Annual Report of Exploration

AN 364 – Mt. Fitch North

Seventh Annual Report

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Figure 1: Location Map 1:125,000
INTRODUCTION

Authority to Explore No. N364 (357.8 hectares) was granted to Compass NL for five years on 2 July, 1993. The tenement was joint ventured with Billiton Australia Gold Pty. Ltd. (later Acacia Resources Limited) on 4 August, 1993. Acacia managed the joint venture until mid-June 1997 when Compass Resources NL resumed management.

A request for waiver of reduction of AN 364 was granted on 9 August 1995 for 12 months. A waiver of reduction of AN 364 was again granted on 12 July 1996 for six months enabling the retention of the total area until 1 July 1998. A small portion of the southeastern section of the tenement, which was on Aboriginal Freehold land, was relinquished in July 1998 when the tenement was renewed for a further two years. The tenement area is now 348.9 hectares.

This report details all work completed between 2 July, 1999 and 1 July, 2000 the seventh year of the Authority.

AN 364 is situated approximately 15 Kilometres north-northwest of the Batchelor township, approximately 80 kilometres south of Darwin (Figure 1). Access to the tenement is via sealed roads to Browns Shaft from Batchelor, then by unsealed roads to the abandoned North Australian Railway which leads north into the tenement. Access within the tenement to the gridded areas is provided by numerous well defined four wheel drive tracks.

An alternative access route during the dry period is from the Darwin River Dam area by travelling 10 kilometres south on the old railway line into the tenement.

AN 364 consists of undulating to flat landscape which drains towards the south and west. Vegetation is predominantly medium sized trees and a grassy understorey, though small patches of forest occur around semi-permanent springs and waterholes and in parts of the major drainages.
Average rainfall for the area is 1,456 mm per year, nearly all of which falls between the months of November and March. The tenement is largely inaccessible by road during these months.

REGIONAL GEOLOGY

The Mt. Fitch North tenement (AN 364) is situated on the western flax of the Rum Jungle Complex in the Rum Jungle Region of the Pine Creek Geosyncline. The oval shaped complex consists predominantly of granitoid rocks.

Unconformably overlying the granitoid basement is the Crater Formation (up to 600 metres thick) which forms the basal sequence of the Mt. Partridge Group and comprises two major arenaceous and rudaceous sequences. The Coomalie Dolomite conformably overlies the Crater Formation and has a reported maximum thickness of 1,000 metres. Immediately overlying the Coomalie Dolomite is the Whites Formation, a black shale sequence which frequently contains base metal sulphide mineralisation at its base.

PREVIOUS EXPLORATION

During the 1950s and 1960s, the Bureau of Mineral Resources and Territory Enterprises Pty. Ltd., undertook both base metal and uranium exploration along the Whites Formation-Coomalie Dolomite contact. This involved mapping, costeasing, geochemical and geophysical surveys culminating in significant diamond drill programmes. Only minor mineralisation was reported.

Between 1979 and 1983 Uranerz undertook some regional RAB geochemical sampling to the immediate west of the tenement.

Compass Resources drilled two drill holes to the immediate west of the tenement in 1990, intersecting encouraging lead and copper mineralisation.
During 1994/1995 Acacia Resources completed one precollared diamond drill hole (MFN 3, collared just west of the tenement) and during 1995/1996 completed 7 reverse circulation drill holes over a major copper geochemical anomaly within the tenement.

The diamond drill hole intersected copper sulphide mineralisation at the base of the Whites Formation, whilst the reverse circulation holes showed the copper geochemical anomaly to be surficial in nature over Coomalie Dolomite.

In the period 1997/1998, Compass Resources completed three diamond drill holes, 1 north of hole MFN 3 and two holes to the south. Hole MFN 4 located 50 metres to the north of MFN 3 intersected 14 metres of 1.94% copper at the base of the Whites Formation.

WORK COMPLETED THIS YEAR

Additional R/C drilling was planned for the northern section of the Mt. Fitch North prospect, however due to attempts to synchronise this drilling with geotechnical and hydrological studies drilling at Browns, this work was not commenced during the report period.

PROPOSED PROGRAMME AND BUDGET

To complete the proposed R/C drilling programme at the Mt. Fitch North prospect and further evaluate the magnesite and dolomite potential.

A budget of $10,000 has been proposed for this exploration work.
AN 364 - MT. FITCH NORTH
EXPENDITURE REPORT

2 July 1999 to 1 July 2000

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<tr>
<th>Description</th>
<th>Amount</th>
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<td>Tenement costs/searches</td>
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<td>Overheads</td>
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<td>Total expenditure</td>
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