ACACIA RESOURCES LIMITED
PINE CREEK PROJECT
ANNUAL REPORT FOR
ELIZABETH
MCN'S 506, 507, 734, 735 & 738
AND MLN'S 135, 779, 780, 822 & 856
FOR THE YEAR ENDING 31 DECEMBER 1995

AUTHOR: P TORNATORA REPORT NO: 08.7766
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1.0 INTRODUCTION

This report concerns Acacia Resources Limited's tenements MCN 506, 507, 734, 735 and 738 and MLN 135, 779, 780, 822 and 856, which are located in the Mt Wells area approximately 19km north of Pine Creek, Northern Territory (Figure 1). The tenements were previously operated by Acacia Resources under an option agreement with R M Biddlecombe. Acacia acquired full ownership of the tenements on 26/2/96.

In 1993, nine of the above tenements (MCNs 506, 507, 734, 735 and 738 and MLNs 135, 779, 780 and 822) were defined as the Elizabeth tenements. They include the extent of the historic Elizabeth Gold Mine workings and cover a continuous area of approximately 2km length (NNW) and 400m width (ENE), falling within the Elizabeth grid area. MLN 856, which is situated approximately 1km west northwest of MCN 734, is also included with the Elizabeth tenements. Joint reporting was approved by the NTDME for the ten tenements in November 1993 and this report deals with work carried out on all the tenements mentioned above for the year ending 31 December 1995.

2.0 LOCATION AND ACCESS

The Elizabeth tenements lie approximately 19km north of Pine Creek, Northern Territory (Figure 1). Access is via the Springhill and Mt Wells Roads, turning east off the Stuart Highway approximately 22km north of Pine Creek. The historic Elizabeth workings lie about 600m west of the Mt Wells road, where it crosses the McKinlay River, and can be accessed by a narrow, fair weather 4WD track.

3.0 REGIONAL SETTING

The Elizabeth tenements are located in the Pine Creek area in the central portion of the Pine Creek Geosyncline (Figure 2). The geosyncline contains Early Proterozoic metasedimentary rocks resting on gneissic and granitic Archean basement. 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 1899 - 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.
The Elizabeth tenements lie at the northern end of a neck of metasediments which separate two lobes of the Cullen Batholith (Figure 2). This metasedimentary neck, which is dominated by the turbiditic Burrell Creek Formation, plays host to both the Pine Creek and Union Reefs ore bodies as well as numerous areas of historic workings, including Springhill (Au), Flora Belle (Ag, Pb), McKinlay (Ag, Pb), Esmeralda (Au) and Elizabeth (Au).

4.0 TENEMENT GEOLOGY

The interbedded turbiditic greywackes and shales of the Elizabeth tenements have been assigned to the Early Proterozoic Burrell Creek Formation (Stuart-Smith et al, 1987). These rocks have been tightly folded about NNE trending axial traces to produce subvertical to steeply dipping bedding across the area. Peak greenschist facies metamorphism was coincident with this folding event.

The historic workings at Elizabeth are centred on a narrow (1 - 2m) shear hosted vein system which dips steeply to the east and is interpreted as part of the broader Pine Creek Shear Zone. The Pine Creek Shear Zone is of paramount structural significance with respect to mineralisation in the Union Reefs/Pine Creek area.

5.0 PREVIOUS EXPLORATION

In the period 1880-1900 the Elizabeth workings produced on the order of 9,000 ounces of gold, averaging about one ounce to the tonne (R M Biddlecombe, 1987). The workings are concentrated north of the McKinlay River, where the gold bearing shear/vein system has been largely stope out in the upper 30m. The extent of mineralisation below this level is largely untested.

One diamond drill hole was completed by the NTDME in August 1979, with poor results (see Figure 12).

In 1988, Enterprise carried out a program of mapping and rock chip sampling. Seven (7) RC holes for 464m were then drilled, with best intersections of 1m @ 4.00g/t in EL88/3 and 1m @ 4.60g/t in EL88/6. Enterprise rock chip and drilling results are given in Figures 3 to 11 and Appendix 1).

Work carried out by Billiton (Acacia) since 1993, wholly or partly on the MCNs and MLNs, includes:
• Compilation of previous explorers' data and regional geological traversing
• Detailed structural interpretation of the tenements on 1:25 000 scale airphotos
• Aeromagnetic interpretation of data from the multi-client aeromagnetic survey by aerodata
• Soil sampling at 25m intervals along 100m spaced lines
• Mapping at 1:2000 scale and some rock chip sampling was carried out within the grid area
• Trenching was completed (2 costeans for a total of 300m) over anomalous soil results in the grid area
• RC drilling (5 x 60m holes) for 300m was completed in the grid area over soil anomalies.

6.0 WORK COMPLETED

Field work completed in the reporting period comprised reconnaissance of the area of old workings, and the collection of one rock chip sample (number 661178; Figure 3 and Appendix 1).

The locations of seven RC holes completed by Enterprise in 1988 and of one diamond hole drilled by the NTDME were recorded on site in relation to the Elizabeth local grid.

The majority of work during the reporting period comprised compilation and interpretation of previous work. Rock chip sampling completed by Enterprise was added to Acacia's digital database, in addition to previous Billiton (Acacia) rock chip sampling (see Figure 3 and Appendix 1). Surveys and assay information for the previous RC and diamond drilling in the area was also entered, and cross sections generated (Figures 4 to 12).

7.0 WORK PLANNED FOR THE YEAR ENDING 31 DECEMBER 1996

Work planned for the 1996 field season includes:

• Additional data interpretation and further reconnaissance and mapping to identify drilling targets.

• RC drilling following up soil anomalies and previous drilling
## 8.0 EXPENDITURE YEAR ENDING 31 DECEMBER 1995

<table>
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<tr>
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<tr>
<td><strong>Total</strong></td>
<td><strong>14,070</strong></td>
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</tbody>
</table>
9.0 REFERENCES


BIDDLECOMBE RM, 1987?. The Elizabeth Gold Mine, Pine Creek, NT, Australia.


GILES, D, April 1994, Annual Report for MCN’s 506, 507, 734, 735 and 738 and MLN’s 135, 779, 780 and 822 for the year ending 31 December 1993 (08.6669 - unpublished company report).
# APPENDIX 1 - ROCK CHIPS

| PROJ | TMNNT | TMNNT NA | PROSPECT | COMPANY | DATE | SFT | TYPE | AMG E | AMG N | SAMPL | BATCH | CHIPS | CP | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS | CHIPS |
|------|-------|----------|----------|---------|-------|-----|------|-------|-------|-------|-------|------|-----|------|------|------|------|------|------|------|------|------|------|------|------|
| PINE | SEL768 | ELIZABETH | WORKINGS | ACACIA | PT | ROCK CHIP | 76570.65 | 848653.76 | 631178 | AC23168 | 0.0     | 999 | 212 | 609 | 180 | 1.1 |
| PINE | SEL778 | ELIZABETH | WORKINGS | ACACIA | PT | ROCK CHIP | 76712.59 | 848650.94 | 753080 | AC17165 | 0.0     | 999  | 212 | 609 | 180 | 1.1 |
| PINE | SEL779 | ELIZABETH | WORKINGS | ACACIA | PT | ROCK CHIP | 76711.96 | 848651.45 | 753080 | AC17176 | 0.0     | 999  | 212 | 609 | 180 | 1.1 |
| PINE | SEL780 | ELIZABETH | WORKINGS | ACACIA | PT | ROCK CHIP | 76711.59 | 848651.34 | 753080 | AC17171 | 0.0     | 999  | 212 | 609 | 180 | 1.1 |
| PINE | SEL781 | ELIZABETH | WORKINGS | ACACIA | PT | ROCK CHIP | 76711.32 | 848651.68 | 753080 | AC17177 | 0.0     | 999  | 212 | 609 | 180 | 1.1 |
| PINE | SEL782 | ELIZABETH | WORKINGS | ACACIA | PT | ROCK CHIP | 76716.96 | 848651.36 | 753080 | AC17178 | 0.0     | 999  | 212 | 609 | 180 | 1.1 |
| PINE | SEL783 | ELIZABETH | WORKINGS | ACACIA | PT | ROCK CHIP | 76715.09 | 848651.78 | 753080 | AC17180 | 0.0     | 999  | 212 | 609 | 180 | 1.1 |
| PINE | SEL784 | ELIZABETH | WORKINGS | ACACIA | PT | ROCK CHIP | 76713.10 | 848651.82 | 753080 | AC17181 | 0.0     | 999  | 212 | 609 | 180 | 1.1 |
| PINE | SEL785 | ELIZABETH | WORKINGS | ACACIA | PT | ROCK CHIP | 76711.96 | 848651.68 | 753080 | AC17185 | 0.0     | 999  | 212 | 609 | 180 | 1.1 |

**Note:** Chip size, %Cu, %Fe, %Sn, etc.