



General Gold Operations Pty Ltd

ACN 086 085 878

(ADMINISTRATOR APPOINTED)

**EL 9868 "ACACIA"
MT TODD DISTRICT, NT**

**ANNUAL REPORT FOR EXPLORATION
YEAR THREE OF TENURE
24 JULY 1999 – 23 JULY 2000**

Distribution:

NTDME x1
General Gold Operations x1
(Administrator Appointed)

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1. INTRODUCTION

Exploration Licence 9868 (Acacia) was granted to Pegasus Gold Australia Pty Ltd ("PGA") on 24 July 1997 for a period of six (6) years. The licence covers an area of approximately 3.3km², comprising 1 graticular block.

Following the severe decrease in the gold price and faults in the project design criteria, the Mt Todd mine was put on care and maintenance status on 15th November 1997 and PGA was placed under Deed of Company Arrangement.

The Administrators of PGA undertook an extended sale process during 1998, with sale to the Yimuyn Manjerr Joint Venture (Multiplex Resources Pty Ltd 93%, General Gold Resources NL 2%, PGA 5%) finalized on the 18th March 1999. General Gold Operations Pty Ltd ("GGO") holds the title in trust for the JV and is operator of the joint venture.

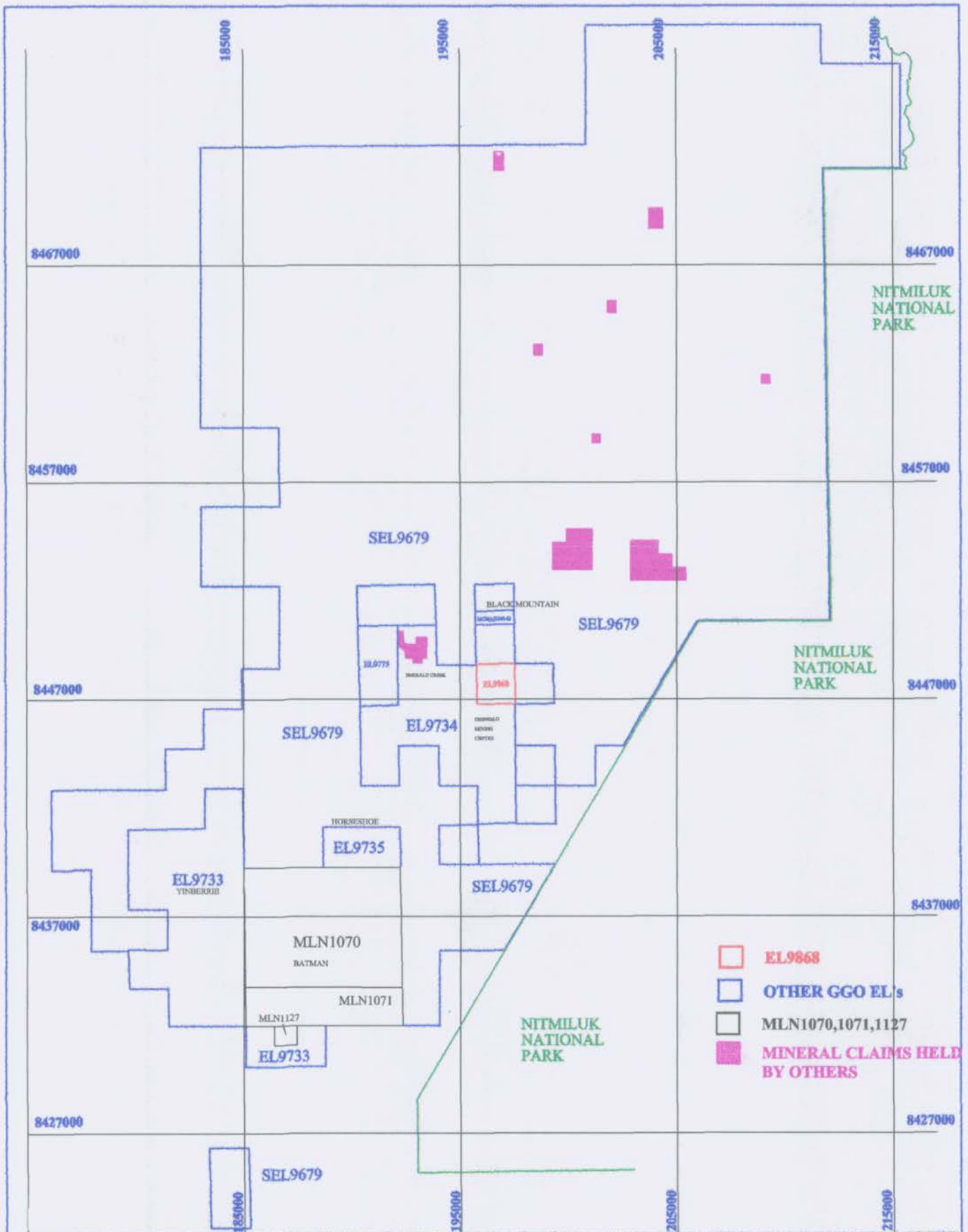
GGO was placed in administration on the 5th July 2000, following a dispute between joint venture partners, with closure of the mining operations and all geological personnel (mining/exploration) made redundant.

This report covers the exploration program carried out over the licence area during the 1999/2000 year of tenure.

2. LOCATION AND ACCESS

EL9868 (Acacia) is situated approximately 55km north of Katherine and is centred approximately 12km to the northeast of the Mt. Todd Gold Mine (*Figure 1*). Access is gained via Mt. Todd Mine access roads and exploration tracks north from the sealed Edith Falls Road.

Topography within EL9868 is considerably varied, ranging from low relief scree rises and black soil plains in the north and east, to moderate relief rocky ridges in the south. The region is traversed by a number of creeks and drainages, including the relatively major Driffield Creek. Most of the licence is lightly timbered.



DATE: AUGUST 2000

EL9868 'ACACIA' TENEMENT LOCATION

Figure 1

3. GEOLOGICAL SETTING

“Acacia” is located within the southeastern portion of the Early Proterozoic Pine Creek Geosyncline. Metasediments, granitoids, basic intrusives, acid and intermediate volcanic rocks occur within this geological province (*Figure 2*).

Within the Mt. Todd area the oldest outcropping rocks are assigned to the Burrell Creek Formation. These rocks consist primarily of interbedded greywackes, siltstones and shales of turbidite affinity, which are interdispersed with minor volcanics. The formation contains slump structures, flute casts, graded beds and occasional crossbeds.

Rocks of the Burrell Creek Formation have been folded about northerly trending F1 fold axes. The folds are open to closed style and have moderate to steep westerly dipping axial planes, with some rocks being overturned. A later north-south compression event resulted in east-west trending open style upright D2 folds.

Metasediments of the Burrell Creek Formation outcrop extensively throughout the western portion of EL9868. Ridges and creeks host exposures of greywacke and siltstone, with lesser shale and minor tuff and feldspathic sandstone.

Quartz is abundant within the licence area, occurring as both massive, white, “bucky” veins and blows, and thin veinlets or stockworks. Three main structural trends are apparent over EL9868. A northwest structural trend is represented by a moderate to strong vertical joint set or foliation, striking 300° to 350° magnetic. A northeast trend hosts much of the massive white quartz veins, striking 030° to 060° magnetic. The third structural trend is near bedding-parallel, and often results in shearing and brecciation along bedding planes. Quartz veining exists along all of these structural trends. Pyrite pseudomorphs are often associated with sheared and brecciated quartz veins.

Several prospect pits and alluvial diggings are scattered throughout EL9868, with the abandoned Driffield Mining Centre adjacent to the southern boundary.

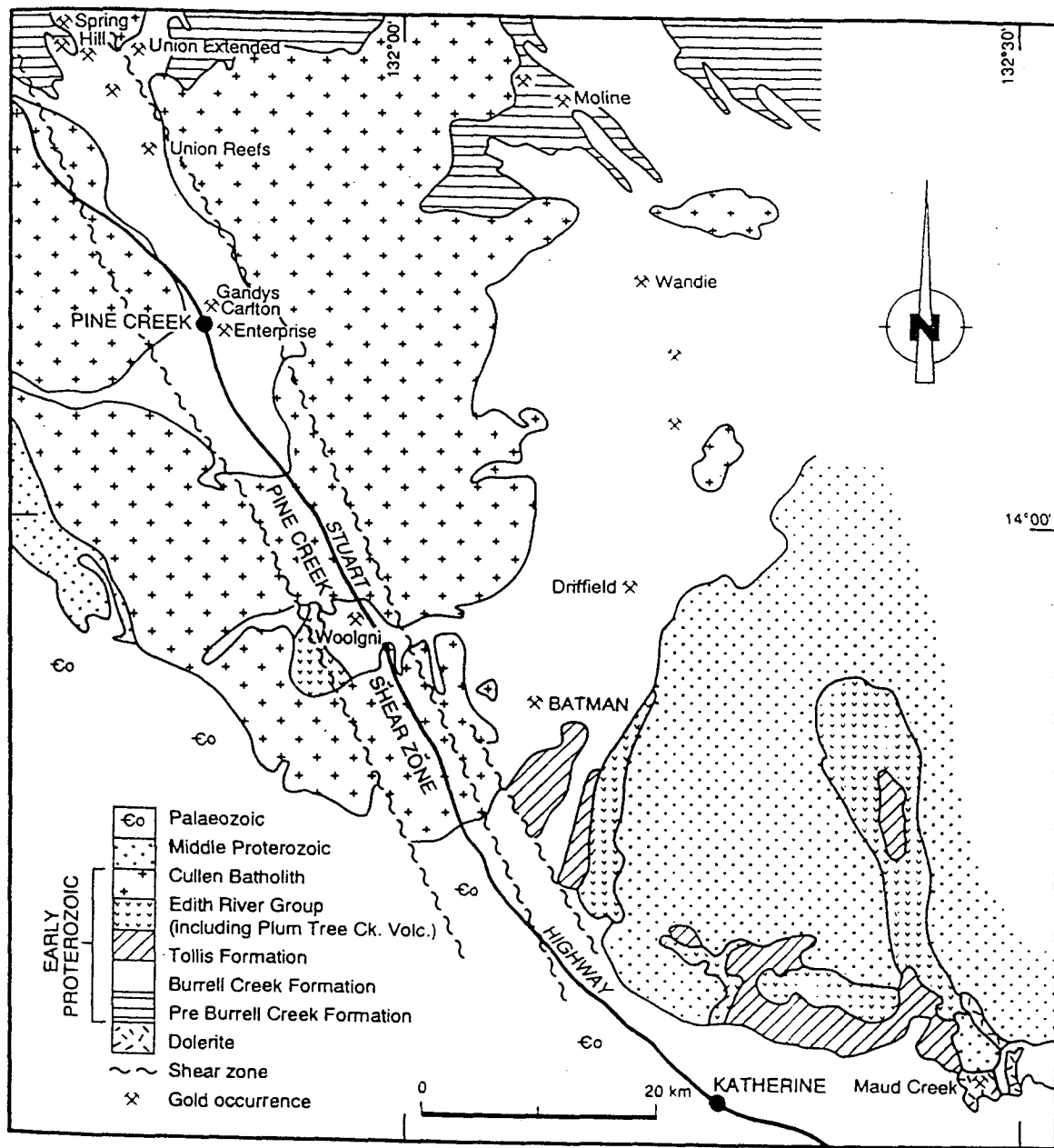


Figure 2. Regional Geological Setting

4. PREVIOUS EXPLORATION

4.1 **Exploration – Year 1**

Exploration undertaken by Pegasus on EL9868 during Year 1 consisted of:

- Collation and validation of all existing data
- Entry of all existing data into a computer database
- Acquisition of digital aerial photography
- Acquisition of digital Landsat imagery
- Gridding
- Reconnaissance geological mapping and rock chip sampling
- Geochemical soil sampling

4.1.1 **GIS and Remote Sensing Studies**

Pegasus completed a thorough compilation of a GIS database through the acquisition of digital data from various government and private companies. Data pertinent to the EL9868 region included combined Landsat/SPOT imagery at 1:50,000 scale and 1:25,000 scale digital photography and 5m contours over the Driffield area. Digital aerial photography at 1:60,000 scale with 5m contours and a regional airborne geophysical survey were obtained for the area north of EL9868 and were useful in defining and recognising regional trends.

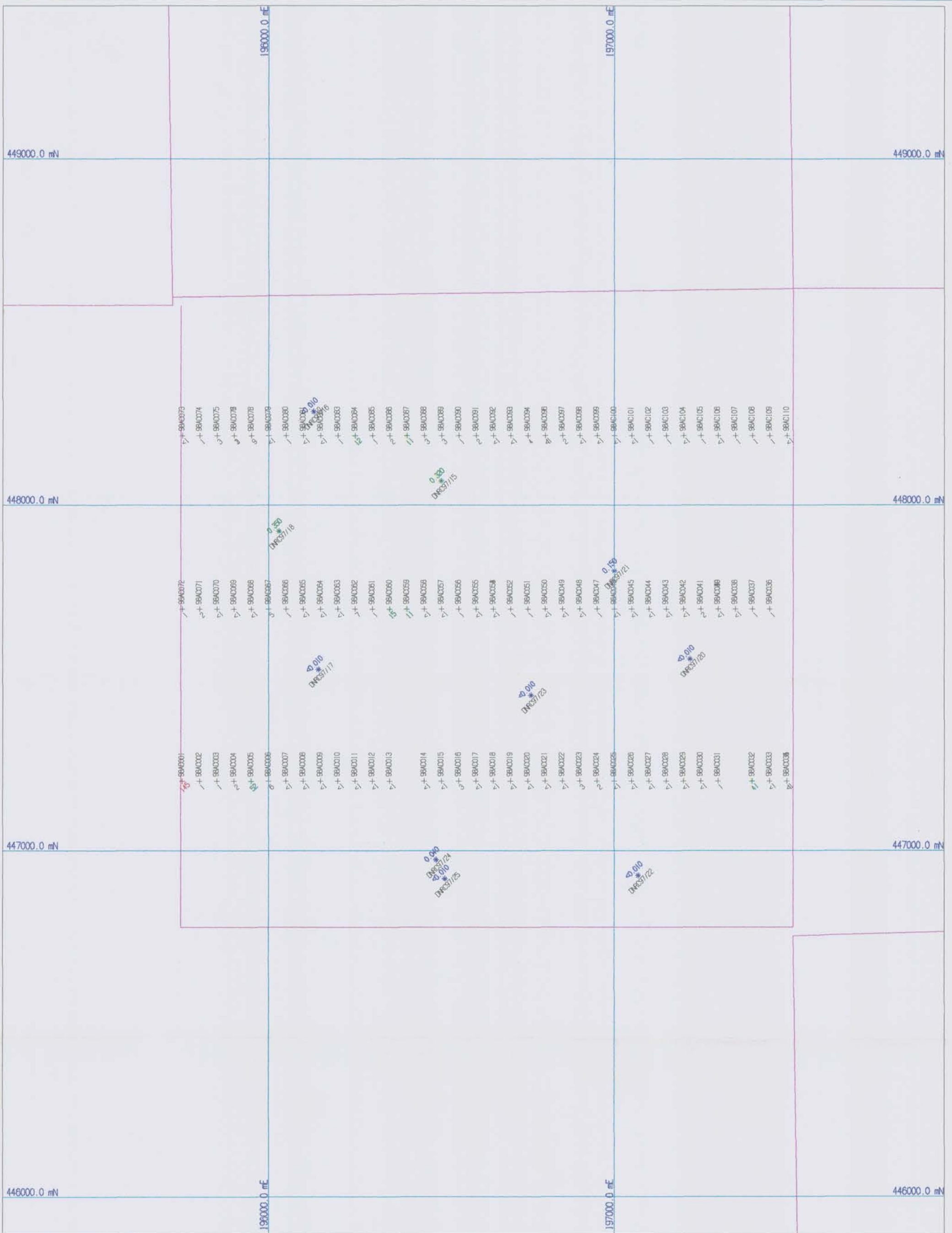
All the digital data was manipulated in ARCVIEW with all geochemical data in a GEMCOM PCXPLOR database.

4.1.2 **Geological Reconnaissance**

Preliminary geological reconnaissance of the licence was undertaken in conjunction with the EL 9734 mapping program. In conjunction with this reconnaissance ten (10) rock chip samples were collected from areas of quartz veining/stockwork or quartz scree.

These samples were dispatched to Assaycorp Pine Creek and analysed for Au by fire assay techniques (detection limit 0.01ppmAu) and basemetals (As, Cu, Pb,Zn) by AAS techniques.

Rock chip sample location is shown on *Figure 3* with sample numbers and full assay results detailed in *Appendix 1*.



General Gold Operations Pty Ltd
 Yimuyin Manjerr Gold Mine
 Edith Falls Road
 Katherine, NT
 Australia 0850

EL9868 Geochemistry
 + Soil (Au ppb)
 * Rock (Au ppm)
 SCALE 1:10000

UNITS : METRES DATE: 00/08/17 TIME: 11:41:36
 Software by Geocom Software International
 FIG. 3

4.1.3 **Soil Sampling**

A regional soil sampling program was undertaken to test the potential of the NE trending Batman-Driffield structural corridor within EL9868 and for possible extensions of the Driffield Mining Centre mineralisation.

Samples (110) were collected by contract field crew Arnhem Exploration, on a 500m x 50m grid, from the "B" soil horizon within the non-transported regolith.

All samples were collected at 50m spacing along grid lines (GPS and Dominion survey grid control) and sieved to -40# size fraction in the field. Samples were dispatched to Assaycorp Pine Creek and analysed for Au by low level fire assay techniques (1 ppb detection limit).

Soil sample location is shown on *Figure 3* with sample numbers (98AC01-110) and assay results detailed in *Appendix 1*.

4.2 **Exploration – Year 2**

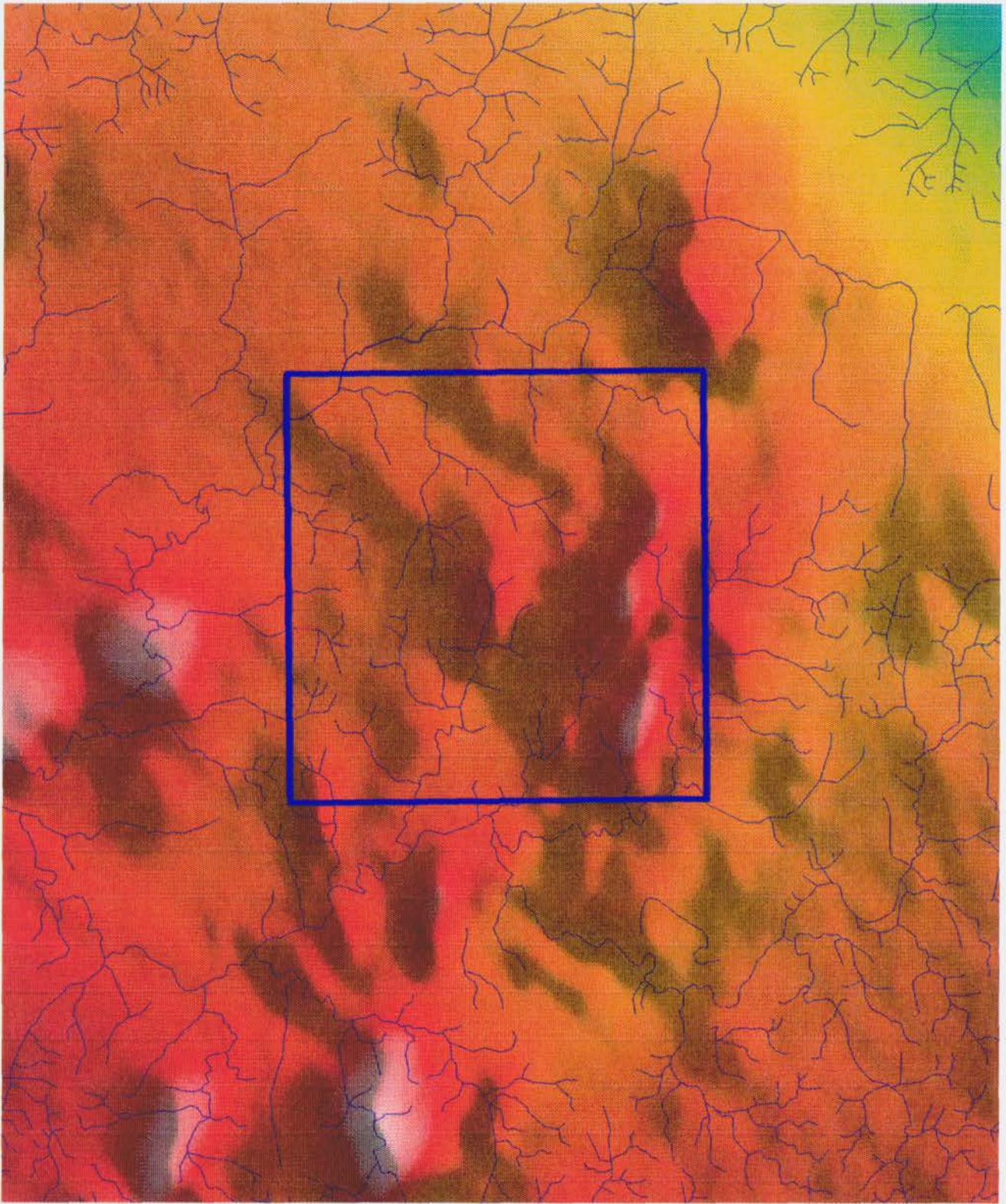
4.2.1 **GIS and Remote Sensing Studies**

Continuation of the GIS compilation program was undertaken with the generation of 5m contours for the tenement area, addition of 1997-98 Pegasus exploration data and the initial input of CAD geological mapping. Interpretation of the various datasets was initiated during the year.

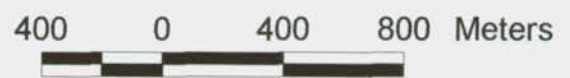
The total magnetic intensity and second vertical derivative images are shown on *Figures 4 & 5*. The original located and gridded geophysical data was collected during the 1995 regional airborne survey and has been lodged with the NTDME.

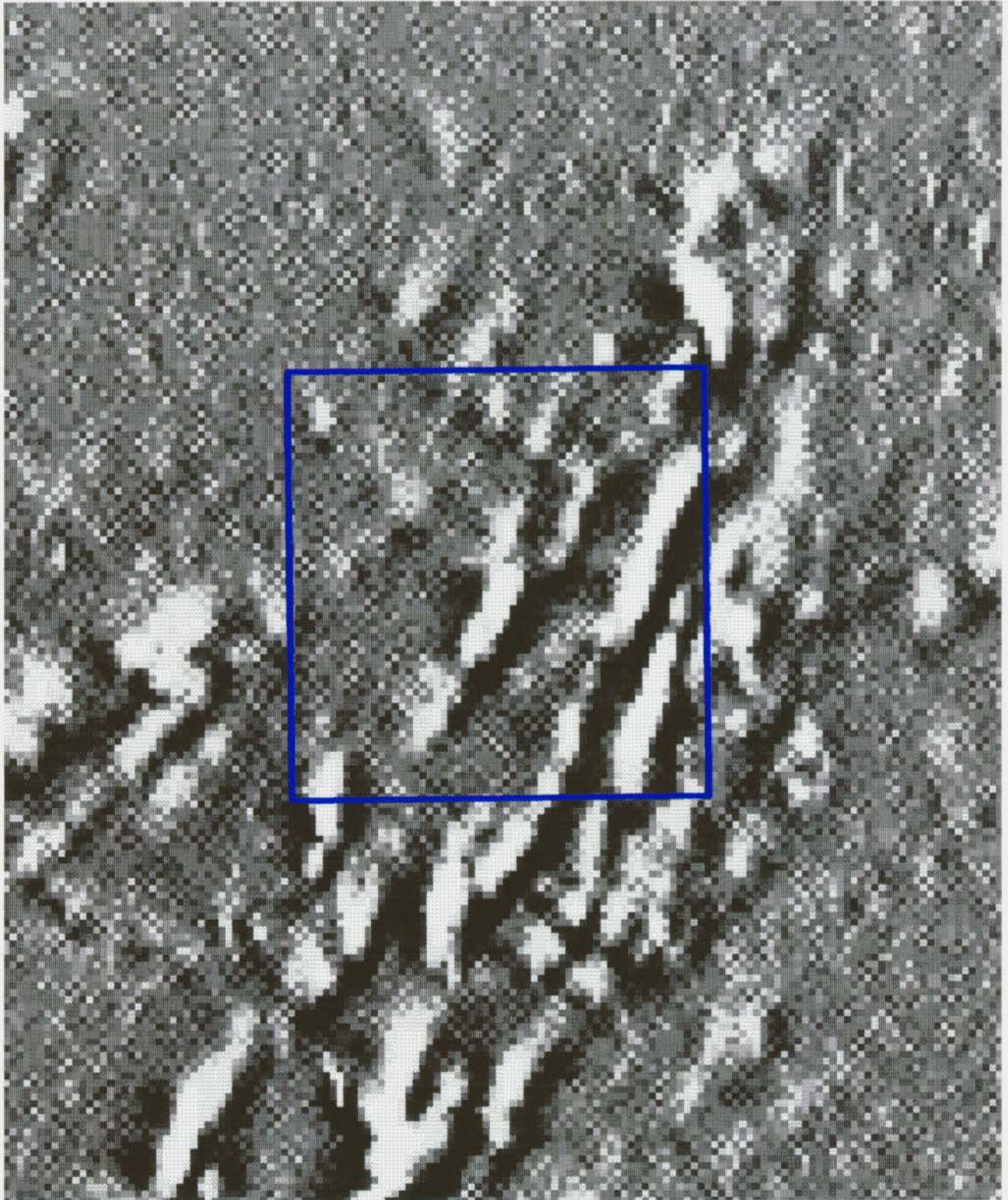
4.2.2 **Geological Mapping**

Geological reconnaissance mapping was undertaken at several of the prospects delineated by previous explorers, geophysical anomalies and anomalous areas generated by the soil sampling. Compilation of this data is shown on *Figure 6*.



EL9868 Acacia
Total Field Magnetic Intensity





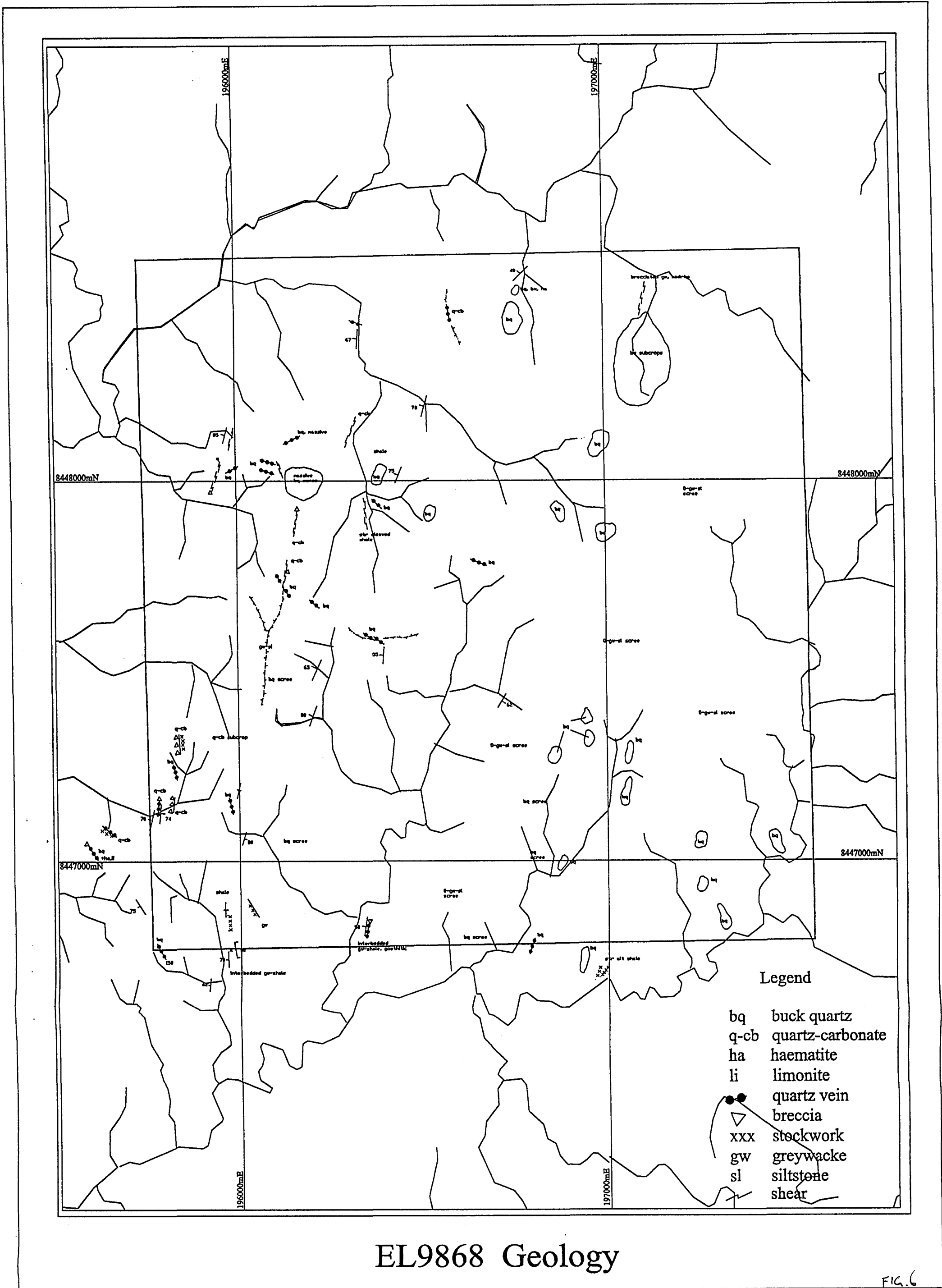
EL9868 Acacia
Second Vertical Derivative
Magnetic Intensity



400 0 400 800 Meters



FIG. 5



EL9868 Geology

5. **EXPLORATION - YEAR 3**

Exploration of EL9868 during this year of tenure was limited to geological reconnaissance of the previously defined anomalies and their potential strike extensions beneath transported cover.

Planning and implementation of the proposed infill geochemical soil sampling program was initiated but was interrupted by the sudden closure of Yimuyn Manjerr Mine and placing of GGO in Administration.

6. **REHABILITATION**

No exploration activities were undertaken during the year that required rehabilitation.

7. **CONCLUSIONS AND RECOMMENDATIONS**

Exploration by Pegasus within EL9868 targeted quartz vein stockworks and/or sheeted vein systems for their potential to host small to moderate scale gold resources.

The licence lies between Driffield and RKD prospects in the Batman-Driffield structural corridor. Mineralization styles sought are vein stockwork-shears in folded sedimentary packages within major structural zones.

The initial soil sampling program returned moderate results with peak values of 145, 52 and 41ppb Au from the southern portion of the licence. Rock chip sampling returned anomalous values of 0.35 and 0.32ppm Au.

Further geochemical testing is required to determine the size and potential of these initial anomalies prior to drill testing.

8. **PROPOSED EXPLORATION AND BUDGET**

Exploration proposals on EL9868 will be dependent on incoming parties, with continuation of the present commitment for the forthcoming year proposed as a minimum.

- | | |
|---|---------|
| ▪ Expanded and Infill Soil Sampling | \$3,000 |
| ▪ Geological Mapping and Rock Chip Sampling | \$1,000 |

TOTAL	\$ 4,000
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9. EXPENDITURE STATEMENT

EL9868 - ACACIA

Total Expenditure for period 24th July 1999- 23rd July 2000

Salaries/Wages	\$3772
Vehicles/Fuel	\$223
Administration	\$599
TOTAL	\$4594



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(Administrator Appointed)

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MT TODD DISTRICT, NT**

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APPENDIX 1

DIGITAL DATA

GEOCHEMISTRY