ANGLOGOLD AUSTRALIA LIMITED

ANNUAL REPORT FOR
ELIZABETH GROUP
MCN'S 506, 507, 734, 735 & 738 and
MLN'S 135, 779, 780, 822 & 856

FOR THE YEAR ENDING 31 DECEMBER 2001

Author: P. Large
Report No: 08.11778
Date: January 2001
Copy: 1

Map Sheets:
1:250 000 Pine Creek SD52-8
1:100 000 Pine Creek 5270

Distribution:
Copy 1: NT Department of Mines & Energy (Hardcopy and Digital Copy)
2: AngloGold - Perth (Digital Copy only)
3: AngloGold - Darwin (Hardcopy and Digital Copy)
4: AngloGold – URGM (Digital Copy only)
SUMMARY

Mineral Claims N506, N507, N734, N735, N738 and Mineral Leases N135, N779, N780, N822, N856, known as the Elizabeth Group, are currently being explored by AngloGold Australia Limited, previously in conjunction with SEL 7984 (Elizabeth). AngloGold (formally Acacia Resources Limited) operated these tenements under an option agreement with R M Biddlecombe until 26 February 1996, when AngloGold exercised the right to purchase the licences, obtaining full ownership.

The historic Elizabeth Gold workings, which lie within the bounds of these licences, trend NNW and cover an area of approximately 2km in length and 400m in width. MLN 856 situated approximately 1km west north west of MCN 734 is included with the Elizabeth tenements.

This report documents all work completed within the tenements during the reporting period ending the 31st of December 2001.
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</tr>
</thead>
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<td>Elizabeth Group MCN’s &amp; MLN’s Tenement Location</td>
<td>1:200 000</td>
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<tr>
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<td>Elizabeth Group MCN’s &amp; MLN’s Regional Geology</td>
<td>1:200 000</td>
</tr>
</tbody>
</table>

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</thead>
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</table>
1. INTRODUCTION

The Elizabeth Group of leases lies 7km north west of the Union Reefs Gold Mine and are mostly within AngloGold Application SELA 10341, Pioneer. The northern end of the group contains the historic Elizabeth Gold workings, which have a recorded production of 107 kg Au. This report details the exploration completed within the Elizabeth Group tenements for the period ending 31st December 2001.

2. TENEMENT STATUS

Mineral Claims N506, N507, N734, N735, N738 and Mineral Leases N135, N779, N780, N822, N856, known as the Elizabeth Group (Figure 1), were previously operated by Acacia Resources (formerly know as Billiton Australia) under an option agreement with R M Biddlecombe until 26 February 1996. Acacia then exercised its right to purchase the licences, obtaining full ownership.

All of the licences (excepting MLN 135) have been renewed since 1997. The renewal periods vary between 4 and 10 years. An application for renewal was submitted for MLN 135 in October 2001 but has not yet been approved. The tenement status of the various Elizabeth MCN's and MLN's is given below:

<table>
<thead>
<tr>
<th>Tenement/s</th>
<th>Application Lodged</th>
<th>Extension Approval</th>
<th>Period of extension</th>
<th>Date of expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLN 822</td>
<td>10/10/1997</td>
<td>01/10/1999</td>
<td>10 yrs</td>
<td>31/12/2007</td>
</tr>
<tr>
<td>MLN 856</td>
<td>30/09/1998</td>
<td>17/01/2000</td>
<td>10 yrs</td>
<td>31/12/2008</td>
</tr>
<tr>
<td>MCN 506 &amp; 507</td>
<td>03/12/1999</td>
<td>07/07/2001</td>
<td>4 yrs</td>
<td>31/12/2003</td>
</tr>
<tr>
<td>MCN 734, 735 &amp; 738</td>
<td>29/09/2000</td>
<td>24/05/2001</td>
<td>5 yrs</td>
<td>31/12/2005</td>
</tr>
<tr>
<td>MLN 135</td>
<td>01/10/2001</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Following a successful takeover in late 1999 AngloGold assumed control of Acacia Resources Ltd interests including exploration and management of the Elizabeth Group of licences.

In late 2000 management of the licences was handed over to the exploration team at AngloGold's Union Reef Mine. Due to further restructuring within the company the leases were handed back to the Darwin Exploration in late 2001.

3. LOCATION AND ACCESS

The Elizabeth tenements are located approximately 19km north of Pine Creek and 7km north west of the Union Reefs Gold Mine in the Northern Territory (Figure 1). Access is via the Springhill and Mt Wells Roads, turning east off the Stuart Highway 22km north of Pine Creek. The historic Elizabeth workings lie 600m west of the Mt Wells road at the McKinlay River crossing, and can be accessed by a narrow, fair weather 4WD track.
4. REGIONAL GEOLOGY

The Elizabeth tenements are located in the central part of the Pine Creek Geosyncline (Figure 2). The geosyncline contains Early Proterozoic metasedimentary rocks overlying a gneissic and granitic Archaean basement. The metasediments represent a preserved basinal sequence up to 14km thick (Needham et al., 1980), which were tightly folded and metamorphosed to greenschist, and in some places to amphibolite facies, between 1890 to 1870 Ma (Ferguson, 1980).

Transitional igneous rocks including pre-deformational dolerite lopoliths and dykes, and syn- to post-deformational granites have intruded the geosynclinal sequence. Weakly deformed Middle and Late Proterozoic, Cambro-Ordovician and Mesozoic platform cover unconformably overlie the Pine Creek Geosyncline metasediments.

The Elizabeth tenements lie over a narrow corridor of metasediments, comprising Burrell Creek and Mt Bonnie Formations (Stuart-Smith et al., 1987), between two lobes of the Cullen Batholith. This corridor contains both the Union Reefs (Au) and Pine Creek (Au) ore bodies as well as numerous historic gold and base metal workings, including Springhill (Au), Flora Belle (Ag, Pb), McKinlay (Ag, Pb), Esmeralda (Au) and Elizabeth (Au).

5. LOCAL GEOLOGY

The interbedded turbiditic greywackes and shales of the Elizabeth tenements have been assigned to Early Proterozoic Burrell Creek Formation (Stuart-Smith et al., 1987). These rocks have been tightly folded about NNW trending axial traces to produce sub-vertical to steeply dipping bedding across the area. Peak greenschist facies metamorphism was coincident with this folding event. A number of fold closures have been identified including a parasitic antiform-synform pair immediately east of the main line of workings of the Elizabeth Mine. The overall average fold plunge is toward the south with occurrences of variable fold plunge interpreted as fold crests. The prominent vein set dips E/ENE and are interpreted to be oblique veins (Hewson).

The historic workings at Elizabeth are centred on a narrow (1 - 2m) shear hosted vein system dipping steeply east and interpreted as part of the broader Pine Creek Shear Zone. Mineralisation intersected in drilling to date is associated with quartz veins occurring dominantly within greywacke sediments or along shale-greywacke contacts.

6. PREVIOUS WORK

In the period 1875-1897 the Elizabeth workings produced in the order of 107 kg of gold, averaging about one ounce to the tonne (Stuart-Smith et al, 1993). The workings are concentrated north of the McKinlay River, where the upper 30m of a gold-bearing shear/vein system has been largely stoped out. Continuation of mineralisation below this level is largely untested and unknown.

One diamond drill hole was completed by the NTDME in August 1979, with poor results. In 1988, Pine Creek Goldfields carried out a program of mapping and rock chip sampling within MLN 822. Seven (7) RC holes for 464m were then drilled, with best intersections of 1m @ 4g/t Au in EL88/3 and 1m @ 4.60 g/t Au in EL88/6.
The work completed by Billiton, Acacia and AngloGold Resouces since 1993 is detailed below:

6.1. Year Ending December 1993 - Report 08.6669
Mapping - identified patchy Au mineralisation
Rock chips - identified patchy Au mineralisation
Collected 338 spot soil samples - best result of 4650ppb Au

6.2. Year Ending December 1994 - Report 08.7519
Mapping - mineralisation located in steeply dipping western limb of south plunging anticline
Collected 7 spot soil samples - best result of 24ppb Au
Drilled 290m of RC (5 holes) - best result 3m @ 3.41 g/t Au (ELP024)

6.3. Year Ending December 1995 - Report 08.7766
Reconnaissance of old workings
Collection of one rock chip sample
Compilation and interpretation of previous work

6.4. Year Ending December 1996 - Report 08.8743
Drilled 1359m of RC (16 holes)
Acquired 1: 25, 000 scale aerial photographs
Digital elevation modelling from vectorised 1:500, 000 topographic maps

6.5. Year Ending December 1997 - Report 08.8972
Drilled 699m of RC (7 holes)
Rockchip/niche sampling of discrete veins in a vein swarm and a shear
Structural mapping
Detailed aeromagnetic and radiometric survey
Surveying of 1997 and previous years RC drill holes
Extension of the regional baseline and surveying of the local Elizabeth grid.

6.6. Year Ending December 1998 - Report 08.10014
Regolith geochemistry orientation survey.
Regional geophysical data compilation.

6.7. Year Ending December 1999 – Report 08.10594
Compilation of all previous work including:
Review of surface sample results
Re-logging of NTGS DDH1
Re-generation of all Elizabeth RC sections
Review of RC Drilling completed by Eupene

No field based exploration due to limited field season and expenditure restrictions caused by AngloGold takeover.
7. WORK COMPLETED PERIOD ENDING 31 DECEMBER 2001

During 2000/2001 the exploration and management of the Elizabeth Group of licences was transferred to the Union Reef’s exploration team. No work was completed by the Union Reefs team during the reporting period, due to a focus on finding further mineralisation in and around the existing pit.

By the time management of the project reverted back to AngloGold Exploration Darwin the wet season had begun and the area was inaccessible. Consequentially no work was completed within the licence areas.

8. ENVIRONMENTAL ISSUES

No ground disturbing activities were conducted within the reporting period. Existing tracks were used for access, and no track upgrades were completed. An Environmental Register has been included as Appendix 1.

9. REPORTING

A digital copy of this report has been produced in an Adobe Acrobat format and is included in the original copy of the report submitted to the NTDME. For further information on opening and reading Adobe Acrobat files please access the web site www.adobe.com.
## 10. EXPENDITURE FOR THE PERIOD ENDING 31ST DECEMBER 2001

Detailed below is the combined expenditure for the Elizabeth MLN’s and MCN’s:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing, Support and Management</td>
<td>$1,443</td>
</tr>
<tr>
<td>Administration (Head Office)</td>
<td>$216</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,659</strong></td>
</tr>
<tr>
<td>Tenement rent</td>
<td>$1,135</td>
</tr>
</tbody>
</table>

## 11. PROPOSED PROGRAM FOR THE PERIOD ENDING 31ST DECEMBER 2002

Work planned for the 2002 field season includes:

- Drill testing of the northern Elizabeth Mine workings.
- Compilation and revision of geological and structural maps using work conducted during 1998, with a view to updating the geological understanding of the Elizabeth area.

Proposed Expenditure for the 2002 field season includes:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing &amp; Support</td>
<td>$2,500</td>
</tr>
<tr>
<td>Drilling</td>
<td>$3,000</td>
</tr>
<tr>
<td>Assays</td>
<td>$1,500</td>
</tr>
<tr>
<td>Consumables</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$7,500</strong></td>
</tr>
</tbody>
</table>
12. REFERENCES

Giles, D., 1993
Annual Report for Elizabeth, MCN's 506, 507, 734, 735 & 738 and MLN's 135, 779, 780, 822, for the year ending 31 December 1993. (unpublished report 08.6669)

Ham, J., 1998
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 1997. (unpublished report 08.8972)

Ham, J., 1998
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 1998. (unpublished report 08.10014)

Hewson, S., 1997
The Geology and Structure of the Union Reefs Gold Mine and associated (unpublished report 08.8786)

Large, P., 2000
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 2000. (unpublished report 08.10971)

Sewell, D., 1995
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 1994. (unpublished report 08.7519)

Spurway, C., 1997
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 1996. (unpublished report 08.8743)

Stephens, D., 1999
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 1999. (unpublished report 08.10594)


Tornatora, P., 1996
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. (unpublished report 08.7766)
APPENDICES
APPENDIX 1

Environmental Register
TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
LAND STATUS RECORD

Project: Pine Creek

Tenement Name: Elizabeth Group

Loc. Code: UR07

Tenement No’s: MCN’s 506, 507, 734, 735 & 738
MLN’s 135, 779, 780, 822 & 856

Registered Holder(s): AngloGold Australia Limited

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Date Granted</th>
<th>Term</th>
<th>Area</th>
<th>Renewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCN 506</td>
<td>22/10/93</td>
<td>6yrs</td>
<td>1.44Ha</td>
<td>4 years</td>
</tr>
<tr>
<td>MCN 507</td>
<td>22/10/93</td>
<td>6yrs</td>
<td>4.12Ha</td>
<td>4 years</td>
</tr>
<tr>
<td>MCN 734</td>
<td>13/10/95</td>
<td>6yrs</td>
<td>3.62Ha</td>
<td>5 years</td>
</tr>
<tr>
<td>MCN 735</td>
<td>13/10/95</td>
<td>6yrs</td>
<td>2.57Ha</td>
<td>5 years</td>
</tr>
<tr>
<td>MCN 738</td>
<td>13/10/95</td>
<td>6yrs</td>
<td>15 Ha</td>
<td>5 years</td>
</tr>
<tr>
<td>MLN 135</td>
<td>19/10/81</td>
<td>20yrs</td>
<td>8.9 Ha</td>
<td>Application submitted</td>
</tr>
<tr>
<td>MLN 779</td>
<td>4/1/79</td>
<td>20yrs</td>
<td>8.09Ha</td>
<td>5 years</td>
</tr>
<tr>
<td>MLN 780</td>
<td>4/1/79</td>
<td>20yrs</td>
<td>8.09Ha</td>
<td>5 years</td>
</tr>
<tr>
<td>MLN 822</td>
<td>21/10/77</td>
<td>20yrs</td>
<td>8.09Ha</td>
<td>10 years</td>
</tr>
<tr>
<td>MLN 856</td>
<td>8/12/78</td>
<td>20yrs</td>
<td>4.5 Ha</td>
<td>10 years</td>
</tr>
</tbody>
</table>

Bond/Security: Nil

JV Partners (if any): Nil

Land Classification: (Crown, Private, Lease) Lease

Land Holder/Occupier: Gary Hamilton (Equest Pty Ltd)
Station: Mary River West

Address: 9 Pall Mall Currumbin, Qld, 4223 Phone: (075) 534 7408

Contacted By: Ken Hellsten Date: March 1994

Pastoral Notes: (Stock, Cultivation, Access, Rainfall)
Open grazing land, little evidence of domestic livestock.
Access via the Stuart Highway, the North Australia Railway Easement or any number of unmarked bush tracks.

Environmental Notes: (Flora/Fauna, Erosion, Bushfires, Flooding)
Open Tropical Savanna. Prone to flooding during the wet, access difficult during the wet.

Groundwater: (Bores/Wells/Dams, streams, drainage, test data)
The McKinlay River flows adjacent to the western boundary of the southern leases, and bisects the northern leases.

Aboriginal Notes: (Sacred Sites, Cultural)
There are no recorded sites in the group of leases. The leases are covered by AAPA certificate C98/149, which expires on 18th December 2000.

Historic Relics: (Mine Workings, Equipment, Homesteads etc.)
Numerous workings and mining relics are scattered throughout the licence area. Including the old Elizabeth Gold Mine and Chinese heritage sites. Some archaeological sites exist, however are not registered to date.

**Previous Activity:** (Mining, Exploration, Forestry, etc.)

Licence previously covered by numerous exploration companies. Pine Creek Goldfields have constructed access roads and drill pads in the northern part of the Elizabeth Group of tenements and drilled 7 RC holes in 1988.

NTDME constructed a diamond hole in the northern part of the licence group in 1979.
TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
PRE-EXISTING ENVIRONMENTAL DISTURBANCE RECORD

Tenement Name: Elizabeth Group

No(s): MCN’s 506, 507, 734, 735 & 738
       MLN’s 135, 779, 780, 822 & 856

Exploration Activity Area: 64.42Ha

Shafts/Pits/Dumps:
Numerous shafts and pits along Elizabeth Gold Mine line of lode.
Shafts sunk and stoped to approximately 30m depth.

Track/Access:
Tenement can be accessed from eastern margin by turning west off the Mount Wells Road at the McKinlay River crossing.

Line Clearing: Nil

Costeaining: None evident

Drill Sites:
One diamond drill site constructed by NTDME (1979)
Seven RC drill sites constructed by PCG (1988)

Other:

Location Data: 1:250 000 Pine Creek Sheet SD52-8
               1:100 000 Pine Creek Sheet 5270

Other Ref:

Compiled by: Jane Ham    Date: 16/12/98
TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
ANGLOGOLD ENVIRONMENTAL IMPACT RECORD

Tenement Name: Elizabeth Group

No (s): MCN’s 506, 507, 734, 735 & 738
MLN’s 135, 779, 780, 822 & 856

Report Ref No’s: 08.6669 08.10594
08.7766 08.10971
08.8743 08.11778 (this report)
08.8972
08.10014

Exploration Activities:
Rock chip sampling, reverse circulation drilling, aeromagnetic and radiometric survey, grid surveying, regolith survey

Grids & Traverses:
Construction of grid baseline marked by five inch star pickets at 100m intervals.

Soil Sampling: Nil

Costeans / Pits: Nil

Drilling:
6 RC drill holes for 300m (1994)
16 RC drill holes for 1359m (1996)
7 RC drill holes for 699m (1997)

Drill Traverses:

Drill Pads: Drill pads constructed for the RC holes listed above.

Ground Geophysics: Nil

Access Tracks:
Existing access tracks were upgraded in 1997, after the wet season.
No track upgrades completed in 1998 or 1999

Camps: Nil

Other: Nil

Compiled by: Jane Ham          Date: 2/12/98
Updated by: Penny Large        17/01/2001
TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER
ANGLOGOLD REHABILITATION RECORD

Tenement Name: Elizabeth Group
No(s): MCN’s 506, 507, 734, 735 & 738
MLN’s 135, 779, 780, 822 & 856

Disturbance: Soil Sampling, RC drilling
Date: 2/12/98

Rehabilitation: Soil sample sites backfilled.
RC sample bags removed to site farm. Pads recontoured.
Holes capped.

Grids & Traverses: 10km’s of 100 x 50m cross line gridding marked with iron fence droppers
Fence droppers left in place as future reference for exploration
1 km of baseline gridding using 5” starpickets.
Starpickets left for future gridding reference.

Soil Sampling: Backfilling of all sample sites completed at time of sampling.

Costeans/Pits: NA

Drilling: Drill holes capped on completion of drilling.
Samples removed from drill site to designated sample farm

Drill Traverses:

Drill Pads: Drill pads cleared, drill collars buried as per NTDME regulations.
Drill pads recontoured

Ground Geophysics:

Access Tracks: No rehabilitation completed

Camps:

Other:

Inspected / Clearance: Bond/Security released:

Compiled by: Damien Stephens
Date: 30/11/98

Revised by: Penny Large
Date: 17/01/2001

Follow-up Inspection Report:
APPENDIX 2

Compact Disk

Containing: Digital copy of report 08.11778
FIGURES