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FIRST ANNUAL REPORT

FOR EXPLORATION LICENCE 9427

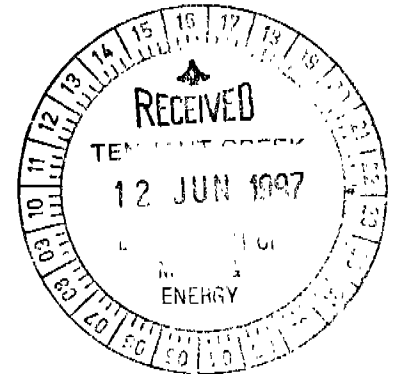
FOR THE PERIOD, 13/5/96 TO 12/5/97

TENNANT CREEK DISTRICT, NORTHERN TERRITORY

PIZ GLORIA PROSPECT

TENNANT CREEK 1:250,000 SHEET SE 53-14

VOLUME 1 OF 1



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DATE:

JUNE 1997

AUTHORISED BY:

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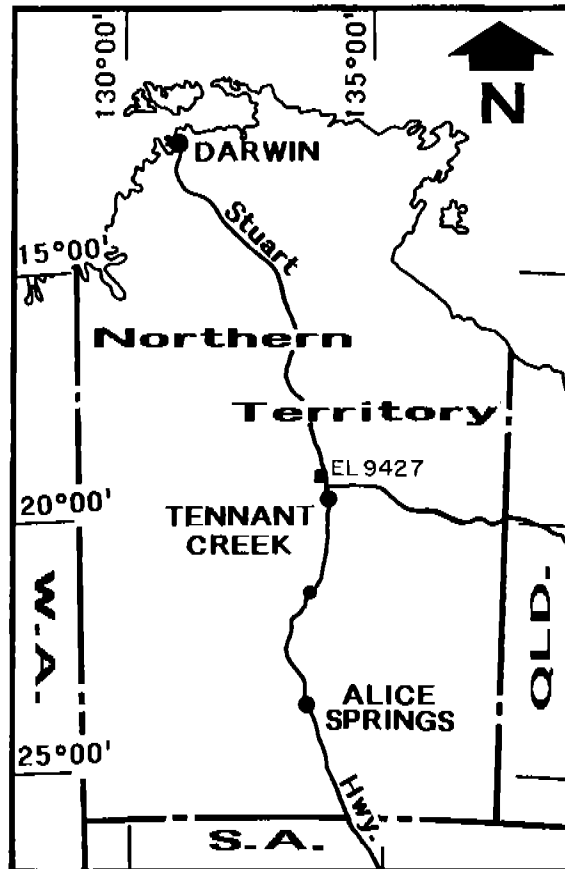
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REPORT NO: 97037
TITLE: FIRST ANNUAL REPORT FOR EXPLORATION LICENCE 9427 FOR THE PERIOD 13/5/96 TO 12/5/97, TENNANT CREEK DISTRICT, NORTHERN TERRITORY, PIZ GLORIA PROSPECT
AUTHOR: JIM WEST
DATE: JUNE 1997



1. SUMMARY

EL 9427 (Piz Gloria) was granted on 13/5/96 for a period of six years. It comprises seven blocks covering an area of 22.7km² and is located approximately 40km NE of Tennant Creek township.

This report details the work conducted by Normandy Gold Pty Limited (hence forth referred to as Normandy) for the first year of tenure. Normandy conducted orientation studies on the licence for Au/Cu/Bi ironstone type mineralisation. Work completed during year one of tenure includes:

- rock chip sampling, and
- a vacuum drilling programme

Normandy has failed to complete its planned exploration programme and covenant expenditure, mainly because of the time taken having the area cleared for exploration by the traditional custodians.

2. INTRODUCTION

2.1 Location and Access

EL 9427 (Piz Gloria) is located approximately 31km north of Tennant Creek township, south east of Northern Star Mine (refer Figure 1). Access from Tennant Creek is gained via the Stuart Highway and along station tracks associated with Phillip Creek Station.

2.2 Climate and Physiography

The climate of the Tennant Creek district is mild to warm and dry throughout autumn, winter and spring, with cool to cold winds in winter. High temperatures (in excess of 35°C) occur in summer with associated seasonal rainfall which can impeded field work programmes.

The relief is low, with low undulating hills in the southern portion of the licence, the vegetation is mainly sparse low scrub, with denser vegetation restricted to the (usually) dry drainage courses.

2.3 Tenure

Exploration Licence 9427 was granted to Normandy Gold Pty Limited on 13/5/96 for a period of six years. The Exploration Licence consists of seven blocks covering an area of 22.7km².

2.4 Previous Exploration

With the exception of the vast amount of work conducted by prospectors and ADL/Normandy on the Northern Star Leases the only other recorded exploration within the general tenement area was conducted by Roebuck Resources NL and Newmont Australia Limited. Readers are referred to the relevant reports lodged with the DME, Darwin.

3. REGIONAL GEOLOGY

The Tennant Creek Inlier comprises gneissic basement successively overlain by unconformable Proterozoic sediments of the Warramunga Group, Hatches Creek Group and Tomkinson Creek Beds. These sediments have been intruded by Proterozoic aged granites, and subsequently overlain by Cambrian sediments (Le Messurier et al, 1990). The Warramunga Group contains all of the economically viable mineral deposits in the Tennant Creek region.

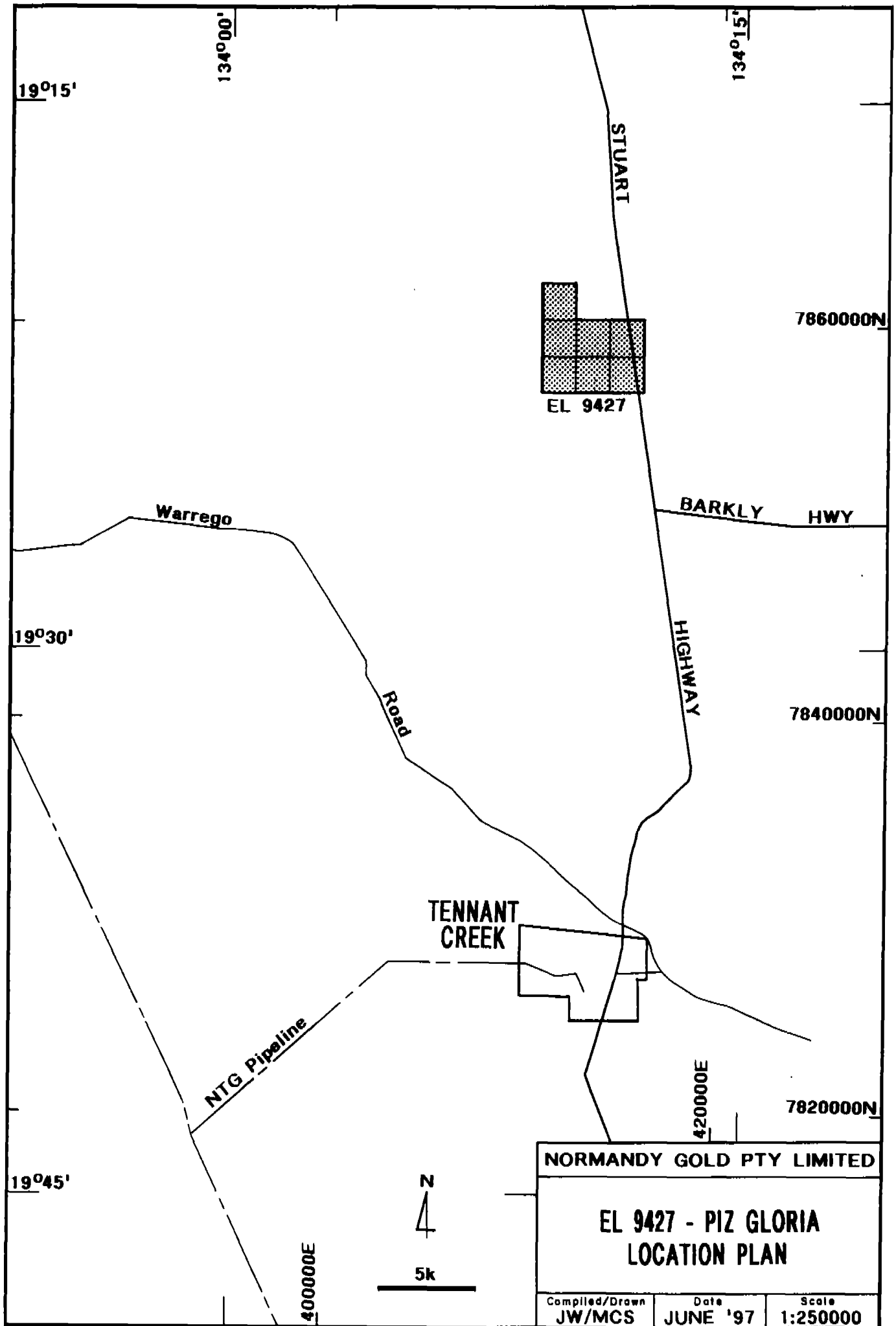


Figure No. 1

The Warramunga Group is overlain by the Flynn Sub-Group. The Warramunga Group comprises a sequence of argillaceous sedimentary rocks including siliceous greywacke, siltstone, shale and haematite shale with zones of disseminated haematite-magnetite being common throughout. Quartz-feldspar porphyry lenses occur as both cross-cutting and conformable units within the sedimentary sequences. The Flynn Sub-Group comprises a sequence of argillaceous to quartz-rich arenaceous sedimentary rocks, coarser up sequence, with abundant quartz veining. All of the mineralised ironstones are contained in the Warramunga Group.

The Warramunga Group exhibits three deformational phases and is metamorphosed to greenschist facies. The first deformational episode results in tight to isoclinal, upright folds with east-west axes. Two later episodes of faulting consist of WNW trending faults and shear zones with south-side-up movement, and NW trending faults often filled with quartz, showing sinistral movement.

4. LOCAL GEOLOGY

Approximately 80% of EL 9427 is covered by either alluvium, colluvium, or dissected colluvial fans.

Outcrop is largely restricted to units of the Bernborough Formation, with a thin wedge of Warramunga sediments mapped in the north west of the licence (Refer to Flynn 1:100,000 Geological Map (Sheet 5759)).

5. EXPLORATION UNDERTAKEN DURING YEAR ONE OF TENURE ON EL 9427

Work on EL 9427 over the period consisted of extensive review and processing of existing geophysical data sets (see Figures 2 and 3) and targeting of several areas for vacuum drilling and follow up RAB drilling, and 2 areas which will be RAB drilled initially to ascertain the source of the geophysical anomalies/features.

An application for inspection of the Sacred Site Register for EL 9427 was lodged on 28/5/96, and clearance received on 7/6/96. A vacuum drilling program over the lease was then scheduled for October 1996. The program was cancelled due to uncertainty over the status of the north-south stock route, which also affected programs for EL 9180.

In the absence of any resolution of this issue, and with time for meeting the expenditure commitment running out, the decision to press ahead with the drilling program was reached in February 1997, with drilling scheduled for April 1997.

An AAPA Sacred Site Authority Certificate was thus applied for on 3/3/97, but had still not been received at the time of writing. It has therefore not been possible to carry out any drilling, rock chipping, geophysical surveys or gridding over the reporting period.

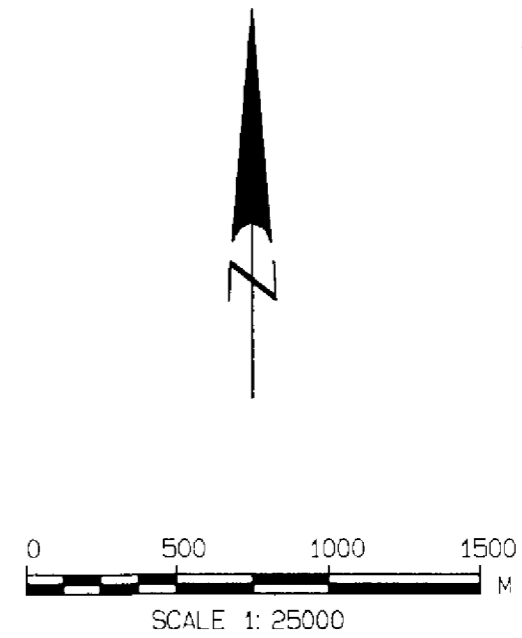
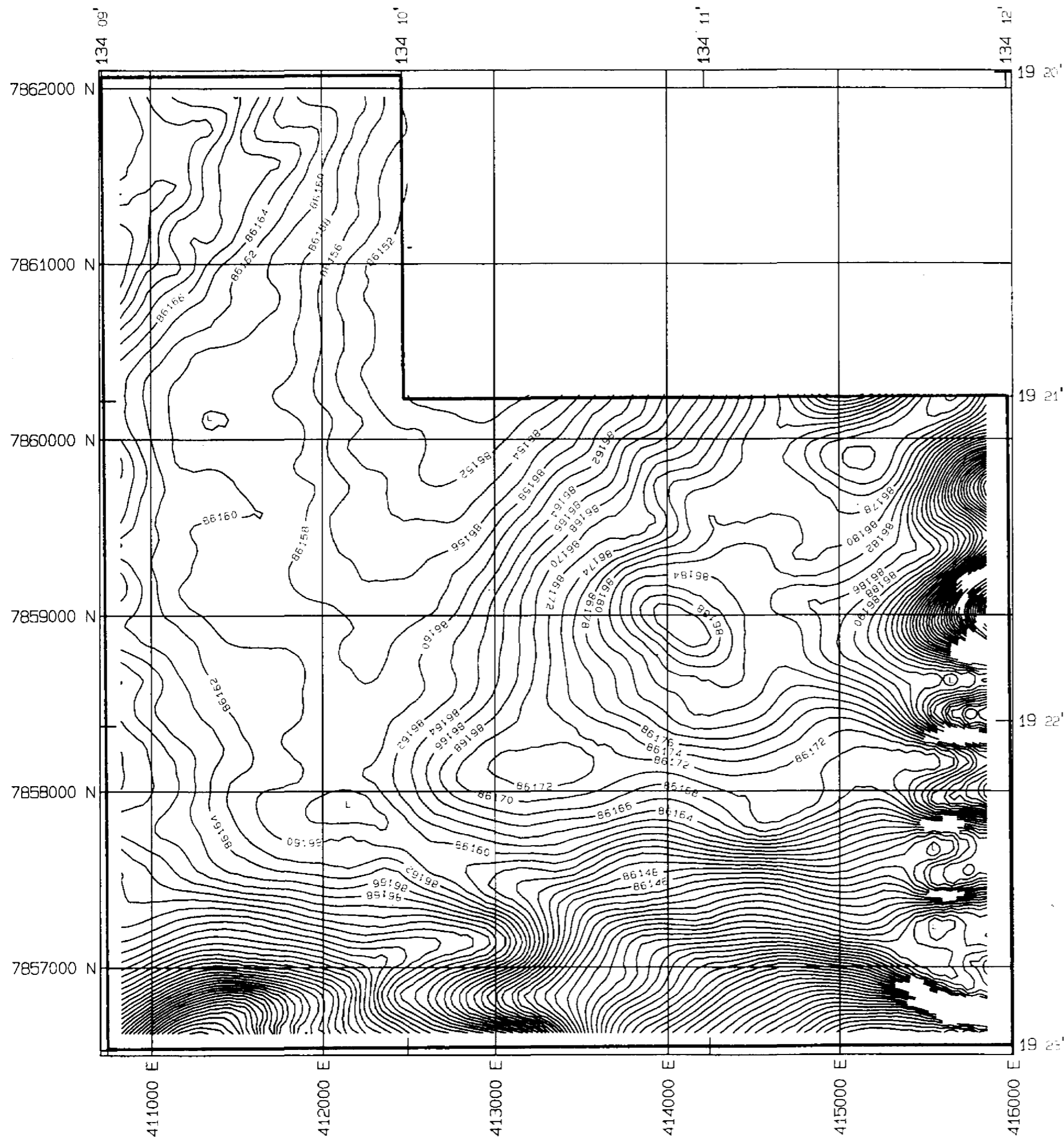


Figure No. 2

NORMANDY GOLD PTY LIMITED
TENNANT CREEK OPERATIONS
NORTHERN STAR GROUP
EL 9427
AEROMAGNETIC CONTOUR PLOT; 2nT CONTOURS FLIGHT LINES 400m NORTH-SOUTH GRIDDED 100m, INTERPOL 25m, REDUCED TO POLE

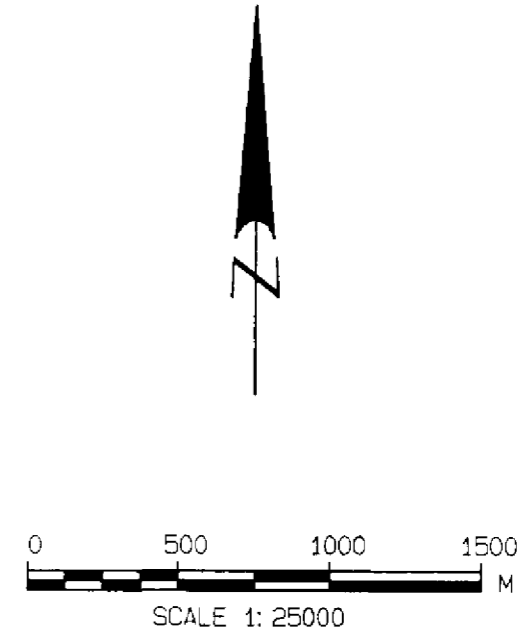
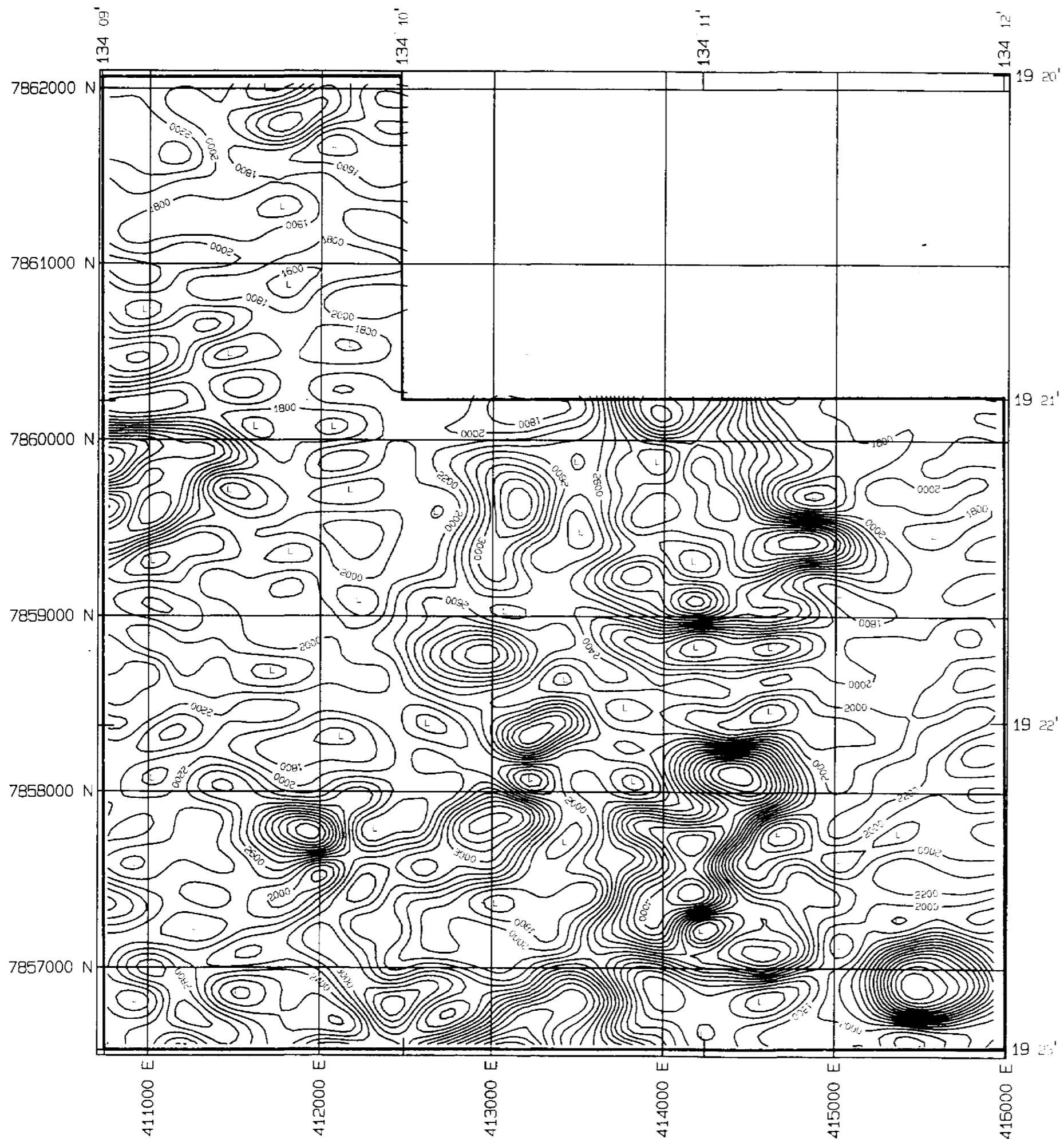


Figure No. 3

NORMANDY GOLD PTY LIMITED
TENNANT CREEK OPERATIONS
NORTHERN STAR GROUP
EL 9427
AIRBORNE RADIOMETRICS TOT COUNT; CONTOUR PLOT FLIGHT LINES 400m NORTH-SOUTH GRIDDED 100m, INTERPOL 25m, CONT INTERVAL 200

6. EXPENDITURE INCURRED DURING YEAR ONE OF TENURE

During year one of tenure EL 9427 incurred as expenditure of \$5,327. A breakdown of this is listed below:

EXPENSE	COST
Employee Costs	\$ 2,354
Overheads	\$ 622
Drilling	\$ -
Assays	\$ -
Operating Costs	\$ 416
Specialist Services	\$ 1525
Tenement Costs	\$ 410
TOTAL	\$ 5,327

7. PROPOSED PROGRAMME AND EXPENDITURE FOR THE SECOND YEAR OF TENURE

This is essentially what was proposed for the first year of tenure, but was unable to be performed over the reporting period.

EXPENSE	COST
Employee Costs	\$ 2,800
Overheads	\$ 1,500
Drilling	\$ 9,500
Assays	\$ 5,000
Operating Costs	\$ 1,500
Specialist Services	\$ 1,000
Tenement Costs	\$ 410
TOTAL	\$ 21,710

8. ENVIRONMENTAL AND REHABILITATION FACTORS

Normandy Gold Pty Limited has commenced an active rehabilitation programme over much of the Tennant Creek field. This commitment has been reinforced within the Normandy Group with the appointment of a Group Environmental Engineer to oversee and implement the Group's guidelines and objectives. In addition to this an Environmental Superintendent has been engaged at Tennant Creek to design and implement the Group's objectives throughout the Tennant Creek area.

As an example of the Group's commitment to environmental issues several active rehabilitation programmes are currently being undertaken in the Tennant Creek field. These include programmes at Nobles Nob, Eldorado, White Devil and Warrego.

An Environmental Management Plan for the Company's Tennant Creek Operations (Fowler, 1993) has been submitted to the Department of Mines and Energy under separate cover (March 1993). This plan details the strategies to be implemented over various areas following completion of exploration programmes and mining operations.

9. REFERENCES

Fowler, B., 1993. Environmental Management Plan 1993. Report No. 94177. PosGold Limited.

Le Messurier, P; Williams, B.T; and Blake, D.H., 1990. Tennant Creek Inlier - Regional Geology and Mineralisation. Geology of the Mineral Deposits of Australia and Papua New Guinea (Ed. F.E. Hughes), pp 829-838. (The Australasian Institute of Mining and Metallurgy).

APPENDIX ONE

BIBLIOGRAPHIC DATA SHEET

BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER: 97037

REPORT NAME: FIRST ANNUAL REPORT FOR EXPLORATION LICENCE
9427 FOR THE PERIOD 13/5/96 TO 12/5/97, TENNANT
CREEK DISTRICT, NORTHERN TERRITORY.

PROSPECT NAME(S): EL 9427 (PIZ GLORIA)

OWNER/JV PARTNERS: NORMANDY GOLD PTY LIMITED

KEYWORDS: NORTHERN STAR MINE, WARRAMUNGA GROUP,
FLYNN SUBGROUP, VACUUM DRILLING, ROCK CHIP
SAMPLING

COMMODITIES: GOLD, COPPER

TECTONIC UNIT: TENNANT CREEK INLIER

1:250,000 MAP SHEET: TENNANT CREEK SE 53-14
(52)

1:100,000 MAP SHEET: FLYNN 52-3