PINE CREEK GOLDFIELDS LIMITED
(WHOLLY OWNED SUBSIDIARY OF RGC)

E.R.L. 116

MT. PORTER

(PINE CREEK 1:250,000 SHEET SD 52-8)

ANNUAL REPORT

12 SEPT 1992 - 11 SEPT 1993

COPIES TO:
- Department of Mines and Energy
- Pine Creek Goldfields Limited
- RGC Exploration - Darwin

Compiled by:
Phil Agnew
September 1993
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1. **INTRODUCTION**

The Mount Porter project area does not have a history of previous mining activity. The nearest mines to the project area are the abandoned Frances Creek iron ore mine four kilometres to the north-east and Union Reef's nine kilometres to the south.

Renison Goldfields Consolidated Exploration (RGCE) a wholly owned subsidiary of Renison Goldfields Consolidated (RGC) has been conducting exploration work in the Mount Porter area since the mid 1980's. This exploration resulted in the delineation of an ore resource in early 1992.

The project was then handed over to Pine Creek Goldfields Limited (PCG is a wholly owned subsidiary of RGC) for evaluation and development.

This evaluation and development program commenced later this year with a detailed review of all the geological data produced since conception. This review was carried out by Eupene Exploration Enterprises (EEE). The aim of this review was to develop a sound geological model upon which further exploration in the area could eventuate and to delineate mineable ore reserves within known mineral resources.

By the anniversary date this review had been completed and a drill hole program scheduled to commence in October 1993.

As part of the development program of the 10400 resource it was decided to initiate an archaeological study, submit a "Notice of Intent" and apply for a sacred sites clearance depending on the outcome of the study. All this has been achieved.
2. WORK COMPLETED

2.1 GEOLOGICAL DATA REVIEW

To date, topographic base information has been digitised and related to local grid, enabling construction of a three dimensional surface model in the computer. All costeans have been digitised and connected to sample files coordinated in three dimensions.

All holes in the 10,400 N zone have been relogged and the geology has been reinterpreted on sections. Many surrounding holes have now also been logged.

All assay data related to drilling and costeaming and soil sampling over the southern zone including the area around 10,400 N has been entered into the computer. Coding and entering of geological data is proceeding after logging. The purpose of this is to develop a three dimensional picture of geology and assay distribution to enable resource modelling and detailed planning of the drilling program.

2.2 ARCHAEOLOGICAL STUDY

PCG commissioned a survey of aboriginal archaeological sites within a 2.5 kilometre radius of the mineralised resource. The study found that although the surrounding area is rich in sites the proposed open cut will not impact on any sites of significance. The survey results will be used as guidelines for the location of the waste dump. Once a final version of the study is received PCG will provide a copy to the Environment Division. Application for a sacred sites clearance has been lodged with the Aboriginal Areas Protection Authority.
3. FUTURE PROGRAM

A drilling program consisting of both RC and diamond drilling is scheduled to commence early October 1993. The aim of this program is to delineate mineable reserves within the 10,400 resource area and to follow up isolated intersections within the remainder of the ERL. It is expected that the cost of this program will be approximately A$200,000.

In addition to the drilling program a feasibility study is expected to commence. This study is expected to include the following:

- Metallurgical testwork
- Open pit optimisation and mine design
- Mineral Lease
- Road transportation study
- Environmental impact study

It is expected that this feasibility study will be mainly carried out by existing mine personnel within Pine Creek Goldfields to minimise the cost. This preliminary study should cost about $60,000.
4. **EXPENDITURE**

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<th>DESCRIPTION</th>
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<tr>
<td>1. PERSONNEL</td>
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<td>2. VEHICLE EXPENSES</td>
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<td>3. DATA PREPARATION/COMPUTING</td>
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<td>4. ARCHAEOLOGICAL STUDY</td>
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<td>5. WATER SAMPLES</td>
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<td>6. BURN OFF</td>
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<td>7. TENEMENT COSTS</td>
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<td>8. ACCOMMODATION</td>
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<td>9. AIR FARES</td>
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<td>10. ADMINISTRATION OVERHEADS (+15%)</td>
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<td><strong>TOTAL</strong></td>
<td><strong>48,850</strong></td>
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APPENDIX A

(Annual Report ERL 116)

MOUNT PORTER PROJECT

NOTICE OF INTENT
MOUNT PORTER PROJECT NOTICE OF INTENT

NAME OF APPLICANT:  PINE CREEK GOLDFIELDS LIMITED

CONTACT ADDRESS:  P.O. BOX 66
                   PINE CREEK
                   NORTHERN TERRITORY  0847

TELEPHONE:  089-761257

FAX:  089-761208

CONTACT OFFICER:  MIKE FAWCETT
                   ENVIRONMENT SUPERINTENDENT

MINE NAME:  MOUNT PORTER

LOCATION:  SEE ATTACHED PLANS

TENEMENT INVOLVED:  ERL 116

HISTORY:

The Mount Porter project area does not have a history of previous mining activity. The nearest mines to the project area are the abandoned Frances Creek iron ore mine four kilometres to the north-east and Union Reefs nine kilometres to the south.

Renison Goldfields Consolidated Exploration (RGCE) a wholly owned subsidiary of Renison Goldfields Consolidated (RGC) has been conducting exploration work in the Mount Porter area since the mid 1980’s. This exploration resulted in the delineation of a ore resource in early 1992.
The project was then handed over to Pine Creek Goldfields Limited (a wholly owned subsidiary of RGC) for evaluation and development.

DESCRIPTION OF PROPOSAL:

It is proposed that the Mount Porter deposit is mined during the middle of the 1994 dry season.

A mineable resource of about 157,700 tonnes grading 5.0 g/t Au has been defined from an in-situ resource of about 213,800 tonnes grading 4.7 g/t Au. Pit optimisation studies to date have indicated an overall strip ratio of 7.5:1.

A single pit will be developed and mined by conventional open cut methods. Ore will be transferred from a stockpile to road trains for haulage via the Frances Creek road to PCG's existing plant at Pine Creek. In conjunction with the mining, a waste dump containing approximately 1.2 million tonnes of waste will be constructed close to the pit.

Mining is expected to take approximately 5 months from commencement to completion, although it is possible the haulage of ore back to Pine Creek may take longer. Both mining and the roadtrain haulage will be done by contractors.

The most likely scenario for ore treatment is that it will be blended with run of mine ore from Gandy's Hill prior to processing in the CIP plant.

The only infrastructure required in the project area will be of a temporary nature and would be removed once mining was completed. Temporary infrastructure would include a demountable office, above ground fuel storage, heavy equipment servicing area, genset and toilets.

Contractors will provide the workforce at Mount Porter and they will be
accommodated in existing facilities at Pine Creek.

Waste management will be the most significant issue for the Mount Porter project. PCG undertakes to perform waste characterisation studies to assess the acid mine drainage producing potential of the waste rock prior to mining commencing. A waste management strategy will then be drawn up based on these test results. Field observations to date indicate that at least some of the waste has nett acid producing potential.

PCG will perform baseline water sampling in the Mount Porter area at least 3 times during the 1993/94 wet season. Follow up monitoring will then be done during the 1994/95 wet season.

Rehabilitation works will begin as soon as mining has finished with the intention of having all major work completed before the 1994/95 wet season. The waste dump will be constructed in such a manner as to require minimal work to complete rehabilitating once mining has ceased.

The Mount Porter project area is wholly contained within the Mary River West pastoral lease. PCG will rehabilitate the disturbed areas back to open woodland similar to that existing at present.

PCG commissioned a survey of aboriginal archaeological sites within a 2.5 kilometre radius of the orebody. The study found that although the surrounding area is rich in sites the proposed open cut will not impact on any sites of significance. The survey results will used as guidelines for the location of the waste dump. Once a final version of study report is received PCG will provide a copy to the Environment Division. Application for a sacred sites clearance has been lodged with the Aboriginal Areas Protection Authority.
EXISTING ENVIRONMENT

CLIMATE

The climate in project area is similar to that described in the Union Reefs Draft EIS, September 1993, and Pine Creek Goldfields Draft EIS, February 1984.

TOPOGRAPHY & DRAINAGE

The project area is predominantly composed of the steep slopes of Mount Porter, with the southeast and southwest boundaries tending to more undulating slopes.

Drainage is ultimately into the Mary River via Watts Creek and McKinlay River from the north of the project area, McKinlay River from the southwest of the project area and via Nellie Creek from the southeast of the project area.

FLORA AND FAUNA

The flora and fauna in the project area is similar to that described in Union Reefs Draft EIS, September 1993. PCG propose to conduct a field survey to identify any unique flora and fauna associated with the project area.

IMPACTS AND MANAGEMENT

The potential for adverse impacts as a result of this project proceeding is limited as it will be a short term mining and haulage only operation.

PCG undertakes to fulfill the following commitments prior to commencing mining:

- Waste characterisation studies.
- Aboriginal Areas Protection Authority sacred sites clearance.

- Flora and fauna survey.

- Baseline water monitoring during the 1993/94 wet season.

- Produce an Environmental Management Plan (EMP) for the project.
Aerial photograph showing ERL boundary and conceptual pit outline

Scale 1:25,000