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MLN 414 to 418
"Rhodes Gold Prospect"
ANNUAL REPORT
To 31/12/1994
Pine Creek Sheet SD 52.08 Burnside 14/2-II

Tenement Holder: R.J. Edwards
Managed under farm-in agreement by Northern Gold NL,
for Northern Gold NL & Reynolds NT Ltd

Compiled for Northern Gold NL
by John Canaris
November 1994

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SUMMARY

An area of Au mineralisation at MLN 414 to 418 known to previous workers as the Quest 155 Prospect has been re-named the Rhodes Gold Prospect by Northern Gold NL. Exploration during the anniversary year at MLN 414 to 418 consisted of a review of previous work, soil sampling and R/C drilling. Results from the resource test drilling confirm earlier intersections by Western Mining Corporation. Further resource drilling will be conducted during the 1995 field season.

CONTENTS

1 INTRODUCTION

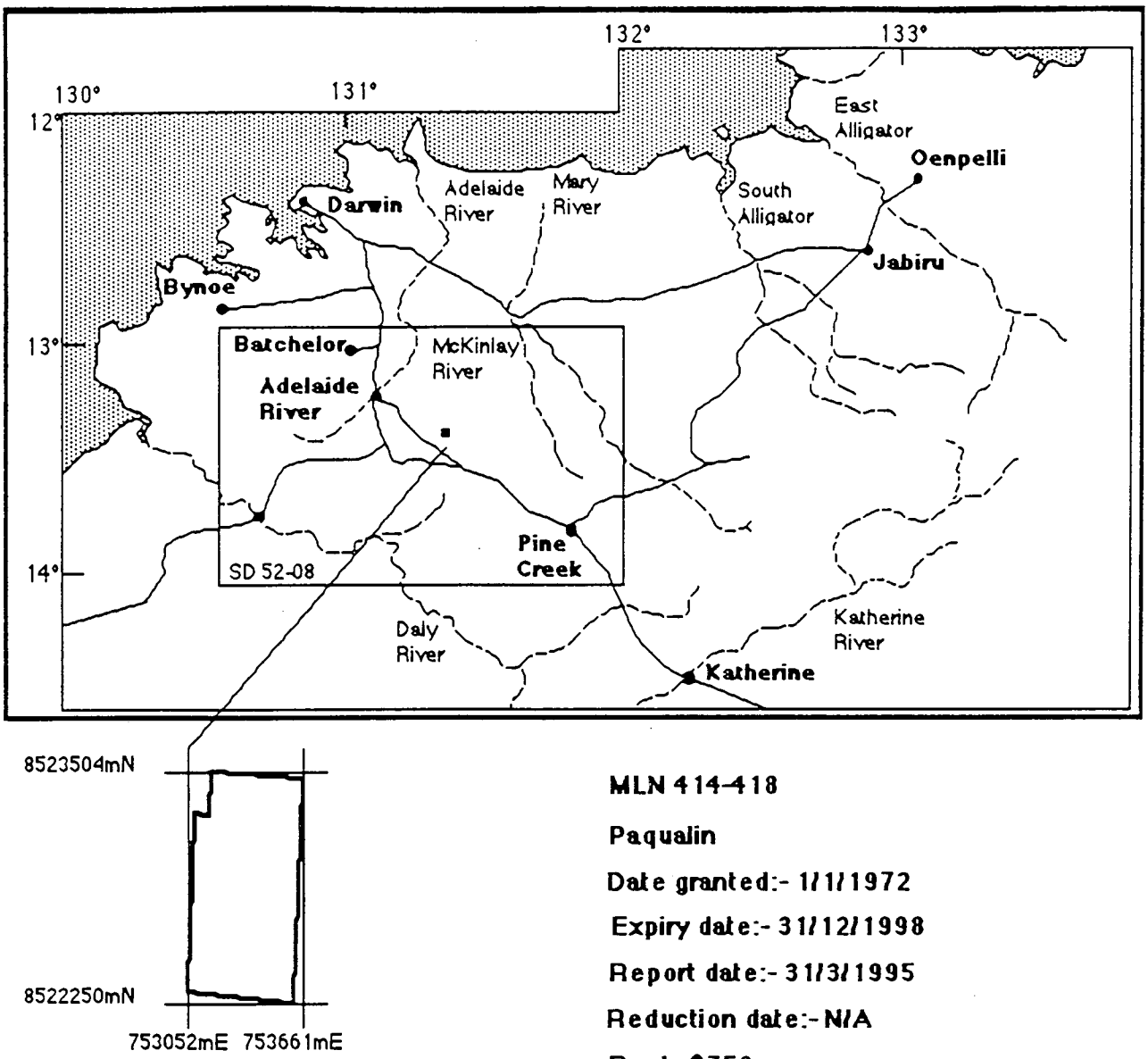
1.1 Title and Location

Adjoining mineral leases MLN 414 to 418 were granted to WR Grace Australia in 1985. Title was transferred to Mr R Edwards in 1993. Northern Gold NL and Reynolds NT entered into a farm-in option agreement with Mr R Edwards over MLN 414 to 418 in 1993, and NGNL is acting as the manager.

MLN 414 to 418 is located about 30 kilometres south east of Adelaide River within the Cullen Mineral Field (Figure 1). Access is via the Stuart Highway and station tracks. The MLNs are within EL 7769 and the Ringwood pastoral lease (PL 718). An application for a Aboriginal Areas Protection Authority Certificate was lodged in April 1994, and the area of the claims was cleared.

1.2 Previous Work

MLN 414 to 418 was held by Western Mining Corporation (WMC) and G. R. Grace as part of the Mt Ringwood Joint Venture. WMC undertook extensive exploration over the area, which was named the Quest 155 Prospect. This work is summarised in Appendix 1 of the EL 7769 Annual report for 1994 Stokes & Canaris, 1994).



MLN 414-418

Paqualin

Date granted:- 1/1/1972

Expiry date:- 31/12/1998

Report date:- 31/3/1995

Reduction date:- N/A

Rent:-$750

Covenant:-N/A

Size:- 75 Ha

Figure 1

2 GEOLOGY

2.1 Regional Geology

MLN 414 to 418 is situated within the Pine Creek Geosyncline; a tightly to isoclinally folded sequence of mainly pelitic and psammitic (continental to shallow water) Lower Proterozoic sediments with inter-layered tuff units. All the lithology's in the area have been metamorphosed mostly to low, and in places medium grade metamorphic assemblages. The sequence has been intruded by pre-orogenic dolerite sills and a number of late syn-orogenic to post-orogenic Proterozoic granitoids. Largely undeformed Middle and Late Proterozoic, Palaeozoic and Mesozoic strata, as well as Cainozoic sediments and laterite overlie the Pine Creek Geosyncline lithology's.

2.2 Local Geology

Outcrop within most of MLN 414 to 418 is very poor. Regional scale mapping outside the MLN area and the interpretation of diamond drill hole data defines a general north-south trending, assymmetrical anticlinal structure roughly central to the mineral leases. The leases are located within the Gerowie Tuff of the South Alligator Group, and includes Zamu Dolerite as the lowest stratigraphic unit (Hancock & Muir, 1986). Complex axial zone folding and significant faulting near the regional axial plane was interpreted by Hancock & Muir, 1987.

3 EXPLORATION COMPLETED

3.1 Review of Previous Work

Prior to Northern Gold NL and Reynolds NT gaining access to MLN 414 to 418, a significant amount of work, up to and including resource estimates, had been conducted by the previous tenement holders. In early 1994, a review of this work was conducted. This review showed that significant resources had been defined on MLN 414 to 418, and that the prospect required further work (Canaris & Cooper, 1994 in Stokes & Canaris, 1994). Northern Gold conducted a resource drilling program designed to test the reliability of resource calculations made by WMC.

3.2 Soil Sampling

A soil sampling program was also completed over the old Quest 150 and 155 areas to check for extensions of Au mineralisation. Grid soil sampling was conducted using 25 meter soil composites to 100 meters, with a line spacing of 250 meters. Five soil lines passed through MLN 414 to 418. Duplicate samples (QS 10 to 15, 37 to 41) were collected from 11 sample points (Figure 2). A total of 41 samples were sent to Assaycorp for BLEG Au and As analysis, and duplicates were tested by Low Level Fire Assay for Au and As. Au results are shown in Figure 3, and given in Appendix 1.

The results from Low Level Fire Assay testing generally reflected the BLEG values for Au and As, however, Fire Assay results tend to enhance anomalous results above background results, when compared to the BLEG technique. Further statistical work will be conducted to quantify this difference.

3.3 R/C Drilling

Resource testing of the Rhodes Gold Prospect was completed in 1994 with a total of 5 R/C holes (RQ 01 to 05) drilled for 271 meters. Gomex Drilling was contracted to conduct the drilling program using a R/C drill rig. Minor site preparation in the form of tree clearing was required for the drilling program. All holes were drilled at 60° to depths of between 30 and 75 meters. Samples were collected from every meter. All drilling was conducted using a face sampling hammer with the sample for assay split via a riffle splitter on the drill rig into a calico bag and the remaining sample retained on site in plastic bags for future reference.

Drill hole locations are shown in Figure 4 and given in Appendix 2. A total of 271 samples were submitted to Assaycorp for 50 gram fire assay, quartz flush analysis. Drilling results are shown on Figure 5, and given in Appendix 2. The drilling returned significant results. These results generally reflect the WMC results. Resource estimations are given in the Previous Work Report by Canaris and Cooper, in Stokes and Canaris, 1994.

4 CONCLUSION

MLN 414 to 418 has been subject to a significant exploration effort during the 1994 year. This effort is continuing. The resource at the Rhodes Gold Prospect requires infill drilling to bring it to a measured status, but generally, the results from resource testing in 1994 support WMC results. Further drilling will be conducted in 1995. Soil sampling by Northern Gold NL during the year has not produced anomalous results in the vicinity of the Rhodes Gold Prospect, but thick alluvial cover in the area may obscure any geochemical response from bedrock mineralisation. A RAB drilling program has been proposed to solve this problem, and may be undertaken in 1995.

5 EXPENDITURE

Expenditure on MLN 414 to 418 during 1994 totalled $14,900. Details of this expenditure are listed below as Table 1.

Drilling	$3,335
Assays	$2,493
Access & Site Preparation	$1000
Field Expenses	$150
Consumable costs	$80
Motor Vehicle Costs	$400
Wages and Salaries	$5,249
Report writing and copying	$250
SUBTOTAL	**$12,957**
15% Administration and Overheads	$1,943
TOTAL	**$14,900**

Table 1.

6 REFERENCES

Canaris, J. and Cooper, W., (1994) Paqualin Project Area. Previous Work Report. Northern Gold NL internal Company Report, in Stokes & Canaris (1994) EL 7769 Annual Report for 1994.

Hancock S.L. & Muir, P.M. (1986) Mount Ringwood Joint Venture, Annual Report : MLN 414-418, "Quest 155", for period 08/07/1985 to 16/02/1986.

Hancock S.L. & Muir, P.M. (1987) Mount Ringwood Joint Venture, Second Annual Report : MLN 414-418, "Quest 155", for period 17/02/1986 to 16/02/1987.

Appendix 1

Soil Sample Locations & Assay Results

SAMPLE NO	EASTING	NORTHING	AU AV	AS
86451	753600	8522460	1	6
86452	753500	8522460	0	11
86453	753400	8522460	0	8
86454	753300	8522460	1	22
86455	753200	8522460	1	14
86456	753100	8522460	1	11
86479	753595	8522710	1	9
86480	753495	8522710	6	19
86481	753495	8522710	6	23
86482	753395	8522710	6	25
86483	753295	8522710	1	12
86484	753195	8522710	0	10
86485	753095	8522710	1	6
87007	753595	8522960	0	5
87008	753495	8522960	1	10
87009	753395	8522960	1	16
87010	753295	8522960	0	7
87011	753195	8522960	1	16
87012	753095	8522960	0	20
87035	753595	8523210	2	24
87036	753495	8523210	2	12
87037	753395	8523210	1	7
87038	753295	8523210	1	16
87039	753195	8523210	2	23
87040	753095	8523210	1	24
87062	753595	8523460	1	12
87063	753495	8523460	1	7
87064	753395	8523460	1	14
87065	753295	8523460	1	10
87066	753195	8523460	0	13

SAMPLE NO	EASTING	NORTHING	AU AV	AS
QS10	753595	8523210	1	109
QS11	753495	8523210	1	53
QS12	753395	8523210	3	28
QS13	753295	8523210	3	150
QS14	753195	8523210	1	200
QS15	753095	8523210	1	120
QS37	753595	8523460	0	43
QS38	753495	8523460	0	48
QS39	753395	8523460	0	60
QS40	753295	8523460	1	97
QS41	753195	8523460	0	80

Appendix 2

Drill Hole Locations
and Assay Results

HOLE NO	BCNORTH	BCEAST	DEPTH	AZIMUTH	DIP	FINISH
RQ01	68296.88	47141.19	75.00	90.0	-60.0	01/07/94
RQ02	68296.88	47161.19	70.00	90.0	-60.0	01/07/94
RQ03	68296.88	47181.19	66.00	90.0	-60.0	30/06/94
RQ04	68296.88	47191.19	30.00	90.0	-60.0	29/06/94
RQ05	68296.88	47201.19	30.00	90.0	-60.0	29/06/94

HOLE NO	FROM	TO	AU1	AU2
RQ01	0	1	L	
RQ01	1	2	L	
RQ01	2	3	L	
RQ01	3	4	L	0.01
RQ01	4	5	0.02	
RQ01	5	6	L	
RQ01	6	7	0.02	
RQ01	7	8	L	
RQ01	8	9	L	
RQ01	9	10	0.34	0.32
RQ01	10	11	0.02	
RQ01	11	12	L	L
RQ01	12	13	0.08	0.07
RQ01	13	14	L	
RQ01	14	15	L	
RQ01	15	16	L	
RQ01	16	17	L	
RQ01	17	18	0.03	
RQ01	18	19	L	
RQ01	19	20	L	
RQ01	20	21	L	
RQ01	21	22	L	
RQ01	22	23	0.02	0.01
RQ01	23	24	0.06	
RQ01	24	25	L	L
RQ01	25	26	L	
RQ01	26	27	L	
RQ01	27	28	L	
RQ01	28	29	0.02	
RQ01	29	30	L	
RQ01	30	31	L	
RQ01	31	32	L	
RQ01	32	33	0.01	
RQ01	33	34	0.05	
RQ01	34	35	0.23	0.18
RQ01	35	36	0.38	0.31
RQ01	36	37	0.09	
RQ01	37	38	0.18	0.15
RQ01	38	39	L	0.01
RQ01	39	40	0.24	0.24
RQ01	40	41	1.18	1.09
RQ01	41	42	0.12	0.16
RQ01	42	43	L	
RQ01	43	44	L	
RQ01	44	45	L	
RQ01	45	46	L	
RQ01	46	47	0.14	
RQ01	47	48	0.08	0.09
RQ01	48	49	0.28	
RQ01	49	50	0.08	0.1
RQ01	50	51	0.06	
RQ01	51	52	0.25	
RQ01	52	53	0.61	0.57
RQ01	53	54	0.1	

RQ01	54	55	0.4	0.41
RQ01	55	56	0.25	
RQ01	56	57	0.39	
RQ01	57	58	0.08	
RQ01	58	59	L	
RQ01	59	60	0.08	0.09
RQ01	60	61	0.17	0.17
RQ01	61	62	0.11	
RQ01	62	63	0.14	
RQ01	63	64	0.04	
RQ01	64	65	0.02	
RQ01	65	66	0.05	
RQ01	66	67	0.06	0.04
RQ01	67	68	L	
RQ01	68	69	L	
RQ01	69	70	L	
RQ01	70	71	L	
RQ01	71	72	L	
RQ01	72	73	L	
RQ01	73	74	0.03	
RQ01	74	75	0.21	0.19
RQ02	0	1	L	L
RQ02	1	2	L	
RQ02	2	3	L	
RQ02	3	4	L	
RQ02	4	5	0.01	
RQ02	5	6	L	
RQ02	6	7	L	
RQ02	7	8	L	
RQ02	8	9	0.02	
RQ02	9	10	0.07	
RQ02	10	11	1.23	1.26
RQ02	11	12	0.04	0.04
RQ02	12	13	0.02	
RQ02	13	14	0.03	
RQ02	14	15	L	
RQ02	15	16	0.01	
RQ02	16	17	0.41	0.39
RQ02	17	18	0.12	
RQ02	18	19	0.02	
RQ02	19	20	0.02	
RQ02	20	21	0.05	
RQ02	21	22	0.36	0.33
RQ02	22	23	0.33	
RQ02	23	24	0.04	
RQ02	24	25	0.02	
RQ02	25	26	0.02	
RQ02	26	27	0.09	
RQ02	27	28	0.83	0.73
RQ02	28	29	0.34	0.23
RQ02	29	30	0.06	
RQ02	30	31	0.05	
RQ02	31	32	0.05	
RQ02	32	33	0.02	
RQ02	33	34	0.88	1.07

RQ02	34	35	0.48	
RQ02	35	36	0.07	
RQ02	36	37	0.06	
RQ02	37	38	0.2	
RQ02	38	39	0.25	
RQ02	39	40	0.4	0.47
RQ02	40	41	0.12	
RQ02	41	42	0.09	0.11
RQ02	42	43	0.44	
RQ02	43	44	0.54	
RQ02	44	45	0.59	
RQ02	45	46	0.05	0.06
RQ02	46	47	0.07	
RQ02	47	48	0.14	
RQ02	48	49	0.57	
RQ02	49	50	7.1	5.66
RQ02	50	51	3.77	3.65
RQ02	51	52	3.17	3.14
RQ02	52	53	9.2	6.1
RQ02	53	54	1.51	2.06
RQ02	54	55	0.94	0.98
RQ02	55	56	0.21	
RQ02	56	57	0.34	
RQ02	57	58	0.36	
RQ02	58	59	0.37	
RQ02	59	60	0.07	
RQ02	60	61	0.29	
RQ02	61	62	0.31	
RQ02	62	63	0.07	
RQ02	63	64	0.15	
RQ02	64	65	0.23	
RQ02	65	66	0.07	
RQ02	66	67	0.13	
RQ02	67	68	2.44	3.67
RQ02	68	69	2.47	1.7
RQ02	69	70	0.9	
RQ03	0	1	L	
RQ03	1	2	L	
RQ03	2	3	L	
RQ03	3	4	L	
RQ03	4	5	0.3	0.29
RQ03	5	6	L	L
RQ03	6	7	0.08	
RQ03	7	8	L	
RQ03	8	9	L	
RQ03	9	10	L	
RQ03	10	11	0.02	
RQ03	11	12	0.37	
RQ03	12	13	0.6	0.57
RQ03	13	14	0.04	
RQ03	14	15	L	
RQ03	15	16	0.08	
RQ03	16	17	0.63	
RQ03	17	18	0.04	
RQ03	18	19	2.96	3.76

RQ03	19	20	0.15	
RQ03	20	21	0.05	
RQ03	21	22	0.03	
RQ03	22	23	0.78	
RQ03	23	24	1.52	1.71
RQ03	24	25	0.09	0.1
RQ03	25	26	0.02	
RQ03	26	27	0.08	
RQ03	27	28	L	
RQ03	28	29	0.02	0.06
RQ03	29	30	L	
RQ03	30	31	L	
RQ03	31	32	L	
RQ03	32	33	0.02	0.03
RQ03	33	34	0.15	0.13
RQ03	34	35	0.09	
RQ03	35	36	L	
RQ03	36	37	L	
RQ03	37	38	0.67	
RQ03	38	39	0.07	0.1
RQ03	39	40	0.18	
RQ03	40	41	L	
RQ03	41	42	0.07	
RQ03	42	43	0.02	
RQ03	43	44	0.24	
RQ03	44	45	S	
RQ03	45	46	0.17	0.17
RQ03	46	47	0.11	
RQ03	47	48	0.03	
RQ03	48	49	0.13	
RQ03	49	50	0.54	0.62
RQ03	50	51	0.23	
RQ03	51	52	0.12	
RQ03	52	53	L	
RQ03	53	54	L	
RQ03	54	55	L	
RQ03	55	56	L	L
RQ03	56	57	L	
RQ03	57	58	0.11	
RQ03	58	59	0.03	
RQ03	59	60	0.09	0.11
RQ03	60	61	1.15	1.06
RQ03	61	62	0.78	
RQ03	62	63	1.13	0.99
RQ03	63	64	1.29	1.32
RQ03	64	65	0.11	0.09
RQ03	65	66	0.12	
RQ04	0	1	0.01	
RQ04	1	2	L	
RQ04	2	3	0.02	
RQ04	3	4	L	
RQ04	4	5	L	
RQ04	5	6	0.05	
RQ04	6	7	0.06	
RQ04	7	8	0.08	

RQ04	8	9	0.12	
RQ04	9	10	1.66	1.22
RQ04	10	11	0.1	0.13
RQ04	11	12	0.08	
RQ04	12	13	0.41	
RQ04	13	14	0.03	
RQ04	14	15	0.34	
RQ04	15	16	0.5	0.51
RQ04	16	17	0.13	0.13
RQ04	17	18	0.16	
RQ04	18	19	0.33	
RQ04	19	20	0.33	
RQ04	20	21	0.52	
RQ04	21	22	0.3	
RQ04	22	23	0.14	
RQ04	23	24	0.51	
RQ04	24	25	0.69	0.58
RQ04	25	26	0.04	
RQ04	26	27	0.1	0.13
RQ04	27	28	0.1	
RQ04	28	29	0.59	
RQ04	29	30	0.12	
RQ05	0	1	L	L
RQ05	1	2	L	
RQ05	2	3	0.02	
RQ05	3	4	0.02	
RQ05	4	5	0.03	
RQ05	5	6	0.06	0.05
RQ05	6	7	0.04	
RQ05	7	8	0.04	
RQ05	8	9	0.03	
RQ05	9	10	L	
RQ05	10	11	0.02	
RQ05	11	12	0.02	0.02
RQ05	12	13	L	
RQ05	13	14	L	
RQ05	14	15	0.02	
RQ05	15	16	0.29	0.25
RQ05	16	17	0.17	0.16
RQ05	17	18	L	
RQ05	18	19	L	
RQ05	19	20	L	
RQ05	20	21	L	L
RQ05	21	22	4.15	4.84
RQ05	22	23	0.06	
RQ05	23	24	L	
RQ05	24	25	L	L
RQ05	25	26	L	
RQ05	26	27	L	
RQ05	27	28	0.05	0.09
RQ05	28	29	L	
RQ05	29	30	L	

753000

754000

8524000

8524000

+QS41 +QS40 +QS39 +QS38 +QS37

87066 87065 87064 87063 87062

+QS15 +QS14 +QS13 +QS12 +QS11 +QS10

87040 87039 87038 87037 87036 87035

8523000

8523000

87012 87011 87010 87009 87008 87007

86485 86484 86483 86482 86481 86480 86479

86456 86455 86454 86453 86452 86451

8522000

8522000

HORIZ=LL ASSAY
VERT=BLEG

753000

754000

Northern Gold NL		
MLN 414 TO 418 Soil Sample Locations Figure		
Scale 1: 10000	DATE 02/10/94	SHEET 1 of 1
	REF No.	
	Plotted with MICROMINE	

Figure 2

753000

754000

8524000

8524000

8523000

8523000

8522000

8522000

HORIZ=LL ASSAY PPB
VERT=BLEG

Northern Gold NL		
MLN 414 TO 418 Soil Au Results ppb Figure		
Scale 1: 10000	DATE 02/10/94	SHEET 1 of 1
	REF No.	
	Plotted with MICROMINE	

753000

754000

Figure 3

Northern Gold NL

MLN 414 TO 418
RC COLLAR LOCATIONS

Figure 4

Scale	DATE	SHEET
1:500	29/11/94	1 of 1
	REF No. RDCOL94	
	Plotted with MICROMINE	

8522950

8522900

753450

753400

753350

753300

+RAUC 14

+RA05

+RA04

+RAUC 30

+RA03

+RAUC 27

+RA02

+RAUD 18

+RAUC 26

+RAUD 15

+RAUC 34

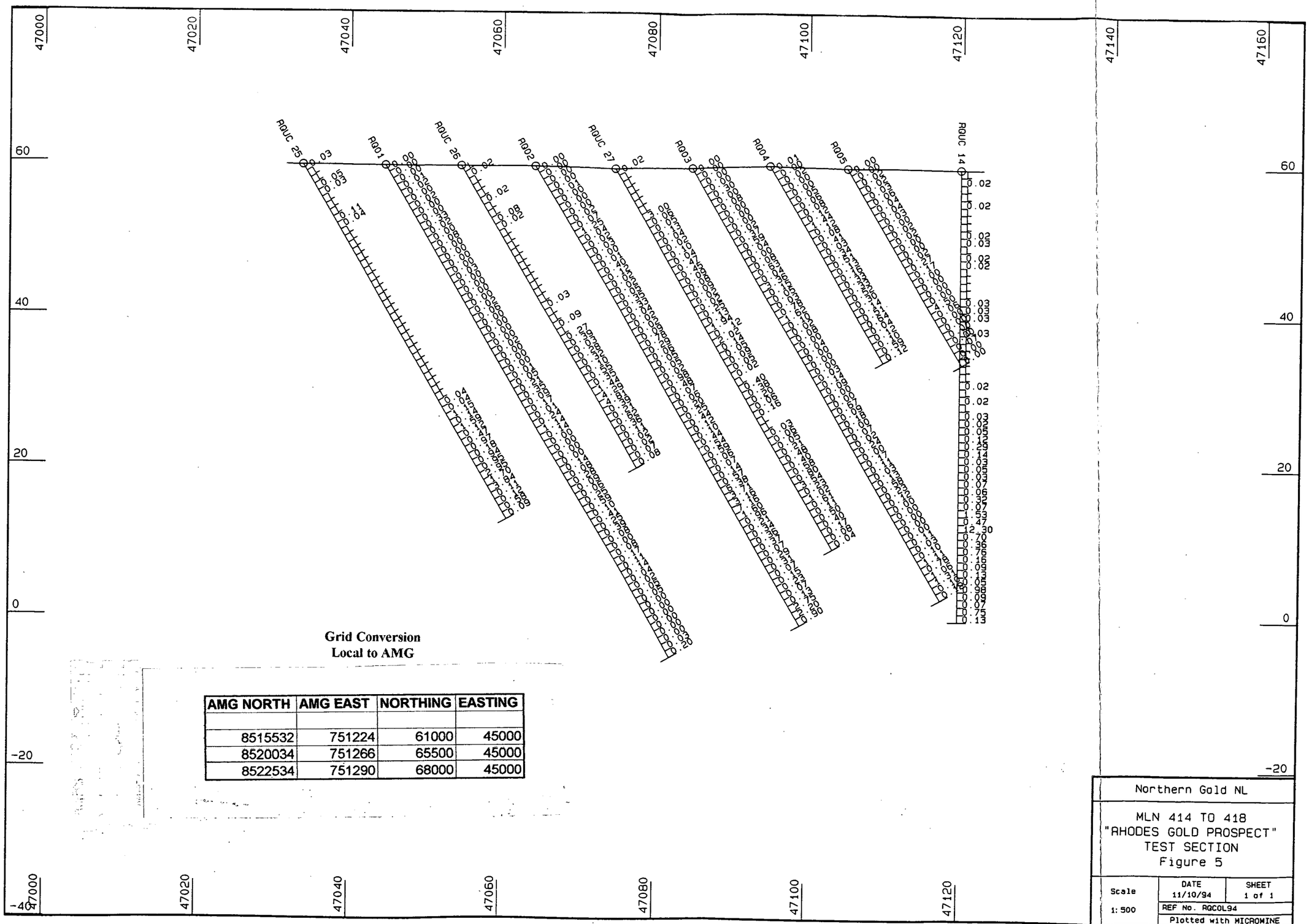
+RAUC 31

+RA01

+RAUC 25

+RAUD 3

+RAUP 5



Grid Conversion
Local to AMG

AMG NORTH	AMG EAST	NORTHING	EASTING
8515532	751224	61000	45000
8520034	751266	65500	45000
8522534	751290	68000	45000

Northern Gold NL

MLN 414 TO 418
"RHODES GOLD PROSPECT"
TEST SECTION
Figure 5

Scale	DATE	SHEET
1:500	11/10/94	1 of 1
	REF No. RQCOL94	
	Plotted with MICROMINE	