CENTRAL DESERT JOINT VENTURE

Otter Gold NL (60%)
Anglogold Australia Pty Ltd (40%)

TANAMI REGION
NORTHERN TERRITORY

4th ANNUAL REPORT
For
“CRUSADE”

4th MAY 2004 to 3rd MAY 2005

SEL 10319 (Goat Creek)

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Newmont Exploration

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SUMMARY

Exploration Licence (SEL) 10319 was granted to the Central Desert Joint Venture (CDJV) partners (Otter Gold NL 60% and Acacia Resources Ltd {now Anglogold Australia} 40%) on the 23rd January 2001 for a period of four years. SEL10319 is located some 70km north of the Tanami Mine. This is the fourth year of tenure.

Exploration Licence (EL) 10397 was previously reported with SEL10319. Since EL10397 has been accepted into the TEA Reporting area and an Interim Report has been submitted, EL10397 will now be reported in the TEA Technical Report.

This report covers activities completed by Newmont Tanami staff within Central Desert Joint Venture exploration ground. Work concentrated on a desk top review for budgeting purposes within SEL 10319.

Ongoing tenure of these licences by Otter Gold NL means that this report should remain CLOSED FILE.
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1.0 INTRODUCTION

Exploration Licence (SEL) 10319 was granted on the 23rd January 2001 for a period of four years. This report documents the work undertaken on SEL10319 during the fourth year of tenure by Otter Gold NL operated by Newmont NFM exploration.

2.0 LOCATION AND EXPLORATION HISTORY

2.1 Location and Access

The CDJV tenement SEL10319 is situated some 70km north of the Tanami Mine. This Exploration Licences are covered predominantly by the Suplejack Pastoral Lease. See Figure 1.

Access to the tenements is by the Lajamanu Road then via Suplejack Station Tracks onto exploration and station tracks. Access to the area is difficult during the wet season (December to March).

2.2 Tenement Status

A significant proportion of the old CDJV Licence EL9684 is combined with the previous CDJV Licence EL1254 and was applied for as SEL 10319 on the 11th of December 1998. Permission to explore within SEL10319 (Goat Creek) was granted on the 23rd of January 2001 to the Central Desert Joint Venture (CDJV) partners (Otter Gold NL 60% and Acacia Resources Ltd {now Anglogold Australia} 40%) for a period of four years.

With control of Otter Gold NL being gained by Newmont NFM it was decided because of escalating tenement costs that the ground should be partially relinquished. During January of 2003 a decision was made to reduce SEL10319 ground from 500 blocks to 443 blocks. The relinquished ground was considered as an area reduction for the period ending 23rd January 2003.

SEL10319 is covered by the Indigenous Land Use Agreement (ILUA) dated 7th February 2000 between the Central Land Council, Otter Gold NL and Anglogold Australasia.

<table>
<thead>
<tr>
<th>Year</th>
<th>Area (km2)</th>
<th>Blocks</th>
<th>Rent ($)</th>
<th>Rent for period</th>
<th>Covenant ($)</th>
<th>Covenant covering period</th>
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<td>1432</td>
<td>443</td>
<td>19,492</td>
<td>23/01/04-22/01/05</td>
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<td></td>
<td>155,936*</td>
<td>23/01/06-22/01/07</td>
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</table>

* Rent was paid for two years on the 20th October 2004 when the renewal was lodged.

TABLE 1 Tenement Status
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. 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.

3.0 GEOLOGY

3.1 Regional Geology

The Granites – Tanami Block is bounded to the west by the Canning Basin, and to the east by the Wiso Basin and is considered to be one of the western most Palaeoproterozoic inliers of the Northern Australian Orogenic Province. The block is thought to have developed around the Barramundi Orogeny – major event 1845 – 1840 Ma (Blake et al., 1979).

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Birrindudu Group</td>
<td>Coomarie Sandstone</td>
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<tr>
<td></td>
<td>Talbot Well Formation</td>
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<tr>
<td></td>
<td>Gardiner Sandstone</td>
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<tr>
<td>Suplejack Downs Sandstone</td>
<td>Pargee Sandstone</td>
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<td>Mount Winnecke</td>
<td>Nanny Goat Creek Volcanics</td>
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<tr>
<td>Pargee Sandstone</td>
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<tr>
<td>Tanami Complex</td>
<td>Tanami Group</td>
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<tr>
<td></td>
<td>Killi Killi Formation</td>
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<tr>
<td></td>
<td>Twigg Formation</td>
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<tr>
<td></td>
<td>Dead Bullock Formation</td>
</tr>
<tr>
<td>McFarlane Peak Group</td>
<td></td>
</tr>
<tr>
<td>Archaean</td>
<td>Browns Range Metamorphics</td>
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<tr>
<td></td>
<td>“Billabong Complex”</td>
</tr>
</tbody>
</table>

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

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).

The Archaean Billabong Complex and Browns Range Metamorphics are the oldest rocks in the area. Browns Range Metamorphics comprise granitic gneiss and muscovite schist intruded by fine-grained granite, thin granitic sills, aplite and pegmatite. The Billabong Complex comprises banded granitic gneiss’, which are generally elongated and fault bound.
Lying unconformably above the Archaean basement is the Palaeoproterozoic McFarlane Peak Group. These rocks are characterised by a thick sequence of mafic volcanic, volcaniclastic and clastic sedimentary rocks, which possess a distinctive magnetic and gravity signature. This package of rocks is structurally complex and is considered to have a tectonic contact with the overlying Tanami Group.

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 Dead Bullock Formation occurs at the base of the Tanami Group and is dominated by fine-grained sedimentary rocks. The rocks outcrop at Dead Bullock Soak, Lightning Ridge and Officer Hill. At the Granites the rocks have been metamorphosed to amphibolite facies to form andalusite, garnet and hornblende bearing schists. The Dead Bullock formation is host to significant gold mineralisation at the Granites and Dead Bullock Soak.

The Killi-Killi Formation conformably overlies the Dead Bullock Formation and is the most extensive formation in the group. The sequence of turbidites includes micaceous greywacke, quartzwacke, and lithic greywacke, quartz arenite and lithic arenite, interbedded with siltstone, mudstone and occasional thin chert beds. Detrital mica is a characteristic feature. The Killi-Killi is metamorphosed to lower greenschist facies and is interpreted to be up to 4km thick.

The Twigg formation is confined to a narrow package of rocks immediately west of the Tanami Mine corridor. It comprises a sequence of interbedded purple siltstone with thin-bedded chert and minor medium bedded greywacke.

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. Sediments include sandstone, mudstone, carbonaceous mudstones and intraclast conglomerate. Basalts are predominantly massive units with pillow basalts and basaltic breccias also evident.

The Mt Winnecke Group is also interpreted to lie unconformably over the Tanami Group and is divided into two units - siliciclastic 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 siliciclastic sediments.
The Birrindudu group comprises 3 units with Gardiner Sandstone at the base, overlain by Talbot Well Formation and Coomarie Sandstone. The Supplejack Down sandstone is interpreted to belong to this group but its relationship is unclear. The Birrindudu group lie unconformably over the Browns Range Metamorphics, MacFarlane Peak Group, Tanami Group, Pargee Sandstone, Nanny Goat Creek Volcanics and Mount Winnecke Group.

Cenozoic 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.

3.2 Local Geology

3.2.1 Local Geology for the ‘old’ EL 9684
Geologically, the lease is predominantly part of the Coomarie Dome, which extends down to the Tanami Mine region. The Coomarie Dome has intruded Tanami Complex rocks (including Mt Charles Beds, Nanny Goat Creek Beds and Nongra Creek Beds). It is thought that inliers/roof pendants may exist within some portions of the lease. Covering these is a series of Upper Proterozoic Birrindudu Group Sediments (including Gardiner Sandstone, Talbot Well Formation and Coomarie Sandstone). To the east of the lease the majority of the younger Cambrian Antrim Plateau Volcanics lie (these consist of Tholeiitic basalt, minor tuffaceous sandstone, and lithic arenite). Previous experience and brief helicopter reconnaissance has suggested that not all the mapped Antrim Plateau Volcanics are as such and may be Tanami Complex in origin. Obvious outcropping geology is restricted to the Birrindudu Group Sediments. See Figure 3 for location of ‘old’ EL9684.

3.2.2 Local Geology for the ‘old’ EL 1254
Within the project area, five stratigraphic units have been recognised; Nanny Goat Creek Beds, Supplejack Downs Sandstone, Gardiner Sandstone, Larranganni beds and Antrim Plateau Volcanics. See Figure 3 for location of ‘old’ EL1254. The Nanny Goat Creek Beds are Archaean to Lower Proterozoic rocks, stratigraphically equivalent to the Mount Charles Beds outcropping near the Tanami Mine to the south. Both of these rock units form part of the Tanami Complex. The Nanny Goat Creek Beds are described as predominantly volcanic rocks consisting of ignimbritic acid porphyry, amygdaloidal non-porphyritic basaltic lavas with intrusive patchy porphyritic basalt and tuff. The subordinate rocks are metasedimentary greywacke, shale and siltstone.

The Nanny Goat Creek Beds host the Crusade gold mineralisation. The mineralisation occurs along a regional shear zone that juxtaposes two units from the Nanny Goat Creek Beds; namely a dacite to the west and a basalt to the east. The majority of the mineralisation is hosted within the footwall basaltic rocks. Structure evident in the Gardiner Sandstone (Carpentarian) can be easily recognised on a regional basis and transferred to the Nanny Goat Creek Beds. With this in mind, two structural trends are evident:
- north → south,
- north-west → south-east.

The Mineral Lease (Crusade) consists of outcropping Nanny Goat Creek Beds. The rocks are generally steeply dipping with cleavage often parallel to bedding, adding to
the structural complexity. Complex folding and faulting is evident and detailed mapping is required to more fully understand this area.

The Supplejack Downs Sandstone unit consists of sublithic arenite and quartz arenite with some locally exposed shale and siltstone. It appears to unconformably overlie the Nanny Goat Creek Beds and is in turn unconformably overlain by Gardiner Sandstone. Mapping shows this unit to have moderate dips (24-45°) with ubiquitous open and tight folds.

The Gardiner Sandstone unit forms part of the Birrindudu Group and consists of sublithic arenite, subordinate quartz arenite, conglomerate, shale siltstone and glauconitic sandstone.

The Ware Range is a very good example of typical Gardiner Sandstone. The range is a strike ridge with generally shallow to flat dipping structures. The whole of the Ware Range appears to form an elongated synclinal structure. Folding, jointing, bedding trends, joint patterns and cross-cut faulting are easily distinguished in outcrop.

The Antrim Plateau Volcanics are considered to be the oldest Palaeozoic rocks in the area and are probably of early Cambrian age. The unit is dominated by tholeiitic basalt lavas with subordinate intercalated sandstone and chert. Outcrop within the licence area is minimal. There is very little outcrop and most of the unit appears lateritised.

The remainder of the project area is covered by alluvial and aeolian sand, silt and gravels with extensive laterite development.

Prior to exploration by the CDJV, no economic gold or base metal mineralisation had been discovered in the project area. There were some minor radioactive anomalies and rare earths anomalies discovered in association with the north-south trending structural/unconformity contact on the eastern side of the Ware Range. These elements are excluded from the current exploration effort.

3.2.3 Local Mineralisation within the ‘old’ EL 1254

Geological interpretation of the Crusade mineralised system shows it to be composed of approximately 20 separate quartz veins which are closely associated with the lithological contact between the basalt and the dacite. These veins have a variable dip (50-85°) to the west and are suspected to have been produced as a result of reverse thrusting (ie. dip slip with a small component of strike slip) along the lithological contact. There is also a slight northerly plunge apparent within the core of the mineralisation, which is associated with a flattening of the vein dip.

The modelling of the Crusade mineralisation shows a trench of oxidation within the sulphide material which is directly associated with the quartz vein hosted mineralisation. This channel of increased weathering extends to the north and south of the central part of the orebody and is thought to be attributable to the greater permeability of the broken ground associated with the quartz veining. The channel is interrupted within the central part of the orebody where the more intensely altered, silicified material occurs as a more competent bulge within the oxidised layer. The degree of weathering is also reflected in the Au grade, with the oxidised material having a significantly reduced grade when compared with the sulphide ore. This is also visible within the interpreted flitch plans, which show a steady increase of grade with depth.
4.0 EXPLORATION HISTORY

4.1 Summary of Exploration within the ‘old’ EL 9684
An overview of exploration conducted within EL9684 for the previous four years is provided.

4.1.1 18th December 1996 – 17th December 1997
During the first year of exploration by Stockdale Prospecting, regional loam samples were taken in the search for diamonds. Additional surface samples were taken and kept for each site a loam sample was taken. The samples were taken separately from the loam samples in ‘geochem’ packets to a depth that did not exceed 20 centimetres. The samples were taken on two kilometre by two kilometre grid. An estimated $15,000 was spent on this helicopter reconnaissance by Stockdale.

4.1.2 18th December 1997 – 17th December 1998
Otter Gold NL and Stockdale Prospecting consolidated an agreement for Otter to explore for gold on Stockdale’s Suplejack licence before the Lease was converted to the Central Desert Joint Venture. During the end quarter of 1998 Otter gold NL was involved in the purchase of, and analysis of the 489 additional surface samples taken by Stockdale Prospecting. The samples were sent to ALS’s Perth laboratory for ZARG analysis.

4.1.3 18th December 1998 – 17th December 1999
The Exploration Licence was transferred from Stockdale Prospecting to Otter Gold NL on the 9th of April 1999. CRC LEME conducted a regolith study providing effective regolith mapping. All background information was researched. Areas were designated for follow up sampling during 1999 – 2000 after analysis of the surface sample results. Analysis of the results showed less than 1ppb Au anomalism (over a two kilometre by two kilometre grid) however even on this large scale the results ‘appear’ to outline trends that correspond with structures.

4.1.4 18th December 1999 – 17th December 2000
Regional surface sampling was carried out on 400m x 400m grid over selected areas highlighted from the Stockdale sampling. Seven of the eight areas tested were sampled using a Robinson helicopter (1058 samples). Of these eight programmes two produced anomalies worth following up (Hereford and Charolais). These were sampled on a 100m x 100m grid (510 samples and 308 samples respectively). These were carried out to define targets for angle RAB. Field visits to the region confirmed discrepancies with the BMR Outcrop Geology. Seven rockchips were taken during the field visits via a helicopter. There still remains an unexplained 543ppb Au rockchip.

4.2 Summary of Exploration within EL 1254
Exploration activities by the Joint Venture and Otter Exploration between 17/3/89 and 16/3/98 included:

4.2.1 17th March 1989 – 16th March 1992
- Aeromagnetic purchase from NTDME.
- Image processing of aeromagnetics.
- Aerial photographic data purchase.
- Regional traversing.
- Soil and rockchip sampling at the Crusade and Kokoda prospects.

4.2.2 17th March 1992 – 16th March 1993
- Gridding and geological mapping at Crusade totalling about 15.4 line km.
- A soil orientation survey at Crusade along line 11000N, testing -20\# fraction and a >1mm, <10mm fraction.
- Grid based soil sampling at Crusade, collecting 100m composites of the <10mm >1mm size soil fraction.
- Composite and selective rock chip sampling of veins at Crusade.
- Three fences of RC drilling (10 holes for 606m) at Crusade (CRC001-010).
- Gridding and geological mapping of approximately 6.7 line km at Kokoda.
- Soil and selected rock chip sampling at Kokoda along the new grid lines.

Significant drill results from the above work includes:
CRC004 2m @ 2.0g/t Au 58 - EOH
CRC002 2m @ 3.4g/t Au 15 - 17m
CRC010 3m @ 2.2g/t Au 6 - 9m

4.2.3 17th March 1993 – 16th March 1994
- Additional gridding, soil sampling and mapping in the Kokoda and Crusade grids.
- Re-sampling of three cross lines in the Crusade Grid area using a motorised auger.
- Regional soil sampling along 14 regional lines totalling 27.15km with 179 surface soil samples and 138 auger samples collected.

4.2.4 17th March 1994 – 16th March 1995
- Regional soil sampling traverses along two lines, totalling 1.3km; 10 samples analysed for low level Au by fire assay (FA3).
- A total of 10.8km of infill and extension gridding was completed within the Crusade and Kokoda grids.
- 46 soil samples were taken at 50 and 100m intervals at Kokoda and 49 samples were taken from Crusade and analysed for low level Au by fire assay (FA3).
- Two fences of three RC holes (KKRC01-06) totalling 624m were drilled on the Kokoda grid.
- Fourteen RC holes (CRC011-024) from surface and one re-entry of an old hole (CRC003) for a total of 1380m were drilled on the Crusade grid.
- All RC holes were sampled every metre and analysed for Au by fire assay (FA1).

Significant drill results from the above work includes:
KKRC05 10m @ 1.0g/t Au, 61 - 71m
CRC003 (re-entry) 25m @ 1.48g/t Au, 64 - 89m
CRC012 16m @ 3.19g/t Au, 72 - 84m
CRC017 14m @ 1.24g/t Au, 8 - 22m Au

4.2.5 17th March 1995 – 16th March 1996
- New grid line covering the Crusade and Kokoda grids. The base line has a magnetic orientation of 012° and extends from 2600N to 9640N.
- Ground magnetics using 3 magnetometers; readings taken at 5m spacings, 80 metres apart on the new grid. Results showed a N-S basaltic package underlain by a non magnetic unit. From 4500N to 5500N, break in magnetics...
occurs which is characterised by an intense zone of mineralisation and alteration indicating the destruction of magnetism by the mineralising fluid.

- Airborne magnetics fixed wing with lines flown E-W at 200 metre intervals.
- RAB drilling totalling 1604m to geochemically test geophysical anomalies interpreted from aeromagnetic data. Results indicate two broad, slightly anomalous zones (up to 4ppb).
- Geological mapping/rock chip sampling. Basalts and numerous quartz veins were mapped. Of the 31 rock chip samples taken in this part of the program, seven returned assays greater than 0.5g/t Au, including one at 3.88g/t Au.
- Reverse circulation drilling totalling 4476m, including 50 new holes from surface and three re-entries, were drilled in the period. Also 446.6m of diamond drilling was carried out for 46 holes, enabling a reserve of 1.2 Mt @ 2.39g/t Au to be calculated.
- Petrology and petrography were also carried out on the mineralised and nonmineralised horizons.
- Metallurgical testing was carried out on the oxide and sulphide ores. The results showed the oxide ore amenable to heap leaching, with poor recoveries from the sulphide ore.

4.2.5 17th March 1996 – 16th March 1997
- An ultra-detailed aeromagnetic survey was conducted over the Supplejack tenement in October by UTS Geophysics in a fixed wing
- A total of 3332m of posthole RAB were drilled on eight lines (holes SJPH208-388) with a sample spacing of 50m. The programme was designed to follow up previous geochemical anomalies and to test areas of structural discontinuity identified from aeromagnetic images.
- RC drilling was designed to close up drillhole spacing to 40mx40m within the central part of the Crusade deposit and to check for extensions of the mineralisation to the south and north. Results from the RC programme suggest that there has been some remobilisation of Au within the top 50-70m around the main ore zone:
  - 2m @ 5.50g/t Au (CRC075; 73 - 75m) 4840mN
  - 2m @ 1.56g/t Au (CRC075; 83 - 85m) 4840mN
  - 14m @ 0.99g/t Au (CRC078, CDH17; 10 - 24m) 4840mN
  - 10m @ 1.17g/t Au (CRC078, CDH17; 104 - 114m) 4840mN
  - 11m @ 1.72g/t Au (CRC079, CDH08; 95 - 106m) 4840mN
  - 23m @ 0.79g/t Au (CRC081; 0 - 23m) 4720mN
  - 2m @ 3.72g/t Au (CRC082; 38 - 40m) 4720mN
  - 18m @ 0.83g/t Au (CRC082; 62 - 80m) 4720mN
  - 3m @ 1.38g/t Au (CRC087, CDH09; 73 - 76m) 4880mN
  - 2m @ 3.36g/t Au (CRC090; 63 - 65m) 4640mN
  - 4m @ 3.83g/t Au (CRC093; 47 - 51m) 4560mN
  - 2m @ 1.40g/t Au (CRC094; 87 - 89m) 4560mN
- A diamond hole from surface (CDH007; 149.9m) was drilled for metallurgical tests on the oxide material. The oxide material will be subjected to leach tests by Oretest Pty Ltd, including a column leach test.
- A detailed diamond drilling programme was conducted over prospective areas, the best results of which were:
  - 19m @ 4.31g/t Au (CDH 008; 108-127m) 4840mN
  - 6m @ 4.35g/t Au (CDH 008; 134-140m) 4840mN
- Ten RC holes were drilled at Kokoda (KKRC007-016) to follow up previous RC drilling and geochemical anomalies.
- Wide zones of low grade anomalism were found in conjunction with several narrow higher grade intercepts in KKRC07-08. Results along the same trend from recent drilling include:
  1m @ 3.11g/t Au (KKRC07, 59-60m)
  2m @ 1.33g/t Au (KKRC07, 70-72m)
  2m @ 0.72g/t Au (KKRC08, 17-19m)

4.2.6 17th March 1997 – 16th March 1998
A regional posthole pattern drilling programme (400m x 400m) was conducted over EL1254 between April and June. The results of the regional drilling have enabled a more detailed understanding of the geology and regolith. Gold values from the unconformity peaked at 42ppb within the Kokoda area. Background results at Kokoda were between 1ppb and 13ppb Au. Kokoda also produced a 49ppb sample 3 (bottom of hole) result and a 63ppb quartz vein result.
Infill posthole programmes were conducted over the Lucifer and Cerberus prospects during 1997. While the Lucifer infill defined no significant anomalism, the Cerberus-Kokoda results showed much promise. Outstanding results from the Cerberus area include a 532ppb, and 123ppb surrounded by lower order anomalies (1-20ppb). The Kokoda region was characterised by results between 1 and 20ppb.
An angled RAB programme was drilled in the Supplejack region, inclusive of the prospects Cerberus, Lucifer, Kokoda and untested areas of Crusade. The programme included eight fences, with a total of 41 holes. Significant results were:
  4m @ 1.59 g/t (SJRB009, 38-42m)
  6m @ 0.72 g/t (SJRB014, 62-68m)
  4m @ 0.78 g/t (SJRB016, 32-36m)
  4m @ 1.25 g/t, (SJRB026 6-10m)
  2m @ 7.20 g/t, (SJRB034, 38-40m)
  4m @1.27 g/t, (SJRB034, 30-34m)
  6m @ 0.85 g/t (SJRB033, 46-52m)
A comprehensive gravity survey, the aim of which was to identify a geophysical signature representing the Crusade deposit, was conducted at Supplejack during 1997. The survey and data interpretation was undertaken by Benjamin Bell as part of his Masters Thesis *Geophysical Investigation of the Crusade Deposit*. The result of this survey was that the gravity and magnetic response were found to mimic one another.

4.3 Work completed on SEL 10319 from 23rd Jan 2001 to 22nd Jan 2002.
Work completed on SEL 10319 involved the assessment of geochemical targets and ranking them within the whole of Otter Gold NL Targets. The Fractal graphics ‘worming’ (multiscale edge analysis technique) was completed over the eastern half of this lease with cursory analysis of the geophysical processes output.

Sixteen rockchips (samples 655776 - 655791) were sampled from the Crusade region. Significant results included sample 655782 where 23ppb Au 330ppm As was recorded.
277 regional soil samples (500m x 500m) were taken across the western most section of SEL10319. The terrain was difficult, encountering Gardiner Sandstone ridges, thick vegetation, drainage and various obstacles. The best results were 3.1ppb Au and 4.4ppb Au.


Brett Davies undertook regional mapping in the Suplejack Project Area over a 2.5 week period as part of a greater structural study of the Tanami region.

To follow-up on anomaly generated by last years soils (plus 4ppb Au) programme at Goat Creek, 66 soils were taken in May (Newmont Proprietary technique). No data is available from the company database.

The IP crew completed an IP survey of the Crusade area. The results show the Crusade mineralisation to have a well-defined IP character. There appear to be two untested areas of strong IP anomalism to the immediate south west and further to the north of Crusade, with other subtle features also forming possible targets to test with RAB.

Thirty three RAB holes (CRRB 0001 – 0033) were drilled within the Crusade region to follow up targets produced from the September quarters IP survey. The RAB holes were between 48m - 81m deep for a total of 2243m. Samples were analysed for Au, Ag As and Cu. CRRB0017 and CRRB0018 produced the most interesting results with elevated As levels (in the 200ppm As to 300ppm As range).

5.0 EXPLORATION

5.1 EXPLORATION within SEL10319 between 23rd Jan 2004–22nd Jan 2005.

Work completed within SEL10319 for the period 23/01/2004 to 22/01/2005 was minimal and included a desktop review of the exploration potential of the region to budget for the 2005 field season.
### 6.0 EXPENDITURE.

#### 6.1 Expenditure Summary for SEL10319 (23rd Jan 2004 – 22nd Jan 2005)

**TABLE 3 Expenditure Summary for SEL10319 (23rd Jan 2004 – 22nd Jan 2005)**

<table>
<thead>
<tr>
<th>Goat Creek - SEL10319</th>
<th>Actual YTD</th>
<th>Admissible Costs</th>
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<tr>
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<tr>
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<tr>
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<td>* Expln Drilling Costs</td>
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<td>* Expln Geophysics</td>
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<td>** Cost element group</td>
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</table>
7.0 PROPOSED EXPENDITURE 2005-2006

During the 2005-2006 field season pending a sacred site clearance, exploration expenditure will concentrate on the following.

- Renegotiate access to the exclusion zone surrounding the significant site to the south of known Crusade mineralisation.
- Pending the successful access negotiations test strike extensions of Crusade mineralisation with coincident chargeability/resistivity anomaly with an initial 1000m of RC (funds to be sourced from the proposed expenditures for other CDJV projects)
- To undertake a surface sampling program of 200 samples using Newmont’s proprietary soil sampling technique over suitable areas of the tenement to generate anomalies for follow up work.
- Test with 1000m of RAB drilling, gold anomalism outlined above.

<table>
<thead>
<tr>
<th>License</th>
<th>Proposed Expenditure</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEL10319</td>
<td>$20,000</td>
<td>23/01/2005 – 22/01/2006</td>
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</tbody>
</table>

TABLE 4: Proposed expenditures for 2005-2006

8.0 ENVIRONMENT

Environmental disturbance has been kept to a minimum wherever possible. The use of vehicles for surface sampling, the backfilling of sample holes and the emphasis on remote detection of targets have kept the environmental disturbance to a minimum. All drill holes were backfilled. All rubbish was removed from sites and camps.
9.0 REFERENCES


