ACACIA MINERALS PTY LIMITED

SURRENDER REPORT

EXPLORATION LICENCE 26777

For the period ending 13 January 2017
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<tr>
<th><strong>Titleholder</strong></th>
<th>Acacia Minerals Pty Limited</th>
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<tbody>
<tr>
<td><strong>Project Operator</strong></td>
<td>Acacia Minerals Pty Limited</td>
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<tr>
<td><strong>Titles/Tenements</strong></td>
<td>EL26777</td>
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<tr>
<td><strong>Tenement Manager/Agent</strong></td>
<td>AMETS</td>
</tr>
<tr>
<td><strong>Mine/Project Name</strong></td>
<td>N/A</td>
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<tr>
<td><strong>Company reference number</strong></td>
<td>N/A</td>
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<td><strong>Target Commodity or Commodities</strong></td>
<td>Au, U</td>
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<td><strong>Date of report</strong></td>
<td>19 March 2017</td>
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<td><strong>Datum/Zone</strong></td>
<td>GDA94/Zone 52</td>
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<td><strong>250 000 K Mapsheet</strong></td>
<td>Darwin SD5204</td>
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<tr>
<td><strong>100 000 K Mapsheet</strong></td>
<td>Noonamah 5172</td>
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1. Abstract

The Frazers North Prospect (EL26777), of the Acacia Project Area, consisted of the granted exploration licence covering 6.2 sq. km (4 Blocks) located about 50 kilometres south east of Darwin, NT. The surrender report covers the relinquishment of the final 4 blocks of the tenement.

The project area was 100% owned by Acacia Minerals Pty. Ltd. a subsidiary company of Equator Resources.

The property has had fixed wing geophysical survey work and surface mapping work completed.
2. Copyright
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3. Location and Access

The licence was located approximately 50km south-east of Darwin and can be accessed from the Stuart Highway, thence via existing tracks.

Figure 1- Location Map
4. Tenure and Land Use

Exploration Licence 26777 was granted for a period of eight years to Acacia Minerals Pty Limited on 15 January 2009. The 6.2 sq km (4 blocks) tenement falls within NT Freehold Land.

5. Topography & Hydrology

The topography within the area is dominantly low, with limited outcrops of granite, greywacke and shale. Small river systems flow through the licence during the wet season with the Acacia Creek intersecting the licence area.

Figure 2- EL26777 over satellite image
6. Geology

EL26777 lies on the north-eastern margin of the Archaean Rum Jungle and Waterhouse basement complexes. These are overlain by Lower Proterozoic clastic and dolomitic units of the Namoona Group, Crater Formation and Coomalie Dolomite; shales and calcareous shales of the Whites Formation and shales with interbedded quartzite of the Wildman Siltstone.

Uranium and base metal mineralisation at Rum Jungle and Woodcutters is concentrated in structural zones in the lower Whites Formation just above the Coomalie Dolomite. Gold mineralisation at Sundance, Batchelor, is within palaeokarst collapse breccias above the contact of the Coomalie Dolomite and Whites Formation. Base Metals are associated with mafic units intersecting the Coomalie and Whites Formations.

The structure of the area is dominated by an early phase of N-S trending open folds and strike slip faulting consisting with extensional basinal development. A major arcuate fault has been identified in the western portion of the region from interpretation of aeromagnetic and radiometric data. These structures have been subsequently offset by a later phase of NE-SW trending structures, dominated by the Giants Reef Fault.

7. Exploration Rationale

The area is situated within the Pine Creek Orogen, which is well known for hosting gold, uranium and base metal mineralisation, Acacia Resources believed that the area had a potential to host an economic gold or uranium deposit.

8. Previous Exploration

Exploration conducted between January 2009 and January 2015

Thomson Aviation, based in Griffith NSW, carried out a Fixed Wing Geophysical Survey of a total of 3,101 line km near Humpty Doo, NT. The survey covered all Acacia Minerals tenements in the area.

No other exploration was conducted on the relinquished block during the tenure life.

9. Conclusions and Recommendations

The surrendered blocks that comprise EL26777 was such a small portion of the total tenement area forming the GR284-13 Group, no work was conducted and although potential exists within this area it is difficult to make conclusions and recommendations over the surrendered area.