



CENTRAL DESERT JOINT VENTURE

5th ANNUAL REPORT

**EXPLORATION LICENSES
EL7799, EL7803, EL7837, EL8479**

**COOMARIE AGREEMENT
TANAMI DESERT, N.T.**

13th OCTOBER 2001 TO 12th OCTOBER 2002

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**Author:
M.Muir**

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PERIOD: 13th October 2001 TO 12th October 2002

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SUMMARY

Exploration Licenses (EL) 7799, 7803, 7837 and 8479 were granted to the Central Desert Joint Venture partners (Otter Gold NL 60% and Acacia Resources Ltd {now AngloGold Australia} 40%) on October 13th 1997. The four exploration licenses are subject to a Deed (Coomarie) between the CDJV and the Traditional Owners executed 01/08/97.

The Coomarie tenement group comprises a significant proportion of the Granites-Tanami Province. The tenements are viewed as a single project and exploration efforts have primarily focussed upon generating targets. To date work programmes have constituted data compilation, airborne surveying, regional soil sampling and posthole drilling to define angled RAB targets.

Work during the 5th year of tenure was minimal and focused on targeting areas within the exploration licenses remotely, using the worming technique as the primary method of determination. Also 91 regional surface samples were collected over EL7803 on a 500m x 500m grid using the Newmont NFM proprietary technique 'BLEG'. The sampling was continued into SEL10186.

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1.0 INTRODUCTION

This report contains details of exploration activities conducted within EL7799, EL7803, EL 7837 and EL8479 for the period 13th October 2001 to 12th October 2002. The four exploration licenses are covered by a Deed between Otter Gold NL and the Traditional Owners, dated 1st August 1997. The tenements are viewed as a single project and were granted this status by the DME on the 13th October 1997. The Coomarie Agreement comprises tenements within the Central Desert Joint Venture (CDJV) between Otter Gold NL (60% and managers) and AngloGold Australasia (previously Acacia Resources) (40%).

1.1 Location and Access

The CDJV tenements are located approximately 650km northwest of Alice Springs, and 300km southeast of Halls Creek. The Coomarie Agreement comprises four Exploration Licenses covering a large area (705 km²) of the Granites-Tanami Province due southeast and north of the Tanami mine site (Figure 1).

Access to the tenements is by the Tanami Track, and the Lajamanu Road. Within the CDJV, access is via exploration tracks and grid baselines. Access to most areas is limited during the wet season (December to March).

1.2 Tenement Status

Permission to explore within the Coomarie tenements EL 7799, EL 7803, EL 7837 and EL 8479 was granted to Otter Gold NL on the 13th October 1997 for a period of six years. This report represents the fifth year of exploration.

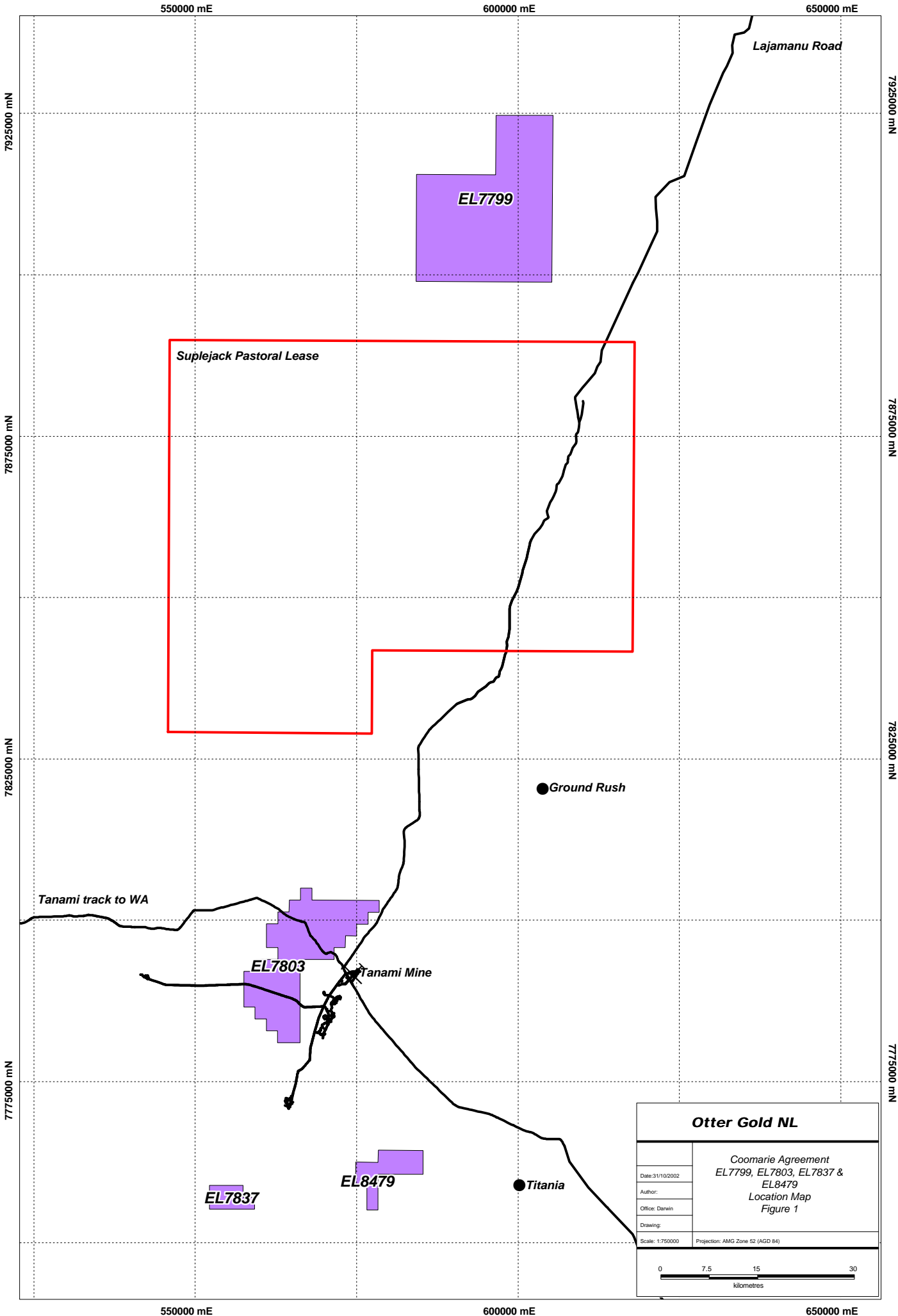
Tenement	Year	Area (sq km)	Blocks	Rent (\$)	Covenant (\$)
EL 7799	5/6	428	133	21,280	13,500
EL 7803	5/6	209	65	10,400	18,000
EL 7837	5/6	23	7	1,120	5,400
EL 8479	5/6	45	14	2,240	5,250

Table 1. Tenement Status

1.3 Exploration History

Previous exploration of this region has been minimal. Initial investigation of the Tanami area was conducted by Davidson (1905). Davidson discovered gold-bearing quartz reefs. The reefs were mined between 1902 and 1908. Mining was restricted to the wet season due to lack of permanent water.

A gold rush was precipitated by the discovery of slab of stone containing an estimated 180oz of gold in 1909. The rush continued until 1913 and up to 200 men were working the field. Intermittent exploration and mining was conducted between 1913 and 1938,



including the construction of an amalgamation plant in 1927. No official exploration was conducted in the Tanami Desert between 1938 and 1965.

In 1985, Harlock Pty. Ltd. commenced exploration within the Tanami mining leases which led to the commencement of open pit mining in mid-1987. Zapopan NL. acquired the ground and continued mining until March 1994. Otter Gold Mines Pty. Ltd. was granted access to explore around the mine site in 1989. Low-level Au anomalism was discovered in late 1989 which lead to the identification of the Redback Rise area as highly prospective. The Otter screening process also identified the Dogbolter and Jim's Find prospects.

In September 1990, the Shell Company of Australia Ltd. (Shell) entered into a joint venture with Otter. Management of the project was entrusted to Shell. In August 1993, Shell completed its earning phase (50%) by spending \$5 million on exploration. In October 1994, a new joint venture was formed between Otter Gold NL and Acacia Resources Ltd. as a result of Shell divesting its mineral assets. The new joint venture is known as the Central Desert Joint Venture (CDJV), with participating interests 60% Otter and 40% AngloGold (formerly Acacia). Otter Gold NL has management of the project.

1.4 Transfer of Ownership

In December 2001 – January 2002 Normandy NFM gained a controlling interest in Otter Gold NL, the Normandy NFM team took control of Mining Leases and Exploration ground. The ore from the Normandy NFM discovery - Groundrush was transported to the Tanami Mine for crushing and milling (in which it (Normandy NFM) has a 60% interest as Otter Gold, the other 40% is controlled by AngloGold [formerly Acacia Resources Ltd]). By May 2002 Newmont Gold had taken over Normandy and had a *controlling* interest in Normandy NFM (now Newmont NFM) and thus Otter Gold NL.

2.0 GEOLOGY

The Granites-Tanami Block is bound to the west by the Canning Basin, and to the east by the Wiso Basin. It is considered to be one of the western-most Palaeoproterozoic inliers of the North Australian Orogenic Province, developed during the Barramundi Orogeny (Blake et al., 1979).

The stratigraphy of the Tanami Region has been revised as a result of an intensive study recently completed by the NTGS (Hendrickx et al., 2000). The stratigraphy outlined by Blake et al (1979) has had some significant modifications (Table 2).

Blake et al (1979)						Hendrickx et al (2000)			
Birrindudu Group		Coomarie Sandstone				Birrindudu Group	Coomarie Sandstone		Suplejack Downs Sandstone
		Talbot Well Formation					Talbot Well Formation		
		Gardiner Sandstone					Gardiner Sandstone		
Suplejack Downs Sandstone						Nanny Goat Creek Volcanics Mount Winnecke Group Mount Charles Formation Pargee Sandstone			
Mount Winnecke									
Pargee Sandstone									
Tanami Complex	Mt. Charles Beds	Killi Killi Beds	Nanny Goat Creek Beds	Nongra Beds	Helena Creek Beds	Tanami Group	Killi Killi Formation	Dead Bullock Formation	Twigg Formation
Archean						Browns Range Metamorphics "Billabong Complex"			

Table 2. Comparison of stratigraphic nomenclature (Hendrickx et al, 2000).

The oldest rocks of Archean age belong to the Billabong Complex and the Browns Range Metamorphics.

Lying unconformably above the Archean basement is the palaeoproterozoic McFarlane Peak Group. These rocks are characterised by a thick sequence of mafic volcanic, volcanoclastic and clastic sedimentary rocks, which possess a distinctive magnetic and gravity signature.

The Tanami Group is subdivided into three formations:

Twigg Formation: purple siltstone with minor sandstone and chert
 Killi Killi Formation: turbiditic sandstone
 Dead Bullock Formation: siltstone, mudstone, chert and banded iron formation

The Pargee Sandstone unconformably overlies the Tanami Group and is exposed on the western side of the Coomarie Dome extending into Western Australia. The Pargee Sandstone comprises thick-bedded quartz arenite, lithic arenite and conglomerate with pebbly sandstone and conglomerate at the base.

The Mount Charles Formation comprises an intercalated package of basalts and turbiditic sediments, which occur on the western side of the Frankenia Dome. The Mount Charles Formation is host to structurally controlled vein hosted gold mineralisation in the Tanami Mine Corridor.

The Mt Winnecke Group is also interpreted to lie unconformably over the Tanami Group. This group is divided into two units including siliclastic sediments and felsic volcanics.

The Nanny Goat Volcanics are characterised by extrusive volcanic rocks including quartz-feldspar ignimbrite, feldspar ignimbrite, rhyolite lava, basalt and minor siliclastic sediments.

The Birrindudu group comprises 3 or 4 units with Gardiner Sandstone at the base, overlain by Talbot Well Formation and Coomarie Sandstone. The Suplejack Downs sandstone is interpreted to belong to this group but its relationship is unclear.

Cainozoic laterite, silcrete, calcrete, and Quaternary debris cover 60 – 70% of the Tanami Desert. The Quaternary sediments are generally unconsolidated, representing the most recent phase of erosion and deposition of sands, gravels and lithic fragments.

3.0 EXPLORATION

Fifth year work programmes were put on hold within these regions, with the change of control in Otter Gold work priorities needed to be assessed. Work during the fifth year, prior to the takeover, involved remote discrimination of targets using an enhanced geophysical technique, the multiscale edge analysis (worming) process (developed by Fractal Graphics) that Otter Gold applied over the Tanami Region. The worming process was designed to generate targets within stratigraphic units with moderately to strongly contrasting internal magnetic signatures.

Regional surface sampling was conducted over EL7803 on a 500m x 500m grid using the Newmont NFM proprietary technique 'BLEG'. 91 samples were taken and assayed for gold, silver and copper. See Figure 3.

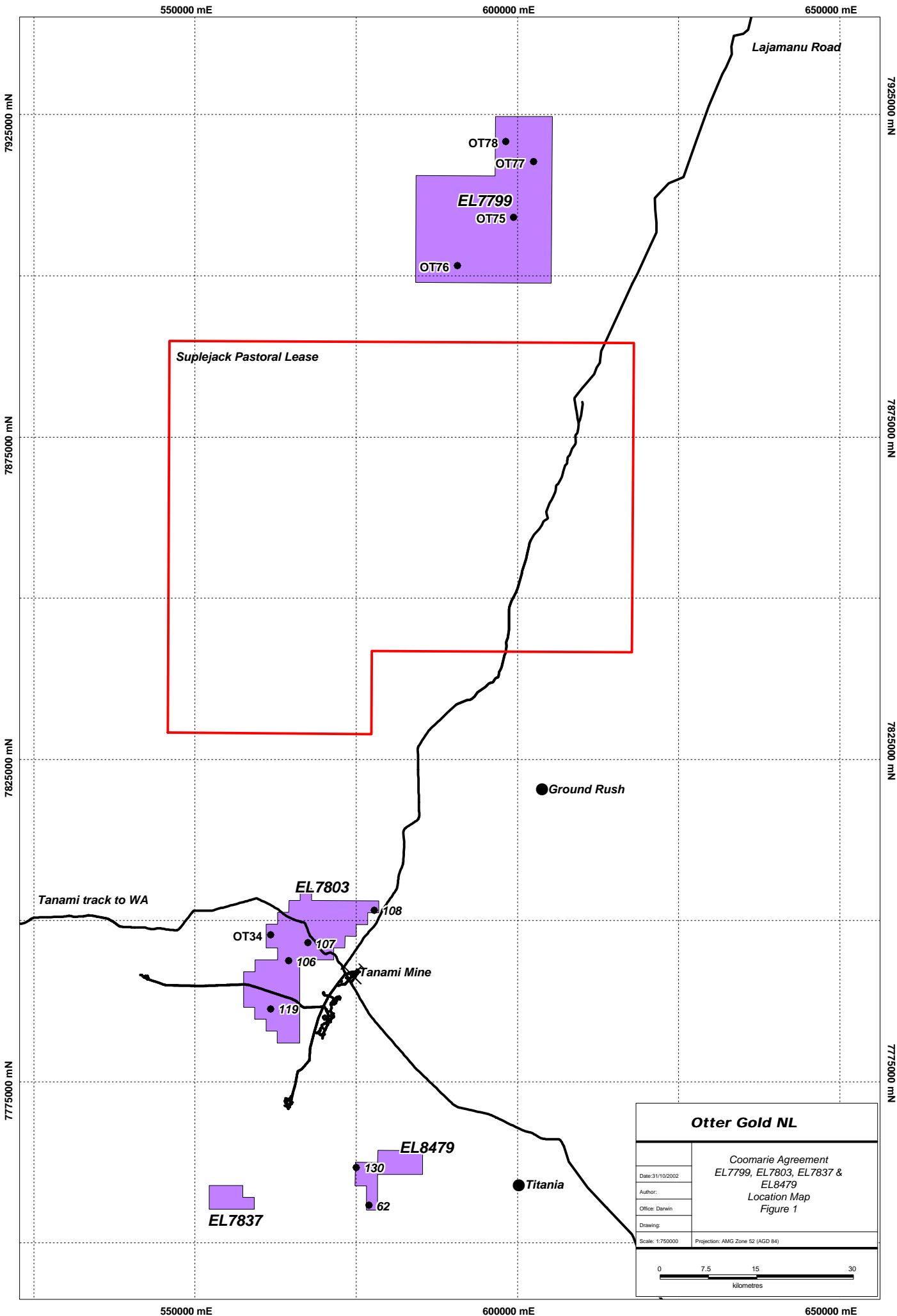
Targets within the Coomarie Agreement Exploration Licences were described in a table format that roughly equates to the following:

3.1 EL 7799 (Ware Range)

“Examination of historical geochemistry led to the definition of four possible targets in EL 7799. It is possible however, that Gardiner Sandstone or younger cover sequences obscure the true geochemical response in this region. Only a drilling programme will settle this debate.

The targeting exercise generally led to the down-grading of the prospectivity of EL 7799 tenements with respect to other areas. This does not mean however that some of the anomalies generated will not be tested in future programmes.”

Target OT75: This target (approximately 3km²) was defined initially through the surface geochemistry. The area was sampled by 400m x 400m helicopter based surface sampling programme and this region had a high of 1.7ppb Au. The area is thought to be predominantly Killi Killi or equivalent Beds with transported cover of unknown depth. The ‘worm’ image describes a weak drop off and possible east – west structure. The anomaly lies 15km west of the main body of Winnecke granophyre, five kilometres north east of a small granite and sits on a major north west structure. There is no evidence for small scale faulting all the region has been interpreted as part of a large fold. Recommended work would include the resampling of the initial geochemistry and a site visit to confirm the geology in the region (possible drilling programme to determine regolith).



Target OT76: Is found within EL7799. The target has been determined to be within Killi Killi Beds or their equivalent. The Target sits five kilometres north of a series of north west trending structures. The 0.5km² area was sampled by 400m x 400m helicopter based surface sampling programme and this region had a high of 1.1ppb Au. Recommended work would include the resampling of the initial geochemistry and a site visit to confirm the geology in the region (possible drilling programme to determine regolith).

Target OT77: This target (approximately 1.7km²) was defined initially through the surface geochemistry. The area was sampled by 400m x 400m helicopter based surface sampling programme and this region had a high of 0.3ppb Au. The area is thought to be predominantly Killi Killi Beds or equivalent with transported cover of unknown depth. The 'worm' image describes folding with a moderate change in worm intensity. The anomaly is located some 3km south west of a granite and approximately 8km north of the major north west structure running through the region. Work recommended in the region would involve the resampling of results and ground visits to determine geology in the region (possible drilling programme to determine regolith).

Target OT78: This region (0.3km²) was targeted on the basis of geochemistry – there are no apparent "worm" anomalies. The target is thought to be in Killi Killi Beds or an equivalent stratigraphy with transported cover of unknown depth. The anomaly is located 6km west of a granite (identified in the aeromagnetic image) and 6km north of a north west structure through the region. The area was sampled by 400m x 400m helicopter based surface sampling programme and this region had a high of 0.5ppb Au. Work recommended in the region would involve the resampling of results and ground visits to validate geology in the region (possible drilling programme to determine regolith).

3.2 EL 7803 (Tanami Lakes)

3.2.1 Targets

During the targeting process four worm, and one geochemical target were identified.

Target 106: The target (<2km²) is located in the potential thermal aureole of the Coomarie Granite/ McFarlane Beds inliers beneath Gardiner sandstone. No change in worm intensity was noted. The target lies along a north west structure that appears to bound a phase of the Coomarie Granite (which appears to be fractionated). Work completed in the region involves broad spaced posthole geochemistry (400mx400m) with no significant results. Further work in the region would include field visits to validate the surface geology and possible drilling to determine the depth of Gardiner Sandstone if it is found to be present.

Target 107: The stratigraphy for this target was seen as potential Coomarie Granite with possible inliers of McFarlane Peak Group. Alluvial transported cover is probable but the depth is unknown in this region. The target is seen as <2km² in size. The target appears to lie on the intersection of a north west and north east structure along a possible contact between the granite and basement. Previous work is patchy at best with inconclusive

results. Future work could involve site visits/regolith drilling and surface sampling (BLEG).

Target 108: The geology in this region has been identified as McFarlane Peak Group or Killi Killi Beds with possible Gardiner Sandstone cover on the eastern margin of the Coomarie Granite. A weak drop off in magnetic intensity has been described along the contact between units (McFarlane Peak Group or Killi Killi Beds). The anomaly covers an area of <4km² and lies adjacent to a north west trending structure within the possible thermal aureole of the Coomarie Granite. No previous work has covered this region and further work could involve a site visit to validate geology/ surface sampling (BLEG) and possible regolith drilling to determine the depth of potential cover.

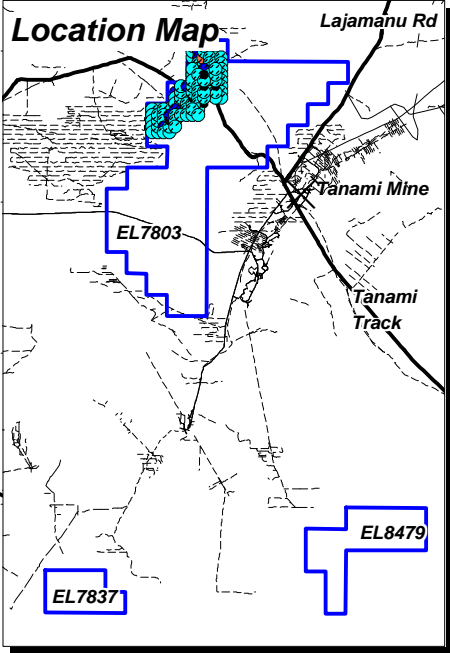
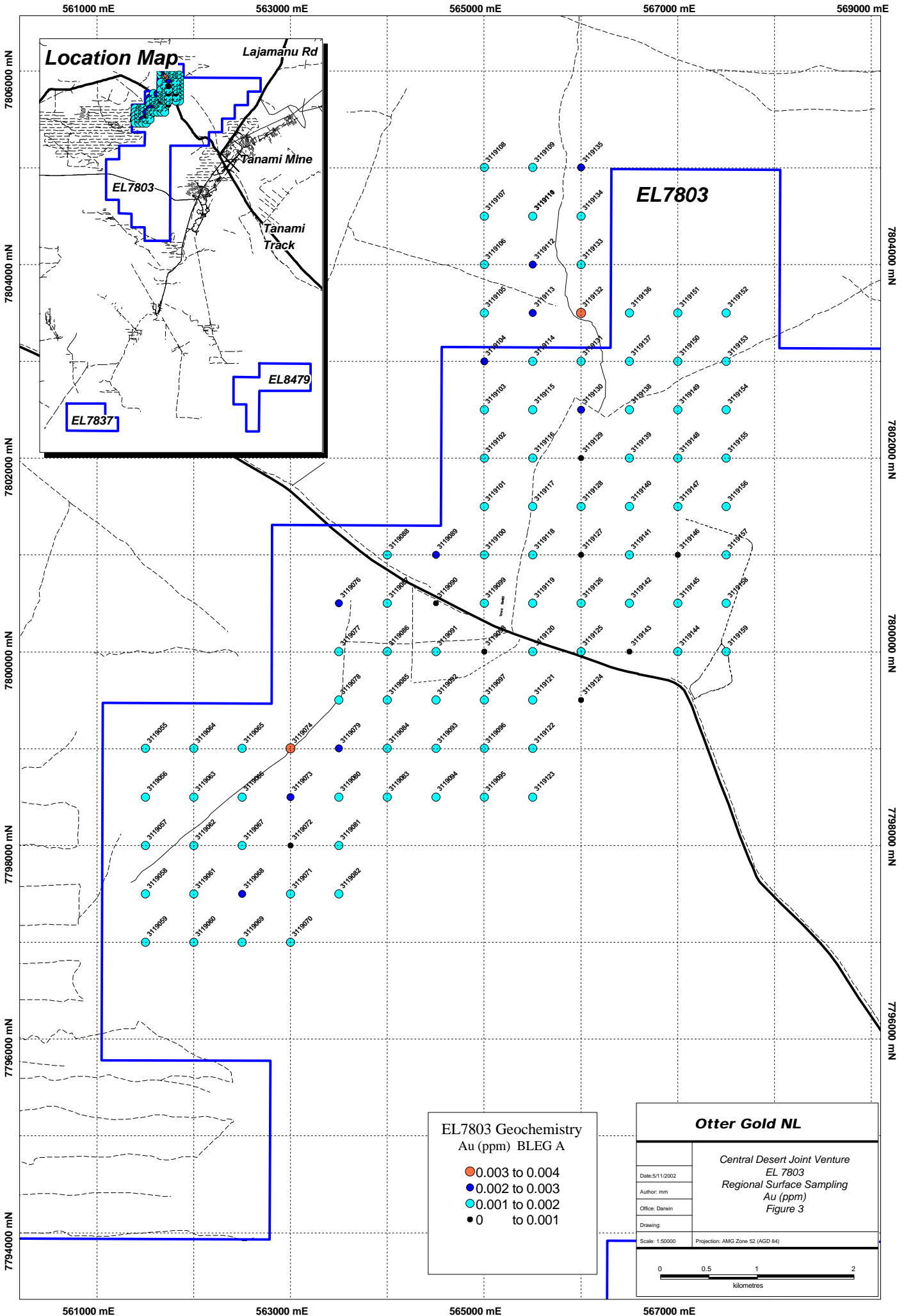
Target 119: This <4km² Killi Killi Beds target is identified as having Gardiner Sandstone cover. The worms have identified this region as a small local magnetic high with no pronounced orientation. The target lies adjacent to the margin of a small non magnetic granite to the south of the Coomarie Granite along a north north east orientated structure that in part controls the orientation of the small granite. Broad surface geochemistry is located in the region but no significant results. Further work could involve a site visit to validate geology/ surface sampling (BLEG) and possible regolith drilling to determine the depth of potential cover.

Target OT34: A geochemical target known as “Tanami Lakes” has been postholed (with a basement high of 41ppb Au and transported – residual anomaly of 530ppb Au) extensively with a single aircore fence. The stratigraphy is described as McFarlane Peak Group inliers over Coomarie Granite. The anomaly sits on the Coomarie Granite which is believed to be fractionated. The 3km² anomaly is approximately 1.5km south east of a north east trending structure and the magnetics define a fold hinge in the region. This target needs to be re evaluated and further work planned to determine the meaning of the transported – residual anomalism.

3.2.2 Field work completed

During June 2002, 91samples were taken on a regional scale over EL7803. The samples were taken a 500m x 500m grid using a vehicle. The samples were boxed and sent off for analysis with the Newmont proprietary technique BLEG. The samples were assayed for Gold, Silver and Copper.

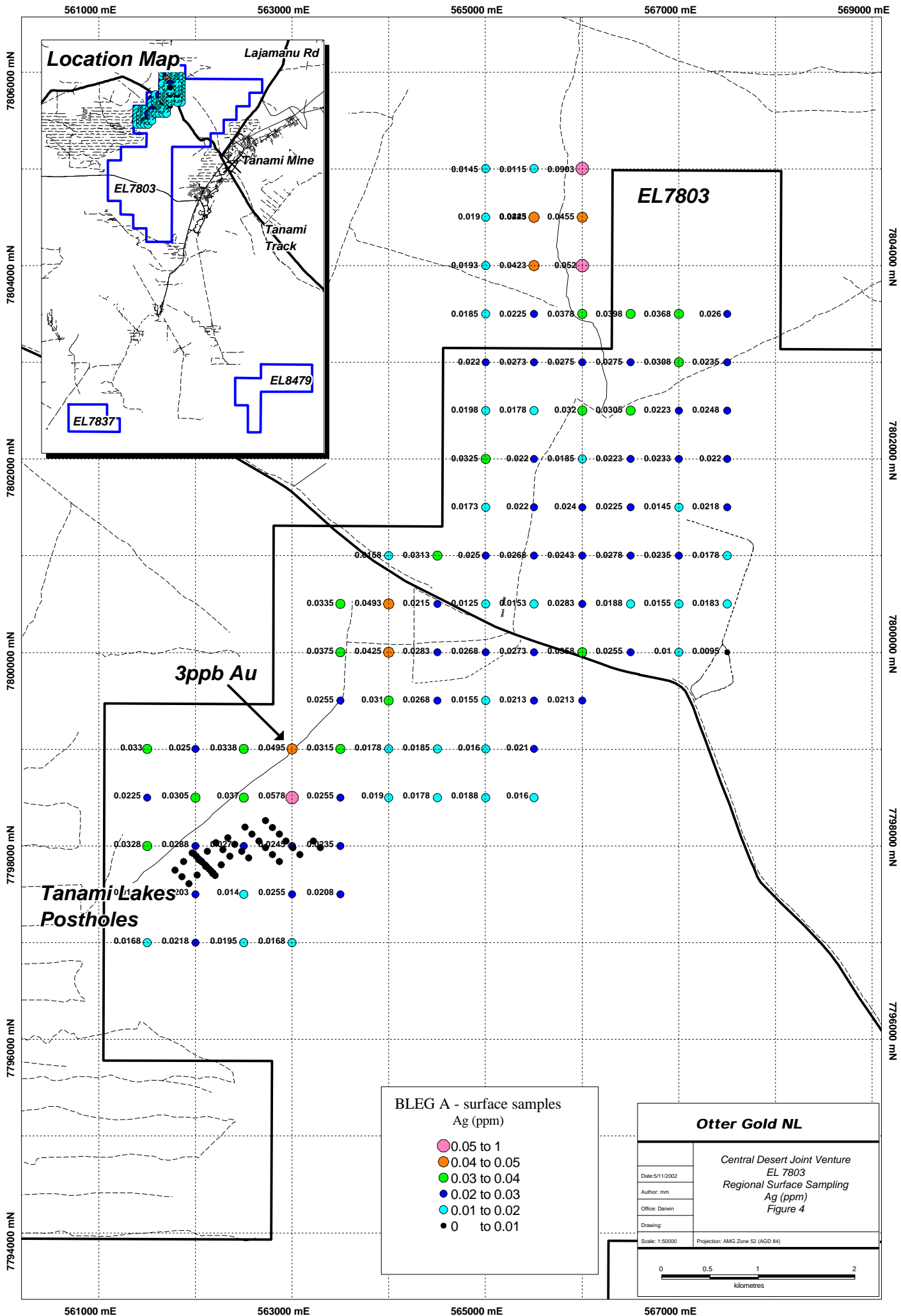
Results were interesting. Gold showed elevated readings (3ppb Au) in two areas. Only the first will be discussed as the other is found within SEL 10186. The elevated result had corresponding results with Silver and Copper. The copper in particular showed dispersion. The anomalism is also found north east of the original Tanami Lakes posthole anomaly along a north east structure. See Figures 3, 4 & 5.

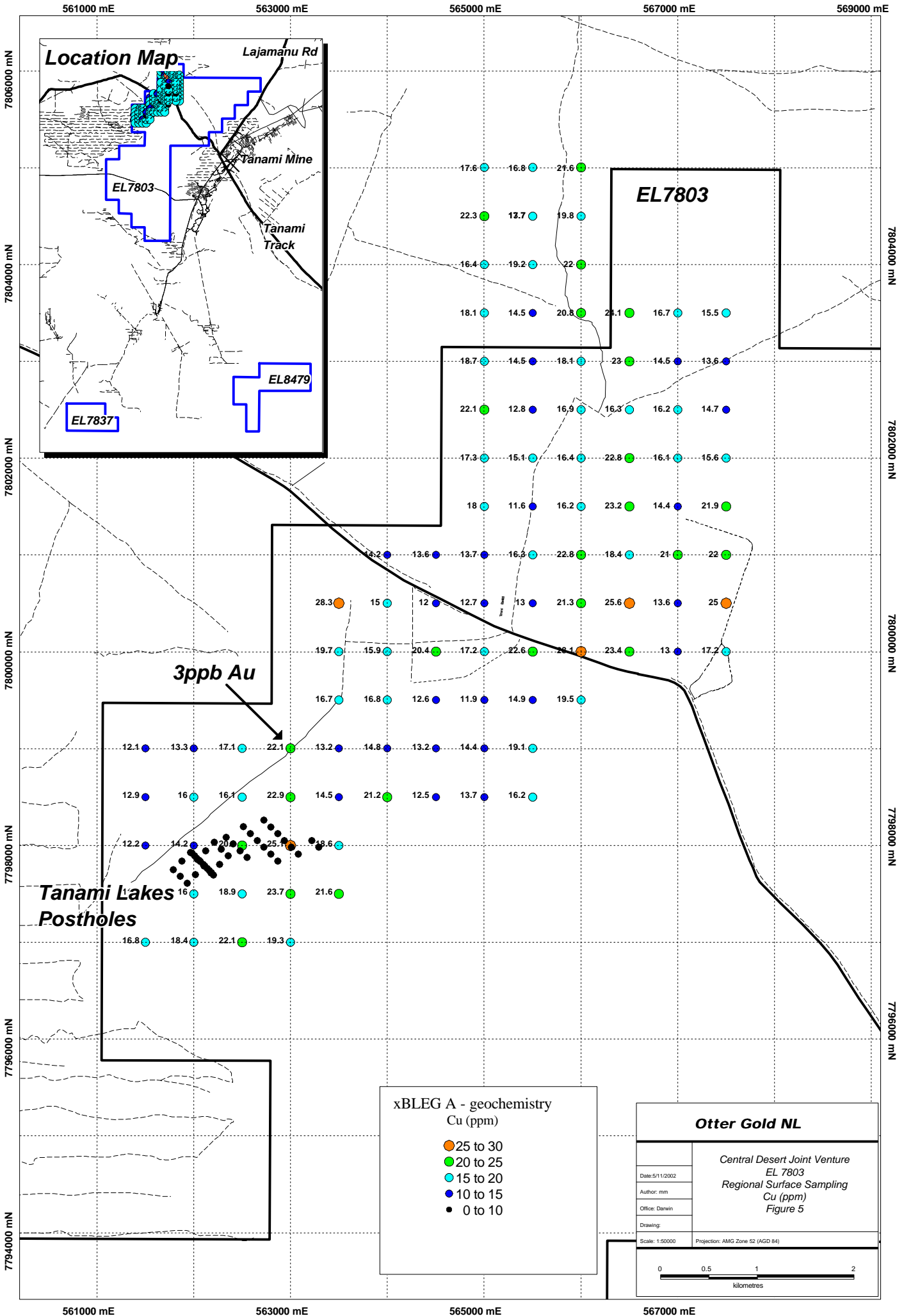


EL7803 Geochemistry
Au (ppm) BLEG A

- 0.003 to 0.004
- 0.002 to 0.003
- 0.001 to 0.002
- 0 to 0.001

Otter Gold NL	
Central Desert Joint Venture EL 7803 Regional Surface Sampling Au (ppm) Figure 3	
Date: 5/11/2002	
Author: mm	
Office: Darwin	
Drawing:	
Scale: 1:50000	Projection: AMG Zone 52 (AGD 84)





3.3 EL 7837 (Aperta South West)

The targeting method was applied to EL 7837 however no significant geophysical or geochemical targets were identified within the tenement area. No further work was completed during the reporting period.

3.4 EL 8479 (Aperta east)

The targeting method was applied to EL 8479 where two worm anomalies were identified (Target 130 & 62). Both anomalies have already been tested with regional surface sampling in previous campaigns. No further work was completed during the reporting period.

4.0 EXPENDITURE ON ELS 13/10/01 TO 12/10/02

Table 3 summarises the work programme for the fifth license year and the associated costs.

Expenditure during this period was down considerably – there were problems associated with the change in management pushing back the commencement of the field season to April – May. Other targets may have taken priority. Work also was at a basic level with the discrimination of regional targets remotely. EL7803 charges seem to have been allocated to SEL10186. Charges such as geochemistry have not been incurred as yet.

	EL7799	EL7803	EL7837	EL8479
Salary & Wages	-	\$805.64	\$805.64	\$855.66
General Administration	-	\$33.80	\$33.80	\$33.80
Tenement Consultants	\$215.68	\$184.66	\$215.68	\$215.68
Camp Allocations	\$164.54	\$164.54	\$164.54	\$164.54
Survey	-	-	-	-
Environmental	-	-	-	-
Light Vehicles alloc	\$6.29	\$6.29	\$6.29	\$6.29
Geology – Consultants	-	-	-	-
Geology – Contractor	-	-	-	-
Drilling _RAB	-	-	-	-
Assaying - RAB & Other	-	-	-	-
Geochemistry	-	-	-	-
Petrology – Consultants	-	-	-	-
Geophysics – Consultants	-	-	-	-
Aeromagnetics	-	-	-	-
Gravity	-	-	-	-
<i>Covenant</i>	<i>\$13,500</i>	<i>\$18,000</i>	<i>\$5,400</i>	<i>\$5,250</i>
Total – costs	\$386.51	\$1194.93	\$1225.95	\$1275.97

Costs excluded from Total Expenditures				
	EL7799	EL7803	EL7837	EL8479
Tenements Fees / Rentals	\$1418.75	\$1418.75	\$1418.75	\$1418.75
CLC Compensation	\$3893.75	\$3893.75	\$3893.75	\$3893.75
CLC Meetings	-	-	-	-
CLC - Consultants	-	-	-	-
Total-costs excluded	\$5312.50	\$5312.50	\$5312.50	\$5312.50

Table 3 : Expenditures for the Coomarie Agreement 2001-2002

5.0 PROPOSED WORK PROGRAMME

As the Coomarie project matures, it is becoming clear which tenements are prospective for cost effective exploration and which are not. Also, the smaller tenements EL 7837 and EL 8479 have been tested in a regional sense and failed to return positive results.

Future exploration will concentrate on the larger tenements EL 7799 and EL 7803. Further groundwork must be completed on EL 7799 to determine whether the low level regional surface samples are significant or not. Gardiner Sandstone is suspected to cover the more prospective rock and a walkabout posthole programme may be required to determine the extent of this cover.

Work on EL 7803 may include further posthole drilling to the north and west of the defined anomalism to follow possible sources for transported gold-bearing gravels indicated by surface sampling.

	EL 7799	EL 7803	EL 7837	EL 8479
Expenditure	\$ 21,000	\$ 23,000	\$ 4,100	\$ 4,000

Table 4. Proposed Expenditure 2002-2003

6.0 ENVIRONMENT

Environmental disturbance has been kept to a minimum wherever possible. Mature trees were not disturbed and trimming of vegetation was limited to small bushes and grasses in order to obtain line of sight in gridding. Surface sampling holes were all backfilled. All rubbish was removed from sites.

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