ANNUAL EXPLORATION REPORT

YAM CREEK
TENEMENT GROUP 2002

MLN 214, 341, 343, 349, 823-832, 858-863 and MLN 940
MCN 46-47, 49-50, 624-625, 898-899, 4428, 4430, 4432, 4434 and MCN 4723

Year Ending 31st December 2002

Ban Ban (14/3-III) 1:50,000 and
Burrundie (14/6-IV) 1:50,000

Title Holder:- Territory Goldfields N.L.

Distribution:

DBIRD Darwin NT

Northern Gold NL Perth Office

Burnside Operations P/L Brocks Creek

Burnside Operations P/L Perth Office

Compiled by John Shaw

December 2002

SUMMARY

The Yam Creek tenement report group covers the historically important Yam Creek alluvial and bedrock gold mining centre that is located approximately 150km SSE of Darwin, and 29km east of Brocks Creek railway siding and gold treatment plant.

It is situated on the Ban Ban (14/3-III) and the Burrundie (14/6-IV) 1:50,000 sheets.

The area has been the subject of modern gold exploration since the late 1970's. The more recent exploration, post 1988 was managed by Northern Gold NL and its subsidiaries and Acacia Resources (AngloGold) subject to option agreement.

The tenement group comprising a total of 571.0 hectares was part of an extensive schedule of tenements incorporated into a joint venture with Buffalo Creek Mines P/L in April 2002. Burnside Operations P/L is the management entity.

Burnside Operations P/L has the objective of exploring, developing and mining gold deposits within the Brocks Creek region and milling the ores at the Brocks Creek treatment facility.

With this objective in mind the joint venture carried out a program of reverse circulation drilling during 2002 comprising 56 holes for an advance of 2,272m. In addition computer modelling and resource estimates of the Princess Louise and North Point gold deposits were carried out.

The total cost of this work during 2002 was $122,014

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1.0 INTRODUCTION

The Yam Creek tenement group has been explored intensively since the late 1970s and contains significant gold resources at North Point and Princess Louise as well as advanced targets at several other locations. Management of the tenement group passed from Northern Gold NL to the Burnside Joint Venture following finalisation of an agreement in April 2002. This report covers work completed during the 2002 calendar year.

2.0 TENEMENT DETAILS

The Yam Creek group consists of 21 mineral leases and 13 mineral claims, covering an area totalling 570.97 hectares. The tenement details are listed in Table 1. The Yam Creek tenements are held by Territory Goldfields N.L. and managed by Burnside Operations P/L under joint venture with Buffalo Creek Mines P/L.

The tenements are located between latitudes 13°28' south and 13°31'30" south and longitudes 131°31'30" east and 131°33'30" east (Figure 1).

The group is situated within Pastoral Lease No. 903, Douglas, held by Tovehead Pty. Ltd.

Access to the tenement is from the Stuart Highway northwards along the Fountain Head road for 23km, then NE along the Grove Hill Road.

Table 1 Yam Creek Group Tenement Details

Tenement	Grant Date	Expiry Date	Area (ha)
MCN 46	25/10/82	31/12/02*	8.00
MCN 47	25/10/82	31/12/02*	9.00
MCN 49	25/10/82	31/12/02*	8.08
MCN 50	25/10/82	31/12/02*	8.08
MCN 624	31/08/83	31/12/03	111.38
MCN 625	31/08/83	31/12/03	30.00
MCN 898	30/12/85	31/12/01*	8.00
MCN 899	30/12/85	31/12/01*	63.56
MCN 4428	05/04/93	04/04/03*	37.62
MCN 4430	05/04/93	04/04/03*	37.94
MCN 4432	05/04/93	04/04/03*	36.33
MCN 4434	05/04/93	04/04/03*	29.81
MCN 4723	02/09/94	31/12/01*	9.00
MLN 214	06/01/72	31/12/04	6.27

MLN 341	07/06/76	31/12/06	14.90
MLN 343	07/06/76	31/12/06	14.90
MLN 349	26/11/76	31/12/06	15.00
MLN 823	12/10/77	31/12/02*	8.00
MLN 824	12/10/77	31/12/02*	8.00
MLN 825	12/10/77	31/12/02*	8.00
MLN 826	12/10/77	31/12/02*	8.00
MLN 827	12/10/77	31/12/02*	8.00
MLN 828	12/10/77	31/12/02*	8.00
MLN 829	12/10/77	31/12/02*	8.00
MLN 830	15/02/78	31/12/03	8.00
MLN 831	15/02/78	31/12/03	8.00
MLN 832	15/02/78	31/12/03	8.00
MLN 858	23/01/79	31/12/09	6.73
MLN 859	23/01/79	31/12/09	5.85
MLN 860	23/01/79	31/12/09	7.82
MLN 861	23/01/79	31/12/09	5.82
MLN 862	23/01/79	31/12/09	4.64
MLN 863	23/01/79	31/12/09	6.24
MLN 940	25/05/82	31/12/02*	6.00

*Denotes application for renewal lodged.

A search of the Heritage Register indicated that no significant sites were within the tenement group.

3.0 GEOLOGICAL SETTING

The Yam Creek tenement group is situated within the Pine Creek Geosyncline, a tightly folded sequence of fine to coarse grained clastic basinal sediments of Lower Proterozoic age.

In the report area the sequence has been regionally metamorphosed to greenschist facies and has been intruded by late syn-orogenic to post orogenic granitoid intrusions. These intrusions imparted thermal contact metamorphic and metasomatic effects and contributed to the deposition of a range of economic minerals in structurally permissive sites.

There is a tendency for gold mineralisation to be focused in anticlines within strata of the South Alligator Group and lower parts of the Finniss River Group. This sequence evolved from initial low energy shallow basinal sedimentation to higher energy deeper water flysch facies. A water-lain tuffaceous component is present and the prospective sequence has been intruded by pre orogenic mafic sills.

Less deformed Middle Proterozoic sedimentary and volcanic sequences unconformably overlie the Lower Proterozoic. Cambo-Ordovician lavas and sediments, as well as Cretaceous strata, onlap the older sequences.

Cainozoic sediments, laterite and Recent alluvium may obscure parts of the Pine Creek Geosyncline lithologies, but exposure of the Precambrian rocks is generally good.

3.1 Local Geology

The tenements cover the north striking and shallow (10-30 degree) north plunging axis of the major [F1] Yam Creek anticline. See Fig 1. The east limb is steep east dipping at 80 degrees to overturned by 5 degrees. The west limb dips west at 50-60 degrees.

The dominant mineralised structural feature within the tenement area comprises the west limb of the Yam Creek anticline. The rocks comprise silt-greywacke-mudstone sediments of the South Alligator Group (Lower Mount Bonnie Formation) These are overlain by Finniss River Group, comprising greywacke (flysch) sediments of the Burrell Creek Formation. The underlying Gerowie Tuff and local sills of Zamu Dolerite are exposed in the south of the area in the core of the fold. Fig. 1 shows more extensive Gerowie Tuff than is actual.

In the vicinity of the Darwin-Alice Springs railway line the northern portion of the anticline appears to have been down-faulted by an ENE trending structure.

Towards the south, the east limb and axis of the Yam Creek anticline is truncated by the Hayes Creek Fault, a regional NE trending structure, and associated fault

splays. This has dislocated the Yam Creek anticline from the main part of the Golden Dyke Dome that lies to the south.

Gold mineralisation is associated with two greywacke-dominated packages within the west limb and axial zones of the Yam Creek fold, particularly where bedding slip, reverse faults and splays cut the limb at shallow angles. Lithological contrasts between silt-mudstone packages and massive greywackes has been a further focusing factor for auriferous quartz veining. Within the finer grained lithologies the auriferous veining has sub vertical, perhaps axial planar foliation dips. Within the more massive brittle greywacke horizons the veins take the form of ladder veins or cross fracture sets sub normal to the bedding and dip shallowly eastwards. The upper greywacke-dominated package hosts most of the gold resource.

Refraction of vein dips has been observed passing from one litho-type to the other. The thickness of the finer grained packages appears to be greater at Princess Louise when compared with the North Point sequence.

Much of the area has moderate relief, with greywacke units being resistant to erosion and forming strike ridges. These are separated by steep sided gullies formed within softer siltstone units.

This elevated country forms the watershed between Yam Creek system to the west and Margaret River to the east.

4.0 PREVIOUS EXPLORATION

4.1 Historic Activity

The Yam Creek region was historically one of the more significant bedrock and alluvial gold mining areas in the Northern Territory. The first significant reef gold discovery, the Priscilla Reef, was made in 1872. This was followed by a period of intense mining activity, which continued until the early twentieth century. The district was famous for its gold nuggets, the largest being 700 ounces (22.5 kilograms). The alluvial deposits in the North Point area were worked by Chinese miners late last century.

By 1901 a three compartment shaft had been sunk at Yam Creek with two cross cuts driven west at 42m and 62m as a prospecting exercise. The lodes met with in the 62m cross cut were reported to average 5.0 g Au/t over a width of 20m.

In 1937 it was reported (Cottle) total production from the field was 29,000t for the recovery of 10,501oz. Most of this was thought to have been from stopes off the Yam Creek cross cuts .

The Princess Louise mine further south along the Priscilla Line was reported in 1891 as having produced 2,422t @ an average recovered grade of 51.0g Au/t. The gold was recovered from east dipping (50 degrees) quartz-sulphide veins within a west dipping greywacke unit, 4m thick. The shoots were reported to plunge northerly at 30 degrees.

In more recent times exploration work was carried out by Geopeko, Territory Resources N.L., Dundas Gold Corporation N.L., Dominion Gold Operations Pty. Ltd., Northern Gold N.L. and Anglogold Australasia Limited.

4.2 Modern Exploration

Mines Department 1974. Drilled two diamond core holes at Princess Louise. These were not logged due to Cyclone Tracy and are at the Darwin core library.

Geopeko 1977 to 1979. Activities conducted included gridding, stream sediment sampling, geological mapping, at 1:1,000 scale, an IP survey, and diamond drilling, five holes for 511.64m, and mapping of accessible underground workings. The prospect was named 'Quest 95.' Goulevitch reported that gold occurred in thin quartz leaders in two greywacke-mudstone units each about 20m thick, separated by about 30m of barren material. The upper horizon was better mineralised and almost continuous over 3km.

Territory Resources N.L 1985-1988. Work included an aeromagnetic survey, a Geo - Flite multispectral scanning survey, geological mapping, alluvial pit sampling and trial mining, 4 costeans for 320m of the alluvial areas and bedrock targets, and 9 percussion holes for 165m.(TERP-1 to 9)

An aeromagnetic survey was conducted in 1985 over MCN 898 and MCN 899, in conjunction with exploration activities over EL 4415.

In 1986, an extensive pit sampling and alluvial mapping program was completed over North Point, covering MCN 898, designed to examine the extent of the alluvial deposits. Gold was recovered from most samples and encouraging results were obtained.

Four costeans were sampled and mapped in detail on MCN 898 (North Point) to follow up previous indications of bedrock gold mineralisation.

Bulk samples were taken to 1m depth on MCN 898 and MCN 899. The upper 0.5m of laterite and elluvial/colluvial material was mined from the eastern section of MCN 898. Mining also took place on MCN 899, where approximately 70cm of colluvial and alluvial material was removed from two pits.

The potential for bedrock gold mineralisation along the northern extension of the Priscilla Reef at North Point was suggested by aeromagnetic interpretation.

Exploration showed that the bedrock mineralisation occurs predominantly in ladder quartz veins and stockworks within a greywacke unit of the Mount Bonnie Formation, which forms the northern extension of the “Priscilla Line”. Further south, in the Sandy Creek region, gold mineralisation was identified within quartz veins hosted by Zamu Dolerite. (outside the tenement group)

The bedrock potential of MCN 625, MCN 624 and MCN 898 were further examined by mapping and RC drilling of nine holes. The percussion holes were drilled on the southern portion of MCN 898.

Exploration over MCN 625, MCN 624 and MCN 899, was completed by an independent consultant, on behalf of Territory Resources N.L. The objective of the program was to investigate the alluvial diggings by the Chinese last century and to assess the underlying bedrock gold potential of the North Point area.

The work undertaken included gridding, geological mapping, excavator pitting, mapping and sampling of excavator pits, panning of samples from the pits and assaying the concentrates.

Dundas Gold Corporation N.L.1987. They commissioned Elliott Exploration Co. Pty. Ltd. to carry out a detailed evaluation of MLNs 823-832 and MLNs 858-863.

This work involved the excavation of 38 costeans for 1916m at 60m intervals, geological mapping, sampling, resource calculations and 326 RAB percussion drill holes for a total of 8,942m.

The trenching reported wide zones of +0.4g Au/t anomalism in surficial cemented soils. The drilling was oriented to the east despite the well-documented easterly dip on mineralisation. Despite this, significant gold values (+1.0g Au/t) were met with on most traverses over 3km of strike.

Dominion Gold Operations Pty. Ltd.**1987**. This company completed geological mapping, reconnaissance rock chip sampling and a data review over MCN 46, MCN 47, MCN 49 and MCN 50. These mineral claims contain many of the old workings within the area, which followed the quartz veins on the westernmost anticlinal axis. Dominion’s sampling of these quartz veins returned a best assay of 2.84 g/t. The vein sampling completed within MCN 46 and MCN 47 gave poor values.

Further work completed by Dominion Gold Operations Pty. Ltd., between 1988 and 1994, included costean excavation, vacuum drilling 318 holes for 1145m, RAB drilling, 10 holes for 261m, RC drilling, 124 holes for 5,589m, resource calculations and metallurgical testwork.

Dominion sank a test open pit to the west of the Yam Creek shaft in the vicinity of the old Temperance (Henry and Walker) workings. They mined a 100m section of the west lode, only one resource drill section lay within the pit range.

Eupene Exploration Enterprises, 1988. Worked on behalf of the Tanami Joint Venture in the vicinity of the Temperance workings and conducted gridding, 15 costeans for 666m, 50 RAB percussion holes for 2.398m, 15 RC holes for 466m, 3 diamond holes for 114.5m, soil sampling and resource estimation (150,000t 2 0g Au/t) Zapopan NL and Henry and Walker dug a trial pit on the resource at Temperance.

Zapopan 1991, dewatered the Yam Creek shaft but found it blocked with debris for the bottom 4m. The upper level was also blocked and they abandoned the exercise after spending $80,000.

Northern Gold N.L 1996. They completed a work program using geophysical digital data, MMI geochemical soil sampling and RC drilling

The MMI soil sampling program consisted of the collection of 1,100 samples, which were submitted to Amdel for MMI analysis by WAM-B technique. Samples were taken on a 10m spacing on 100 metre lines.

Results returned were highly anomalous with peak values of 784 ppb Au and 448 ppb Au. The northern area showed wide highly anomalous zones. The central part on the Yam Creek line, although densely covered in old workings, showed relatively poor results.

Infill RC test drilling consisted of the completion of 26 holes for a total of 1,995m.

Drilling located the high grade mineralisation previously defined by Dominion in 1994, and Dundas exploration in 1987. Results from drill testing the eastern greywacke were the most encouraging, with best intersections returned in YC151, reporting 6m @ 14.25 g/t Au from 24m, and in YC150 with 4m @ 2.98 g/t Au from 10m.

The second phase of drilling identified southern strike and dip continuations of this high grade mineralisation. Best results include 2m @ 5.62 g/t Au from 58m in YC153, 5m @ 1.14 g/t Au from 40m in YC155, and 3m at 4.24 g/t Au from 22m in YC161.

Northern Gold N.L 1997. Completed a work program involving magnetic interpretation, resource estimates, vertical vacuum and RAB drilling along strike from the RC drilling, and digital terrain modelling.

The data was used in conjunction with aerial mapping, site visits, previous interpretations and reviews to determine the best methods of exploration.

The company purchased multiclient aerial geophysics from World Geoscience. The results of the geophysics were used primarily as imaged processed data for regional interpretation of exploration concepts. A contour map of the region was also compiled.

The Yam Creek resource on MLN's 828 – 832 was block modelled using inverse distance squared methodology, with a greywacke unit of the Mount Bonnie Formation as geological control.

The model produced used large search ranges in order to include sufficient data to estimate block grades, and lacks sufficient support to be classified as either measured or indicated as defined by the JORC code.

The resource at Yam Creek was estimated above a 0.90 g/t Au cut off to be:-

959,770 t @ 2.02 g/t Au (Uncut)

959,770 t @ 1.31 g/t Au (Cut 10g/t)

Anglogold Australasia Limited, 1999. They entered into an option agreement (Princess Louise Project, from April 1999) with Northern Gold N.L. over MLNs 823 - 832, 858 - 863 and 940, and MCNs 46 - 47, 49 - 50, 624 - 625, 898 - 899, 4428, 4430, 4432 and 4434.

They conducted aerial photography, gridding, soil sampling (76 samples), geological mapping, vacuum drilling (520 holes), rock chip sampling, detailed airborne magnetics and radiometrics, 88 holes RC drilling for 7,137m plus 334m of precollars, and diamond drilling, 11 holes. Grade control drilling was carried out at North Point and Princess Louise totalling 213 holes.

AngloGold Australasia Limited 2000. Preliminary resource estimates, and RC drilling programs were completed by Anglogold Australasia Limited during the 2000 exploration season.

A total of 104 RC holes were drilled by Drillcorp - Western Deephole Ltd. and Drillex, for 6,307, targetting the North Point and Princess Louise anomalies, in addition to strike extensions along the Priscilla Line. The analytical samples were submitted to Amdel Ltd., in Darwin, for analysis of Au using FA1 technique. The work outlined significant mineralisation in the upper greywacke unit at both the North Point and Princess Louise prospects. The peak intersections returned from the drilling program are listed in Table 2.

Table 2 2000 RC Drilling Program Significant Intercepts

Hole No.	From (m)	Width (m)	Grade (Au g/t)
YCRC0001	12	4	17.03
YCRC0012	7	2	13.49
YCRC0020	42	7	29.26

YCRC0021	6	4	23.21
YCRC0025	45	9	2.22
YCRC0025	57	8	2.41
YCRC0026	59	2	10.2
YCRC0032	58	2	24.32
YCRC0033	0	7	7.9
YCRC0044	23	11	2.67
YCRC0054	53	2	8.22
YCRC0055	14	14	1.54
PLRC0088	36	9	2.13
PLRC0090	15	6	4.15
PLRC0100	37	2	18.11
PLRC0107	1	7	9.58
PLRC0128	66	9	5.44

A program of vacuum sampling at the Left Of Centre Prospect, intended to test the bedrock below an alluvial anomaly. The program was abandoned after several attempted test holes could not penetrate a clay layer at the base of the alluvium. No samples were taken.

An evaluation of the resources defined at Princess Louise and North Point areas was also completed during the exploration season. The following estimates were calculated using a 1 g/t Au cutoff, and a minimum mining width of 3m.

North Point 368,000t @ 1.88 g/t for 22,243 Oz

Princess Louise 423,000t @ 1.52 g/t for 20,672 Oz

Expenditure under the option by AngloGold was $435,548.

Northern Gold NL 2001. The company completed a thorough data review during the 2001 year of tenure to further evaluate the mineralisation potential within the tenements. Expenditure was $2,060.00.

5.0 EXPLORATION DURING 2002

The Burnside Joint Venture carried out the following exploration activity during the year ended 31st December 2002.

Surveying and database validation

Site preparation and RC drilling- Princess Louise 618m in 15 holes

North Point 1,654m in 42 holes.

Resource modelling Princess Louise and North Point

5.1 RC Drilling Yam Creek Report Group 2002

Two RC drilling programs were carried out during the year, one at North Point and the other at Princess Louise.

Table 3 Drilling Statistics Yam Creek Group 2002 year.

PROSPECT	TENEMENT	RC HOLES	RC METRES
North Point	MLN860	25	1028
North Point	MCN898	17	626
Princess Louise	MLN828	14	618
		56	2272

Full details of the drilling including logs and assays may be viewed in the digital Appendix of this report.

Allowing for difficult topography at Princess Louise, holes were drilled as close to previous sections as possible and on grid 90 degrees azimuth where feasible. This azimuth corresponded with the previous grade control work of AngloGold.

Field inspections in the drilled areas, (C.Bolger, P.Kastellorizos) around old workings and pits, shows that in general the program was within the west dipping limb of the Yam Creek anticline.

Weathering at Princess Louise was variable and shallow overall with oxide to transitional coming in at around 20m. At North Point fresh rock was also met with at variable depths however in many of the holes the transition to fresh occurred at around 40m down hole depth.

The host rocks comprise interbedded siltstones, sandstones, greywackes (tuffaceous) and tuffs. At Princess Louise it was noted that the finer grained siltstone units tended to be a bit thicker (up to1m) than those exposed at North point.

Most veining observed at both areas dipped sub-vertical east or west in the finer lithologies (axial planar foliation?) or shallowly to the east in the coarser grained lithologies (brittle cross-fracture?)

At Princess Louise refraction of veins were observed as they passed through lithologies of contrasting grain size. Steeper veins occurred in the fine grained rocks. Veining in the north wall of the trial pit south of the North Point drilling consists of shallow east dipping veins in a ladder array constrained by bedding planes and rock type. There was good evidence for bedding parallel movement.

The strong stratigraphic control on veining will tend to give the impression of a westerly dip to the mineralisation even though there is very little observable evidence of west dipping veins being a prominent/penetrative structural feature.

Significant results for Princess Louise and North Point are listed in the tables below. Based on average thicknesses of these results and average grades the

drilling has not greatly changed the existing resource, yielding comparable grade and mineable thicknesses.

The modelling of the resource requires the integration of sharp stratigraphic control with assay data that has less precise boundaries. Perusal of the raw assay data suggests the presence of thin (<1m) high grade (>5g/t) zones (vein sets) that appear to lack significant spatial continuity. The spatial continuity is undoubtedly influenced by local vein orientations in turn controlled by lithological alternations on a scale that makes RC drilling a bit 'broad brush' for precise interpretations. Selective mining will also be made difficult by this grade distribution.

Table 4 Princess Louise Significant Results 2002

Hole ID	Northing	Easting	Dip	Azimuth	From	To	Metre	g/t uncut	Assays >10g/t
PLCR 0134	6975	9697	-60	90	21	25	4	1.20	0
PLCR 0135	6975	9720	-60	90	15	22	7	1.07	0
PLCR 0136	7000	9704	-60	90	17	20	3	3.34	0
PLCR 0137	7000	9718	-60	100	10	13	3	1.03	0
	7000	9718	-60	100	26	30	4	10.49	1
PLCR 0138	7010	9739	-60	90	4	7	3	1.76	0
PLCR 0141	7030	9753	-60	90	0	6	6	1.18	0
PLCR 0143	7050	9723	-60	90	15	32	17	1.95	0
PLCR 0145	7060	9723	-60	90	8	11	3	1.62	0
	7060	9723	-60	90	19	42	23	3.15	0
PLCR 0146	7060	9742	-60	90	1	9	8	1.74	0
PLCR 0147	7075	9740	-60	90	7	16	9	1.41	0
PLCR 0148	7075	9762	-60	90	0	13	13	1.60	0
Average							5	2.31	

Table 5 North Point Significant Results 2002

Hole Id	Northing	Easting	Dip	Azimuth	From	To	Meter	g/t uncut	Assays >10g/t
NPRC 0001	9400	10006	-60	86	9	12	3	1.11	0
NPRC 0002	9400	10012	-60	86	3	5	2	1.04	0
NPRC 0002	9400	10012	-60	86	11	14	3	1.51	0
NPRC 0003	9425	10013	-60	86	0	10	10	1.86	0
NPRC 0004	9425	10027	-60	84	0	9	9	1.69	0
NPRC 0005	9448	9997	-60	86	8	10	2	1.15	0
NPRC 0005	9448	9997	-60	86	23	30	7	1.64	0
NPRC 0006	9448	10005	-60	86	3	8	5	1.72	0
	9448	10005	-60	86	15	23	8	3.91	1
NPRC 0007	9475	9992	-60	86	23	26	3	0.97	0
	9475	9992	-60	86	30	34	4	3.00	0
NPRC 0008	9500	10007	-60	86	2	9	7	0.77	0
NPRC 0010	9500	9985	-60	86	28	31	3	1.44	0
	9500	9985	-60	86	16	25	9	1.94	0
NPRC 0011	9525	9987	-60	86	19	22	3	1.05	0
	9525	9987	-60	86	13	16	3	1.36	0

NPRC 0012	9525	9998	-60	86	7	13	6	1.87	0
NPRC 0013	9530	9962	-60	86	35	38	3	2.73	0
	9530	9962	-60	86	45	51	6	2.24	0
NPRC 0014	9530	9990	-60	86	16	20	4	4.49	0
NPRC 0015	9540	9958	-60	86	36	39	3	2.43	0
NPRC 0016	9950	9962	-60	86	32	36	4	1.94	0
	9950	9962	-60	86	44	56	12	3.39	1
NPRC 0017	9560	9961	-60	86	45	54	9	1.58	0
NPRC 0018	9570	9954	-60	86	0	3	3	2.31	0
NPRC 0019	9575	9991	-60	86	22	27	5	1.68	0
	9575	9991	-60	86	0	7	7	1.38	0
	9575	9991	-60	86	10	17	7	1.66	0
NPRC 0020	9575	10007	-60	86	0	4	4	1.13	0
NPRC 0021	9580	9995	-60	86	21	27	6	0.87	0
	9580	9995	-60	86	10	17	7	1.92	0
NPRC 0022	9600	9960	-60	86	39	46	7	4.23	1
NPRC 0023	9600	9990	-60	86	6	9	3	0.93	0
	9600	9990	-90	0	14	29	15	2.19	1
NPRC 0024	9610	9993	-60	90	17	20	3	2.33	0
	9610	9993	-80	270	0	9	9	0.94	0
NPRC 0025	9620	9961	-60	90	39	42	3	1.13	0
	9620	9961	-60	90	30	34	4	1.45	0
NPRC 0026	9625	9962	-60	90	41	44	3	1.71	0
NPRC 0028	9650	9983	-60	90	3	16	13	1.59	0
NPRC 0029	9675	9957	-60	90	25	29	4	4.44	1
NPRC 0030	9675	9982	-60	90	14	18	4	1.04	0
NPRC 0032	9700	9985	-60	90	10	13	3	5.30	0
NPRC 0033	9725	9930	-60	90	13	16	3	1.41	0
	9725	9930	-60	90	23	32	9	7.34	1
NPRC 0035	9730	9963	-60	86	20	23	3	1.51	0
	9730	9963	-60	86	26	29	3	2.10	0
	9730	9963	-60	86	7	10	3	2.63	0
NPRC 0036	9730	9981	-70	90	20	24	4	1.29	0
NPRC 0038	9750	9962	-60	90	25	30	5	6.13	1
	9750	9962	-60	90	6	16	10	2.10	0
NPRC 0040	9775	9957	-60	90	0	3	3	0.87	0
	9775	9957	-60	90	11	18	7	2.35	0
NPRC 0042	9800	9959	-60	90	4	7	3	3.62	0
Average							5	2.26	

5.2 RESOURCE MODELLING

Computer resource modelling of the Princess Louise and North Point gold deposits using Gemcom software. The initial study was preliminary in nature and made prior to the 2002 drilling. Further modelling that will include the new drilling and using more rigorous control parameters is in progress. The work was done by A.Gillman.

The results of the initial modelling may be seen in the Appendix of this report.

First pass modelling, April 2002:

Princess Louise, main zone **43,243t @ 2.00g Au/t** to 30m depth.
10g/t top cut.

North Point **86,331t @ 2.09g Au/t** to 36m depth.

Both of these resource models were subjected to preliminary computer generated pit shell designs and mine cost optimisation by C.Skelton.

6.0 2002 EXPENDITURE STATEMENT YAM CREEK GROUP

Salaries and Wages	$4,200
Consumables	$9,860
Assays	$23,270
RC Drilling, Gomex	$78,128
Surveying	$4,446
Tenement Management	$2,100
TOTALS	**$122,014**

7.0 2003 PROPOSED WORK PROGRAM and BUDGET

During 2003 it is anticipated that both the Princess Louise and North Point gold deposits will be further optimised and be the subject of final pit designs. It is possible that one of the deposits will be brought into production during 2003. It is expected that the ores will be trucked to the Brocks Creek gold treatment plant.

This being the case there will be substantial funds expended on the group tenements.

Assuming a minimum program of **ore block interpretation**, **pit designs and further optimisation an expenditure of $15,000 is anticipated for 2003.**

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APPENDIX ONE

First Pass Computer Modelling

Princess Louise and North Point Deposits

April 2002. A.Gillman

PRELIMINARY REPORT
NORTH POINT GOLD RESOURCE YAM CREEK GROUP MCN898, MLN860, MLN830

COMPUTER BLOCK MODELLING OF THE RESOURCE APRIL 2002. A.GILLMAN.

Block modelling of the North Point resource was completed using Gemcom software. Raw data, supplied by Northern Gold, comprised the drillhole database in the form of text files. These files were imported into a Gemcom database. Only the NPGC prefixed (grade control) holes and a few YCRC prefixed holes were used. The data was used as is. No reports were provided for reference and no field inspection was carried out by the author. Previous interpretations (by others) using the manual half-distance polygonal method had produced a disjointed and arguably unmineable resource outline. The intention of this exercise was to create a reasonably continuous solid from the available information. In doing so less rigour was applied to the lower cutoff boundary and a reasonable, but acceptable, amount of internal dilution was allowed.

Specific gravities were assumed. Obtaining some actual empirical SG data is considered essential prior to mining.

Solids Modelling

The following solids/surfaces were created:

Gemcom Tin Summary

Name1	Name2	Name3	Rock Code	Assumed SG	
NP	LAT			2.7	surficial/lateritic Body, 0.3g/t cutoff
NP	P1			2.6	main lode 0.5g/t cutoff
NP	ML			2.6	minor lodes 0.5g/t cutoff
NP	TOPO				topography created from drill collars
NP	LODE	ALL			combined solids

From the drilling assay information a surficial 1-2m thick mineralised zone was inferred.

Assay Data

All sample intervals used were 1m. No compositing was carried out.

Basic univariate statistics carried out on the assay points within the solid suggested that a topcut of 10g/t would be appropriate.
Graphs and reports are attached.

Block Modelling

The following parameters were used:

Geometry

Origin		Number of blocks		Block sizes	
X	775580	Rows	100	Row	1
Y	8507000	Columns	150	Column	1
Z(top)	120	Levels	50	Level	1

Kriging Profile

Inverse Distance Squared	
Isotropic Search:	X=40m Y=40m Z=40m
Top Cut:	10
Minimum Samples:	2
Maximum Samples:	12
Block Variance:	By level
SG	assumed, as per table

Resource Summaries are tabled and graphed below.

Data

The NP_BM.txt file contains block centroid co-ords for 50% or more of the block falls within the solid were e-mailed to Clive Skelton for optimisation.

Block Model Summary 10g topcut North Point

Depth m	Mid-Bench RL	Volume BCM	SG	Average Grade g Au/t	Tonnage Incremental	Ounces_Au Incremental	Tonnage Cumulative	Ounces_Au Cumulative	Grade Cumulative
0.0	116.0	2,094	2.7	1.07	5,650	194	5,650	194	1.07
2.0	114.0	4,274	2.7	1.32	11,454	487	17,104	681	1.24
4.0	112.0	2,338	2.6	1.64	6,159	324	23,263	1,005	1.34
6.0	110.0	2,022	2.6	1.98	5,257	334	28,520	1,340	1.46
8.0	108.0	2,399	2.6	1.90	6,238	380	34,758	1,720	1.54
10.0	106.0	2,438	2.6	2.35	6,338	480	41,096	2,200	1.66
12.0	104.0	2,591	2.6	2.42	6,737	523	47,833	2,723	1.77
14.0	102.0	2,429	2.6	2.18	6,315	442	54,148	3,165	1.82
16.0	100.0	2,196	2.6	2.16	5,710	396	59,858	3,561	1.85
18.0	98.0	1,896	2.6	2.48	4,930	392	64,788	3,954	1.90
20.0	96.0	1,837	2.6	2.42	4,777	372	69,565	4,326	1.93
22.0	94.0	1,737	2.6	2.34	4,516	340	74,081	4,666	1.96
24.0	92.0	1,544	2.6	2.62	4,015	338	78,096	5,003	1.99
26.0	90.0	1,285	2.6	3.05	3,340	328	81,436	5,331	2.04
28.0	88.0	984	2.6	2.83	2,559	233	83,995	5,564	2.06
30.0	86.0	595	2.6	2.53	1,547	126	85,542	5,690	2.07
32.0	84.0	244	2.6	3.53	635	72	86,177	5,762	2.08
34.0	82.0	54	2.6	5.98	141	27	86,318	5,789	2.09
36.0	80.0	5	2.6	6.52	14	3	86,332	5,792	2.09
		32,962		**2.09**	**86,331**	**5,792**			

Block Model Summary 20g topcut North Point

Depth	Mid-Bench RL	Volume	SG	Average Grade	Tonnage Incremental	Ounces_Au Incremental	Tonnage Cumulative	Ounces_Au Cumulative	Grade Cumulative
0	116	2,094	2.7	1.07	5,650	194	5,650	194	1.07
2	114	4,274	2.7	1.32	11,454	487	17,104	681	1.24
4	112	2,338	2.6	1.64	6,159	324	23,263	1,005	1.34
6	110	2,022	2.6	1.98	5,257	334	28,520	1,340	1.46
8	108	2,399	2.6	1.90	6,238	380	34,758	1,720	1.54
10	106	2,438	2.6	2.35	6,338	480	41,096	2,200	1.66
12	104	2,591	2.6	2.42	6,737	523	47,833	2,723	1.77
14	102	2,429	2.6	2.18	6,315	442	54,148	3,165	1.82
16	100	2,196	2.6	2.16	5,710	396	59,858	3,561	1.85
18	98	1,896	2.6	2.48	4,930	392	64,788	3,954	1.90
20	96	1,837	2.6	2.42	4,777	372	69,565	4,326	1.93
22	94	1,737	2.6	2.34	4,516	340	74,081	4,666	1.96
24	92	1,544	2.6	2.62	4,015	338	78,096	5,003	1.99
26	90	1,285	2.6	3.05	3,340	328	81,436	5,331	2.04
28	88	984	2.6	2.83	2,559	233	83,995	5,564	2.06
30	86	595	2.6	2.53	1,547	126	85,542	5,690	2.07
32	84	244	2.6	3.53	635	72	86,177	5,762	2.08
34	82	54	2.6	5.98	141	27	86,318	5,789	2.09
36	80	5	2.6	6.52	14	3	86,332	5,792	2.09
		32,962		**2.09**	**86,331**	**5,792**			

ID2 interpolation
Assumed SG
External dilution included

NORTH POINT	BY LEVEL				
	Vol.	SG	t	g/t	OZ
116MB	2094	2.7	5650	1.07	194.3987
114MB	4274	2.7	11454	1.32	486.7588
112MB	2338	2.6	6159	1.64	324.1704
110MB	2022	2.6	5257	1.98	334.2958
108MB	2399	2.6	6238	1.9	380.4084
106MB	2438	2.6	6338	2.35	479.8521
104MB	2591	2.6	6737	2.42	523.4759
102MB	2429	2.6	6315	2.18	441.8232
100MB	2196	2.6	5710	2.16	396.1929
98MB	1896	2.6	4930	2.48	392.4984
96MB	1837	2.6	4777	2.42	372.0482
94MB	1737	2.6	4516	2.34	339.6656
92MB	1544	2.6	4015	2.62	337.6977
90MB	1285	2.6	3340	3.05	327.7203
88MB	984	2.6	2559	2.83	232.8328
86MB	595	2.6	1547	2.53	125.7235
84MB	244	2.6	635	3.53	72.02894
82MB	54	2.6	141	5.98	27.16077
80MB	5	2.6	14	6.52	2.88746
Total	32964	2.6	86331	2.09	5791.643

PRELIMINARY REPORT

PRINCESS LOUISE GOLD RESOURCE YAM CREEK GROUP MLN828

COMPUTER BLOCK MODELLING OF THE RESOURCE, A.GILLMAN APRIL2002

Block modelling of the Princess Louise resource was completed using Gemcom software.

Raw data, supplied by Northern Gold, comprised the drillhole database in the form of text files. These files were imported into a Gemcom database. Only the PLGC prefixed (grade control) were used. The data was used as is. No reports were provided for reference and no field inspection was carried out by the author. Previous interpretations (by others) using the manual half-distance polygonal method had produced a disjointed and arguably unmineable resource outline. The intention of this exercise was to create a reasonably continuous solid from the available information. In doing so less rigour was applied to the lower cutoff boundary and a reasonable, but acceptable, amount of internal dilution was allowed.

Specific gravities were assumed. Obtaining some actual empirical SG data is considered essential prior to mining.

Solids Modelling

The following solids/surfaces were created:

Gemcom Tin Summary

Name1-Name2-Name3-Rock-Code-Assumed SG

PL	LODE	2.6	main lode	0.5g/t cutoff
NP	TOPO		topography created from drill collars	

Assay Data

All sample intervals used were 1m. No compositing was carried out.

Basic univariate statistics carried out on the assay points within the solid suggested that a topcut of 20.0g/t would be appropriate. Using this topcut produced an overall grade of 2.13g/t. Using a more conservative topcut of 10.0g/t produced an overall grade of 2.00g/t.

Block Modelling

The following parameters were used:

Geometry

Origin		Number of blocks		Block sizes	
X	775300	Rows	100	Row	1
Y	8504470	Columns	100	Column	1
Z(top)	152	Levels	32	Level	1

Kriging Profile

Inverse Distance Squared	
Isotropic Search:	X=40m Y=40m Z=40m
Top Cut:	10
Minimum Samples:	2
Maximum Samples:	12
Block Variance:	By level
SG	assumed, as per table

Resource Summaries are tabled and graphed below.

Data

The PL_BM.txt file contains block centroid co-ords for 50% or more of the block falls within the solid were e-mailed to Clive Skelton for optimisation.

Block Model Summary Princess Louise 10g topcut

Preliminary Model

Depth	Mid-Bench RL	Volume	SG	Average Grade	Tonnage Incremental	Ounces_Au Incremental	Tonnage Cumulative	Ounces_Au Cumulative	Grade Cumulative
0	152	12	2.2	1.52	26	1	26	1	1.52
1	151	167	2.2	1.76	367	21	394	22	1.74
2	150	490	2.2	2.04	1,078	71	1,472	93	1.96
3	149	892	2.2	2.12	1,962	134	3,434	227	2.05
4	148	1,104	2.2	2.10	2,429	164	5,863	391	2.07
5	147	1,171	2.2	2.10	2,576	174	8,439	565	2.08
6	146	1,135	2.2	2.12	2,497	170	10,936	735	2.09
7	145	1,095	2.2	2.08	2,409	161	13,345	896	2.09
8	144	1,098	2.2	2.00	2,416	155	15,761	1,051	2.07
9	143	1,050	2.2	1.94	2,310	144	18,071	1,195	2.06
10	142	959	2.2	2.01	2,110	136	20,181	1,332	2.05
11	141	898	2.2	2.12	1,976	135	22,156	1,466	2.06
12	140	925	2.2	2.11	2,035	138	24,191	1,604	2.06
13	139	969	2.2	2.10	2,132	144	26,323	1,748	2.07
14	138	984	2.2	2.06	2,165	143	28,488	1,892	2.07
15	137	973	2.2	2.01	2,141	138	30,628	2,030	2.06
16	136	902	2.2	2.03	1,984	130	32,613	2,160	2.06
17	135	779	2.2	2.04	1,714	112	34,327	2,272	2.06
18	134	688	2.2	2.10	1,514	102	35,840	2,374	2.06
19	133	612	2.2	2.12	1,346	92	37,187	2,466	2.06
20	132	537	2.2	2.01	1,181	76	38,368	2,542	2.06
21	131	481	2.2	1.81	1,058	62	39,426	2,604	2.05
22	130	433	2.2	1.61	953	49	40,379	2,653	2.04
23	129	418	2.2	1.49	920	44	41,298	2,697	2.03
24	128	352	2.2	1.44	774	36	42,073	2,733	2.02
25	127	268	2.2	1.36	590	26	42,662	2,759	2.01
26	126	173	2.2	1.20	381	15	43,043	2,774	2.00
27	125	72	2.2	1.13	158	6	43,201	2,779	2.00
28	124	17	2.2	1.29	37	2	43,239	2,781	2.00
29	123	2	2.2	1.26	4	0	43,243	2,781	2.00
		19,656		**2.00**	**43,243**	**2,781**			

APPENDIX TWO

SYMBOLS AND ABBREVIATED CODES USED IN DRILL LOGS