MINING REPORT FOR
MLNs 808, 821 & 869

Author : Tom Starr

As at 26/8/2000

For background please refer to the Mining Reports for these MLNs dated 24.9.97 & 11.1.99.

1998 – Acacia

Further to the Acacia ordeal mentioned in the previous report we again propositioned the company to treat ore on the grounds that they were planing to close their Brock’s creek mine in Juily of 2000. Acacia agreed to the proposal using the gold sharing formula that we had originally presented to Solomon Pacific and subsequently presented to Acacia.

After significant work to finalise the deal Acacia added some new terms before they would sign off.

These were, namely, 1) to deal with only one entity (they knew that three different companies were involved)
2) deliver lots of 100,000 tonnes (we had only discussed 10,000 tonne lots).
3) upfront cash surety of $400,000
Given that the cost of further exploration, mining and cartage of 100,000 tonnes of ore would have been in the vicinity of $1.5million plus the $400,000 cash it was clearly out of our league to proceed.

We investigated the Sirocco Resources proposal but due to the distance for cartage of ore the margin was too small to warrant proceeding.

Currently we are seeking finance for a small plant as mentioned in earlier correspondence using gravity with the aim to treat tailings at a future date by heap leaching.

Also Cullen Resources have recently approached us, and after their viewing of our data we will be in a position to know if they are further interested.

For quite some years our plans have been thwarted by circumstances out of our control and whilst we appreciate that without total control development of the resource can be difficult. During 99/2000 our reliance upon Acacia resources interfered with planning outlined in our previous report.

Regardless we remain optimistic that reasonable goals will be achieved.

Our Wild Plains Safari Camp project the core business of our company is proceeding to plan and is predicted to be able to fund further exploration of the MLNs during 2001.

No mining activity was carried out during 99/2000 and therefore no disturbance to the environment occurred and therefore further rehabilitation work was uncalled for.

We regret that we have been unable to report a more positive outcome for 99/2000 but remain buoyant about the future prospects.

We hereby apply for the renewal of Mineral leases 808 and 869.