6 years and surrendered a few months later on the 19th September 2008.

The Licence was held as part of the Ooratippra Diamond Project and adjoins EL 22488 which was granted on the 3rd December 2001. ELs 24822 and 24993 were granted on the 4th April and 11th August 2006 respectively.

The Licence lies within NT Portion 2891, being Ooratippra Station, Perpetual Pastoral Lease 921.

The accompanying plan shows EL 26479 and the Licences within the current Project Area.

4. GEOLOGY

4.1 Regional Geology

The reader is referred to AusIMM Monograph 14 (Geology of the Mineral Deposits of Australia and Papua New Guinea), Volume 1, pp. 829-861, to gain a good introduction to the regional geology and styles of gold-copper mineralization of the area.

4.2 Local Geology

The Sandover River flows east through the Project Area, within which are extensive flood-out areas and tributaries. North of the Sandover River, there is little outcrop and much of the area is covered by alluvial outwash cover.

South of the Sandover River, where EL 24869 is situated, areas of Cambrian outcrop have diverted southerly flowing drainage channels. The outcropping Cambrian Arrinthrunga Formation sediments of the Georgina Basin Sequence are generally flat-lying throughout the western parts of the Licence Area. The Ooratippra fault strikes northwest–southeast throughout the central portion of the Project Area.

5. WORK DONE DURING THE YEAR

Review

An open file research programme was commenced, as well as a review of the results achieved by previous explorers. This work was not completed prior to the Licence being surrendered.

Geophysics

It was planned to commission Lindeman Geophysics Pty Ltd to carry out a detailed interpretation of NTGS and open file magnetics to identify any magnetic anomalies considered to be possible kimberlites. However the EL was surrendered before that work took place.

Satellite image interpretation

Google Earth Pro satellite imagery was used in a search for topographic features which could represent kimberlites.

No feature was identified and the assessment was not completed.

Field work

No field work was carried out and the Licence was not visited on the ground.

6. REHABILITATION

No field work carried out by Acacia on EL 26479 during the short time the EL was held and consequently no rehabilitation is required.

7. EXPENDITURE

No expenditure was attributed to EL 26479.

8. CONCLUSIONS

While EL 26479 appears to be in a significant structural position and the area is still considered by the Company to have potential for diamonds. However, anomalies and circular features identified in the Company's adjoining Licences are considered to have a higher priority and with the downturn in the exploration industry, it was decided to relinquish the ground and concentrate the Company's resources on other targets.

Nick Byrne
Principal