ACACIA RESOURCES LIMITED

GROUP ANNUAL REPORT
UNION CONSOLIDATED - SEL 8497
SNADDEN'S CREEK - SEL 7707

FIFTH ANNUAL REPORT (SEL 8497)
SEVENTH ANNUAL REPORT (SEL 7707)
FOR THE YEAR ENDING 30TH MARCH, 1999

Author: J. Ham
Drafting: A. Horner
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SUMMARY

Acacia Resources Limited is currently exploring Substitute Exploration License (SEL) 8497 – Union Consolidated and SEL 7707 Snadden’s Creek. The license areas are located approximately 250 km south of Darwin and 2 km west of Acacia Resources 100% owned Union Reefs Gold Mine in the Pine Creek district of the Northern Territory. The work completed within the reporting period is summarised below:

- 11.6 line km of gridding at Union Consolidated
- 1,247 soil samples at Union Consolidated and 263 soil samples at Snadden’s Creek
- Field reconnaissance and rockchip sampling at Snadden’s Creek prospects
- 9 costeans, for 1,750m at Snadden’s Creek
- Review of costean results by regolith consultant
- Regional geophysical interpretation
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(Files in comma delimited format)
1. **INTRODUCTION**

Acacia Resources Limited is currently exploring Substitute Exploration License (SEL) 8497 - “Union Consolidated” and SEL 7707 - “Snadden’s Creek”, situated approximately 225 km south of Darwin (Figure 1).

Exploration at Union Consolidated has involved grid based soil sampling of the northern portion of the lease. At Snadden's Creek, follow-up work at previously defined prospects included, soil sampling, rockchip sampling and costeasting.

This report details exploration undertaken for the period ending 19th April, 1999 for Union Consolidated and 30th March, 1999 for Snadden’s Creek.

2. **TENEMENT STATUS**

Union Consolidated was granted to Acacia Resources Limited (previously the Shell Company of Australia), on the 20th April 1994 for a period of 3 years. This license incorporated previous exploration licenses 7369, 7518, 7757, 7813 and 7814 and comprised 23 blocks. The license was reduced to 17 blocks in March 1995, and a further 10 blocks were relinquished in January, 1999, as detailed below (Figure 1):

<table>
<thead>
<tr>
<th>Blocks relinquished:</th>
<th>Map No. 14/6-IV</th>
<th>24/50, 24-25/51, 25/52, 25/53</th>
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<tbody>
<tr>
<td></td>
<td>Map No. 14/6-1</td>
<td>26-27/54</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Blocks retained:</th>
<th>Map No. 14/6-1</th>
<th>26-27/55</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Map No. 14/6-11</td>
<td>27-29/56, 28-29/57, 29-30/58,30/59</td>
</tr>
</tbody>
</table>

The license was due to expire on the 19th April 1997, and a renewal was granted for a further two years. A second, pending renewal application of the remaining 10 blocks was submitted in February 1999.

Snadden’s Creek was granted to Mr R M Biddlecombe for a period of three years on the 30th March 1992. During the period from 1992 until October 1994 the license was managed by Northern Gold NL under a farm-in agreement. From October 1994 until August 31 1995, Carpentaria Gold Pty Ltd entered into a farm-in agreement with Mr Biddlecombe with MIM Exploration Pty Ltd becoming the operators of the Licence on behalf of Carpentaria Gold Pty Ltd. On March 21st 1996, Acacia Resources assumed management of the license under a purchase agreement signed with Mr R. M. Biddlecombe.

A renewal was granted on 3rd July, 1997 for an additional two years and the lease is due to expire, on 8th August 1999. The area of the lease has been included in a recent application, SEL(A) 10341 (Pioneer) by Acacia Resources, submitted on the 13th January, 1999.

The Union Consolidated and Snadden’s Creek leases were granted group reporting status on the 30th June 1997, with the reporting date on 30th April.
The leases are covered by AAPA certificate C98/149, due to expire on 18 December, 2000.

3. LOCATION & ACCESS

The centre of the two leases is situated approximately 20km northwest of Pine Creek (Figure 1). Union Consolidated adjoins the western boundary of MLN 1109, which includes Acacia Resources’ Union Reef's Gold Mine. The license area runs parallel to the Stuart Highway and may be accessed via a number of sealed and unsealed roads and tracks branching off the highway.

Snadden’s Creek lies another 9km to the northwest of Union Consolidated and the western corner of the lease is cut by the Stuart Highway. Access to the license is by the Stuart Highway via the Emerald Springs Roadhouse, turning north along a dirt track 5 kilometres south of Emerald Springs to the tenement boundary, or by the Spring Hill road.

4. GEOLOGY

The leases are located in the central portion of the Pine Creek Geosyncline. The geosyncline contains Early Proterozoic metasedimentary rocks resting on a gneissic and granitic Archaean basement (Figure 2). The metasediments represent a preserved basinal sequence up to 14km thick (Needham et al., 1980). These rocks were tightly folded and metamorphosed to greenschist facies (in some places amphibolite) at about 1890 to 1870 Ma (Ferguson, 1980).

The geosynclinal sequence is intruded by transitional igneous rocks including predeformational dolerite lopoliths and dykes and post deformational granites. Largely undeformed platform cover of Middle and Late Proterozoic, Cambro-Ordovician and Mesozoic strata rest on these with marked unconformity.

Union Consolidated incorporates tightly folded, northwest trending phyllite, chert and banded iron siltstones of Mount Bonnie Formation and interbedded greywacke and siltstone of Burrell Creek Formation. Outcrop is prevalent in the northern portion of the lease, and the southern portion of the leases is characterised by shallow cover and deeper weathering.

Snadden’s Creek incorporates west-northwest trending steeply overturned folds of dominantly Mt Bonnie Formation with Gerowie Tuff in the north and Burrell Creek Formation in the southeast. A major fault or shear trending northwest separates Mt Bonnie and Burrell Creek Formation, in the southwestern portion of the lease. Basement geology is well exposed throughout the lease, with very steep and severe topography in the northern half of the lease.

Dolerite dykes have intruded Mt Bonnie Formation at a low angle to bedding and portions of the Cullen Batholith. The McMinns Bluff and Table Top granites outcrop on the western margin of the leases.

A number of previously defined Au and Sn prospects occur within the Snadden’s Creek lease. A scattering of shallow Sn workings occur within the Mc Minns Bluff Granite and Lower Proterozoic sediments. Gold prospects within the lease, including Best Chance and Hot Rock are characterised smoky quartz vein systems adjacent to faults (Figure 3).
5. PREVIOUS WORK

5.1. Union Consolidated

Exploration completed by Acacia since the granting of Union Consolidated in 1994 is summarised below.

1994/95 - Report No. 08.7521
- 54 line km of gridding and 1250 soil samples
- 35 stream sediment samples
- mapping and air photo interpretation of gridded areas

1995/96 - Report No. 08.7970
- 10 line km of gridding and 490 soil samples
- mapping in the south western areas of the tenement
- purchased and reprocessed multiclient aeromagnetic data
- compilation of previous work

1996/97 - Report No. 08.8762
- 5.6 line km of new gridding and 2.25 line km of re-gridding
- 151 soil samples
- post hole RAB drilling for a total of 358m in 90 drill holes
- detailed 1:5000 scale geological mapping of the eastern margin of the tenement adjacent to MLN 1109
- colour aerial photography survey over the entire tenement area
- reprocessing of multi-client aeromagnetic and radiometric data
- digital elevation modelling of SEL 8497 tenement area

1997/98 - Report No. 08.9604
- 35.6 line km of gridding in the northern half of the lease, in preparation for auger sampling.
- 348 hand and auger soil samples in the central portion of the lease.
- The eastern portions of Union Consolidated was incorporated in a detailed aeromagnetic and radiometric survey.
5.2. Snadden’s Creek

The southwest portion of Snadden’s Creek has been partially explored and worked for tungsten and tin within the area of the McMinns Bluff Granite. Old workings occur in the granite, sediments and doleritic intrusives within the tenement, which have exploited quartz vein associated occurrences of tin and possibly gold. Alluvial workings along creeks that drain these areas are common. Previous detailed exploration over the eastern half of the tenement has defined a number of prospects (Figure 3).

A detailed description of previous work conducted within the Snadden’s Creek area was reported in the previous annual report (08.8759). Work conducted by Acacia since 1996 is summarised below.

1996/97 - Report No. 08.8759

- Rock chip sampling for a total of 14 samples
- RC drilling, for a total of 130m in two holes
- Colour aerial photography survey over tenement area
- Reprocessing of multi-client aeromagnetic and radiometric data
- Digital elevation modelling
- Compilation of previous work

1997/98 - Report No. 08.9604

- 5.5 line km of gridding in the southeastern block of the lease.
- 17 soil samples were collected for the onset of the wet season.
- 11 rock chip samples were collected from various prospects at Snadden’s Creek.
6. WORK COMPLETED

6.1. Union Consolidated SEL 8497 For The Period Ending 19 April 1999

6.1.1. Gridding
Crossline gridding for a total of 11.6 line km was completed in two areas. An infill program closed grid spacing to 200m between 20400N and 21200N (grid north). The infill program was part of a larger program that also included the adjacent lease, SEL 7984 (Elizabeth). A second program of stepout gridding was completed in the southern half of the lease between 15200N and 17800N. The crosslines were gridded off a baseline orientated 331.5° magnetic, with galvanised steel pegs placed every 50m (Figure 3).

6.1.2. Soil Sampling
A total of 1,247 soil samples were collected from three areas within the lease (Figures 4 and 5):

- An infill program on the boundary between Union Consolidated and SEL 7984 (Elizabeth). This program targeted a narrow northwest trending soil anomaly with results up to 94ppb Au (within Union Consolidated).
- A program that completed soil sampling of the northern portion of the lease on 400m line spacing. This area was gridded in 1997 (Report 08.9604).
- A program in the southern portion of the lease, targeting interpreted anticlinal structures.

The samples were collected by hand (hoepick) or mechanical auger from the B/C horizon. If the soil profile was stripped, samples were collected from bedrock. Sample weights of 1.5 to 2kg were collected every 25m along 400 or 200m spaced grid lines and sieved to -5mm. The soil samples were dispatched to Assaycorp Laboratories in Pine Creek and analysed for low level Au by Fire Assay.

Results from the infill program confirmed the previously defined anomaly, but a field inspection of the area confirmed the anomalous values were sourced from alluvial material. Results from the northern program were disappointing, with a best result of 20ppb Au in the northeast corner of the lease. Most results were less than 5ppb Au. Most of the results from the southern program were also less than 5ppb Au, with isolated peaks of 450, 66, 60 and 55ppb Au.

Soil sample ledgers and assay results are included in Appendices 1 and 2. Sample locations and results are also shown in Figures 4 and 5.
6.2. **Snadden’s Creek SEL 7707 For The Period Ending 30 March 1999**

6.2.1. **Soil Sampling**

Soil sampling for a total of 263 samples was conducted at two areas within the lease.

- A total of 244 samples were collected in the southern block of the lease, as part of the program at Union Consolidated (as detailed above).
- Re-sampling of sites sampled by previous explorers (Northern Gold) was completed for a total of 19 samples. This was conducted to compare the results returned from the partial extraction assay technique used by Northern Gold and the fire assay technique used by Acacia Resources in the Pine Creek area.

The samples were collected either by hand (hoepick) or with a mechanical auger from the B/C horizon or from bedrock if the profile was stripped. Samples of 1.5 to 2kg were collected and sieved to -5mm. The soil samples were dispatched to Assaycorp Laboratories in Pine Creek and assayed for low level Au by fire assay.

The results from the southern block of Snadden’s Creek were mostly below 5ppb Au. The results from the re-sampling did not upgrade the broad 10-50ppb anomalous zones defined by Northern Gold (Figure 5) and the peak values previously reported were not repeated in the recent samples. The comparative results may indicate that the partial extraction technique used by Northern Gold successfully extracted most of Au in the samples, also implying that the Au is not tied up in quartz veins and/or sulphides to any great extent.

Soil sample ledgers and results are included in Appendices 1 and 2. Sample locations and results are also shown in Figures 4 and 5.

6.2.2. **Field Reconnaissance and Rock Chip Sampling**

Field reconnaissance and rock chip sampling was completed in previously defined prospect areas within Snadden’s Creek, specifically, Marcelle’s, Ridgetop, Gentry’s Chance, Zone Prospect and Hot Rock (Figure 3).

Three (3) rockchip samples were collected from Ridgetop prospect to assess the direction of mineralised veins and to verify that previous RC holes in the area were drilled at an adequate orientation. Three quartz vein orientations were sampled. Quartz veins parallel to the fold surface (fold axis 30° to 125°), bedding parallel veins, subvertical veins. The best result of 350ppb Au was from the shallow southeast dipping folded quartz veins. It was concluded that the RC drill orientation was adequate, and no further drilling was recommended for the Ridgetop prospect.

Rock chip samples weighed approximately 1-1.5 kg’s and were assayed by Assaycorp Laboratories Ltd. in Pine Creek for Au, by 50g fire assay.
Sample locations and results are shown in Figures 4 and 5. Assay results and sample ledgers presented in Appendices 1 and 2.

Field reconnaissance of Marcelle, Best Chance, Zone, Ridgetop and Hot Rock prospects was completed to assess these areas for further work. Notes from the field reconnaissance of the above prospects are included in Appendix 3.

Costeans were proposed and completed at Marcelle, Zone Prospect and Hot Rock to follow-up previous rockchip results of up to 3 g/t Au and broad zones of anomalous soil results of 10 to 50ppb Au (Figure 5).

6.2.3. Costeans
A total of 9 costeans for 1750m was completed at Marcelle, Zone and Hot Rock prospects to follow-up previous soil and rockchip results, as described above.

Costeans were sampled by collecting 2m composite channel samples at a depth 5-20cm from the bottom of the northern wall. Samples weighing approximately 1-1.5 kg's were assayed by Assaycorp Laboratories Ltd. in Pine Creek for Au, by 50g fire assay.

Narrow moderate intercepts were returned from the Hot Rock costeans, and low grade, but wide intercepts from Zone Prospects. Results from Marcelle were disappointingly low. Significant costean intercepts are detailed below:

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Costean</th>
<th>Intercept (Au)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone Prospect</td>
<td>CTN98ZP001</td>
<td>10m @ 0.3 g/t</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6m @ 0.3 g/t</td>
</tr>
<tr>
<td></td>
<td></td>
<td>22m @ 0.4 g/t</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10m @ 0.3 g/t</td>
</tr>
<tr>
<td></td>
<td>CTN98ZP002</td>
<td>8m @ 0.2 g/t</td>
</tr>
<tr>
<td></td>
<td></td>
<td>22m @ 0.2 g/t</td>
</tr>
<tr>
<td>Hot Rock</td>
<td>CTN98HR002</td>
<td>6m @ 0.8 g/t</td>
</tr>
<tr>
<td></td>
<td>CTN98HR003</td>
<td>2m @ 2.5 g/t</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2m @ 2.2 g/t</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2m @ 2.8 g/t</td>
</tr>
</tbody>
</table>

The Hot Rock prospect area is characterised by northwest trending interbedded units of shale and greywacke, with minor tuff. The sediments dip moderately to the southwest and sit on the northeastern limb of an overturned fold. The above intercepts were intersected in a zone of quartz and carbonate veining in a narrow greywacke unit.

The Zone prospect area is characterised by northwest trending interbedded units of siltstone, shale and tuff, with minor greywacke. The area is cut by a west-northwest trending regional fault, that truncates a dolerite sill to the north. There are two wide zones of sub-anomalous Au (200-300ppb Au) to the north of the fault. One zone of anomalousism is within wide zone of smoky
grey quartz veins, that are best developed in the dolerite sill. A second zone occurs to the north within interbedded dark and light grey shales. There is minimal veining in this area, and the source of the Au has yet to be verified.

Costeans locations are shown in Figure 6. Costean assay results and sections, showing mapped geology, are included in Appendices 3 and 4, respectively.

6.2.4. Regolith
Regolith consultant Louisa Lawrance was asked to comment on the wide, low tenor of results returned in the costeans at Zone Prospect. Two options were put forward to explain the low level and width of the results:

- There has been dispersion and leaching of Au through the near surface profile.
- Or Au mineralisation in bedrock is of the width and low tenor seen in the costean, rockchip and soil results.

It was recommended that the second option was most likely. The steep terrain of the area would not allow water flowing through the near surface profile enough time for any significant leaching and remobilisation of Au. Remobilisation of Au would also be hindered by Au being held in quartz veins.

6.3. Regional Geophysical Compilation
Hungerford Geophysical Consultants merged and levelled the multiple aeromagnetic and radiometric data sets that Acacia has acquired to allow easier comparison of the images across the boundaries of the different surveys. The following processing was applied to merge the detailed aeromagnetic and multiclient datasets:

- Regrid all surveys to 15m grid cell size.
- Add 47210nT to the UTS grid (if required)
- Boolean join of the multiclient and UTS grids
- Smooth the merged grid with a 3 x Hanning filter

Revised reduced to the pole and first vertical derivative plots were produced and a revised geophysical compilation utilising recently acquired regional gravity data, multiple detailed and multiclient aeromagnetic data sets and IP surveys acquired between 1992 and 1997.

7. ENVIRONMENTAL
All regional and grid-based exploration was conducted in a fashion that restricted environmental disturbance to a minimum. Parts of the current access roads were re-graded prior to the initiation of field work. Costeans were backfilled, with top soil placed on last, before the start of the 1998/99 wet season.

An Environmental Register has been compiled for all previous and current exploration disturbances carried out in the license area and is provided in Appendix 5.
8. EXPENDITURE STATEMENTS

8.1. Union Consolidated Expenditure for the period ending 19th April 1999

Expenditure at Union Consolidated for the reporting period was $77,539, which met the covenant of $70,000. A break down is given below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing</td>
<td>32,114</td>
</tr>
<tr>
<td>Field Support</td>
<td>12,392</td>
</tr>
<tr>
<td>Field Accommodation/Consumables</td>
<td>5,380</td>
</tr>
<tr>
<td>Assays</td>
<td>16,492</td>
</tr>
<tr>
<td>Geophysics</td>
<td>30</td>
</tr>
<tr>
<td>Contractors/Consultants</td>
<td>1,017</td>
</tr>
<tr>
<td>Administration (15%)</td>
<td>10,114</td>
</tr>
</tbody>
</table>

Total $77,539

8.2. Snadden's Creek Expenditure for the period ending 30th March

Expenditure at Snadden's Creek for the reporting period was $51,661, which did not meet the covenant of $60,000. A break down is given below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing</td>
<td>16,972</td>
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<tr>
<td>Field Support</td>
<td>6,872</td>
</tr>
<tr>
<td>Field Accommodation/Consumables</td>
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</tr>
<tr>
<td>Assays</td>
<td>8,293</td>
</tr>
<tr>
<td>Geophysics</td>
<td>27</td>
</tr>
<tr>
<td>Contractors/Consultants</td>
<td>9,906</td>
</tr>
<tr>
<td>Administration (15%)</td>
<td>6,738</td>
</tr>
</tbody>
</table>

Total $51,661
9. PROPOSED PROGRAM AND EXPENDITURE

9.1. Proposed Expenditure for Union Consolidated Period Ending 19th April 2000

Planned work for the period ending 19th April, 2000, includes reconnaissance and rockchip sampling in the southern portion of the lease. Vacuum drilling is planned in areas of previous auger sampling, to verify that the auger sampling was effective. There is some cover and leached residual profiles in the southern area of the lease, and previous auger sampling may have not been deep enough to effectively sample this area. Costeining and further drilling may be conducted as follow-up.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing/Support</td>
<td>10,000</td>
</tr>
<tr>
<td>Field Consumables</td>
<td>4,000</td>
</tr>
<tr>
<td>Drilling</td>
<td>20,000</td>
</tr>
<tr>
<td>Assays</td>
<td>15,000</td>
</tr>
<tr>
<td>Earthworks</td>
<td>5,000</td>
</tr>
<tr>
<td>Access/Rehabilitation</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$55,000</strong></td>
</tr>
</tbody>
</table>

9.2. Proposed Expenditure for Snadden’s Creek Period Ending 8th August 1999

Planned work for the period ending 8th August, 1999, includes mapping and RC drilling at Zone and Hot Rock prospects. A detailed aeromagnetic and radiometric survey will incorporate the Snadden’s Creek lease, and auger soil sampling will be conducted in the southwest portion of the lease over an interpreted shear zone.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (($)</th>
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</thead>
<tbody>
<tr>
<td>Staffing/Support</td>
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</tr>
<tr>
<td>Field Consumables</td>
<td>3,850</td>
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<tr>
<td>Drilling</td>
<td>30,000</td>
</tr>
<tr>
<td>Assays</td>
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<td>Access/Rehabilitation</td>
<td>3,950</td>
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<tr>
<td>Aeromagnetic/Radiometric Survey</td>
<td>6,800</td>
</tr>
<tr>
<td>Consultants</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$70,500</strong></td>
</tr>
</tbody>
</table>
10. REFERENCES


APPENDICES 1, 2 AND 4

Soil and Rockchip Sample Ledgers (UCSCSSledger.csv)
Soil and Rockchip Sample Assays (UCSCSSassays.csv)
Costean Assays (UCSCCTassays.csv)

(File in comma delimited format)
APPENDIX 3

Reconnaissance Notes
Snadden's Creek - SEL7707
Reconnaissance of the main previously defined prospects was carried out this month, with a view to designing programs for the 1999 field season. 3 rockchip samples were collected from the Ridgetop prospect to determine Au grades of the various vein sets.

Recommended Work is as follows:
- soil sampling on 50m spacing across anomalous areas defined by Northern Gold, as soils were assayed by BCL, and might explain why rockchip anomalism isn’t reflected in the soil values. Should help us to compare our fire assay (FALL) values with the Northern Gold results.
- Costeans for RC target definition at Hot Rock and Marcelle and some areas within the Zone Prospect.

Notes from each of the prospects are summarised below:

Marcelle Prospect:
- 4 RC holes (MARC1-4) were drilled by MIM to target anomalous rockchips and channel chips from smoky grey quartz veins. The best soil result in this area was 49ppb Au. The best channel chip result of 5.34 g/t Au lies 500 NW of the RC holes.
- MARC 2 was drilled under rockchip results of 11 and 1.83g/t Au. Best RC result was from MARC1, 2m @ 1.69g/t Au.
- Anomalous rockchips along strike from the 4 RC holes, to the NW and SE, remain to be tested (including values like 89, 37.1 and 10.2g/t Au). In addition the dip of veins near MARC2 appear to be to the east - which is parallel to the drilling direction.

Hot Rock:
- This prospect is defined by two areas of anomalous rockchips related to large smoky VFQ, with results up to 2.89g/t Au. The soil results in the southern part of the prospect do not reflect the rockchip values, and there is no soil coverage in the northern part of the prospect.
- Suggest, re-sampling some soils in this area and costeans on 200m spaced lines, to better define RC drilling (if required).

Gentry’s Chance:
- Worked by MIM (SEL7707) and by Billiton under McKinlay JV (MCN’s 335 & 336)
- Good rockchips(max 7.49g/t Au, near shaft in large quartz vein) and channel chips (8.09, 5.01, 2.68g/t Au), but grade is less at depth in RC holes.
- 2 RC holes (by Billiton?). RC1 - 3m @1.4g/t Au from 29m, narrows to 1m @ 0.62 from 90m in RC2.
- No proposed follow-up at this stage - appears to be quite a narrow system.

Best Chance:
- Small ridge with two parallel quartz vein lenses x-cutting sediment bedding contacts.
- Old workings include pit, trench on eastern quartz vein.
- Sub-anomalous rockchips, soils and trenches (channel chips)
- Best result in channel chip of 1.94g/t Au, with the rest all below 0.6g/t Au
- No proposed follow-up at this stage.

Zone Prospect:
- Large general area defined by 0.2-1g/t Au rockchips (MIM) and a wide low level soil anomaly up to 50ppb Au (Northern Gold).
• Most interesting area is just to the south of Best Chance with numerous rockchips up to 1g/t Au.
• Propose further rockchip sampling and costeans to test this area.

Ridgetop Prospect:
• Soil sampling by Northern Gold defined a 500m long anomalous zone including a narrow corridor with values between 0.06 - 2.94 g/t Au.
• Channel chips targeted quartz veins and old pits.
• Reconnaissance this month identified interbedded shales, greywackes and tuffs with open folds and saddle reef, axial planar and later subvertical quartz veins. The three vein sets were niched sampled this month, with the saddle reef sample returning the best result of 0.35g/t Au. The axial planar veins and subvertical veins returned results of 200 and 300ppb Au.
• 17 RC holes (SN1-SN17) were drilled on 4, 100m spaced lines by Northern Gold. Best results: SN9 1m @ 1.77 from 26m and SN17 1m @ 1.36 from 53m.
• Drilling direction appears to be OK and the area well tested, so no further work recommended at this stage.