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FINAL REPORT

FOR EXPLORATION LICENCE 8774

FOR THE PERIOD 16/9/94 TO 28/7/97

TENNANT CREEK DISTRICT, NORTHERN TERRITORY

STRADDLE PROSPECT

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

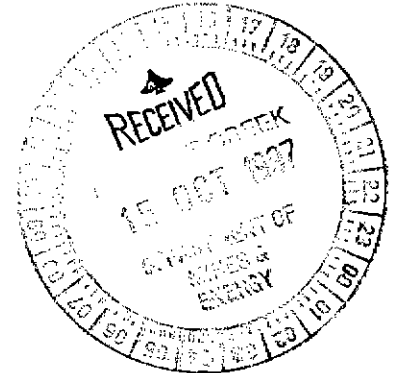
VOLUME 1 OF 1

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DATE: OCTOBER 1997

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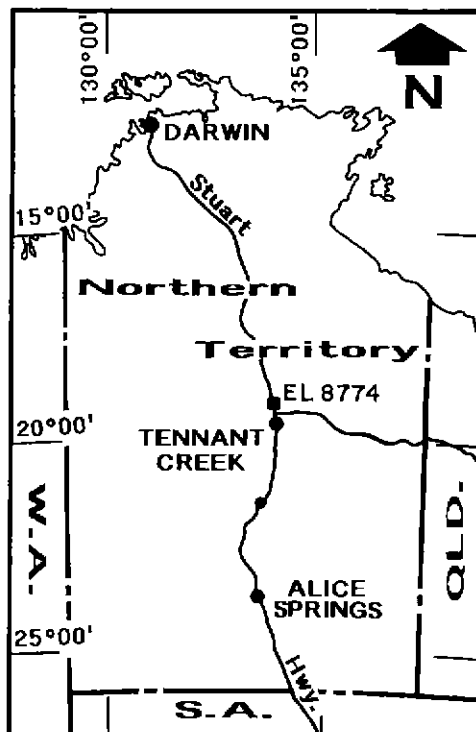
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REPORT NO: 97102
TITLE: FINAL REPORT FOR EXPLORATION LICENCE 8774 FOR THE PERIOD 16/9/94 TO 28/7/97, TENNANT CREEK DISTRICT, NORTHERN TERRITORY, STRADDLE PROSPECT
AUTHOR: J. WEST
DATE: OCTOBER 1997



1. SUMMARY

EL 8774 (Straddle) was granted to Normandy Gold Pty Limited (Normandy) on 16/9/94 for a period of three (3) years. The licence was surrendered on 28/7/97. Normandy explored the licence for Tennant Creek style ironstone hosted Au-Cu-Bi mineralisation. This report details the work completed by Normandy during the entire period of tenure.

Work completed over EL 8774 during year one of tenure included a review of previous exploration data, and an unsuccessful attempt at a vacuum drilling programme. In year two of tenure, a RAB drilling programme was completed over the licence.

2. INTRODUCTION

Normandy explored EL8774 (Straddle) for Tennant Creek style ironstone hosted Au-Cu-Bi mineralisation. The main exploration method employed over the licence was RAB drilling, after an initial trial of vacuum drilling proved unsuccessful. The licence was relinquished prior to expiry of its full period of tenure due to its limited prospectivity, and due to the presence of a stock route, which complicated access arrangements. This report details the work completed by Normandy during the entire period of tenure.

2.1 Location and Access

EL 8774 (Straddle) is located approximately 45km north of Tennant Creek township and is traversed by the Stuart Highway (Refer Figure 1). Access is gained via the Stuart Highway, hence along the Phillip Creek Station track.

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 impede field work programmes.

The physiography of EL 8774 is characterised by flat aeolian and alluvial sand cover with a gentle easterly slope. Phillip Creek meanders through the licence. The low hills of the Short Range are found to the north of the licence.

2.3 Tenure

EL 8774 (Straddle) originally consisted of 2 graticular blocks covering approximately 6.5 km². The licence was granted to Poseidon Gold Limited (now Normandy) on 16/9/94 for a period of three (3) years. It was reduced to 1 graticular block on 11/7/96, and was surrendered on 28/7/97.

The licence was 100% owned and operated by Normandy.

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.

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

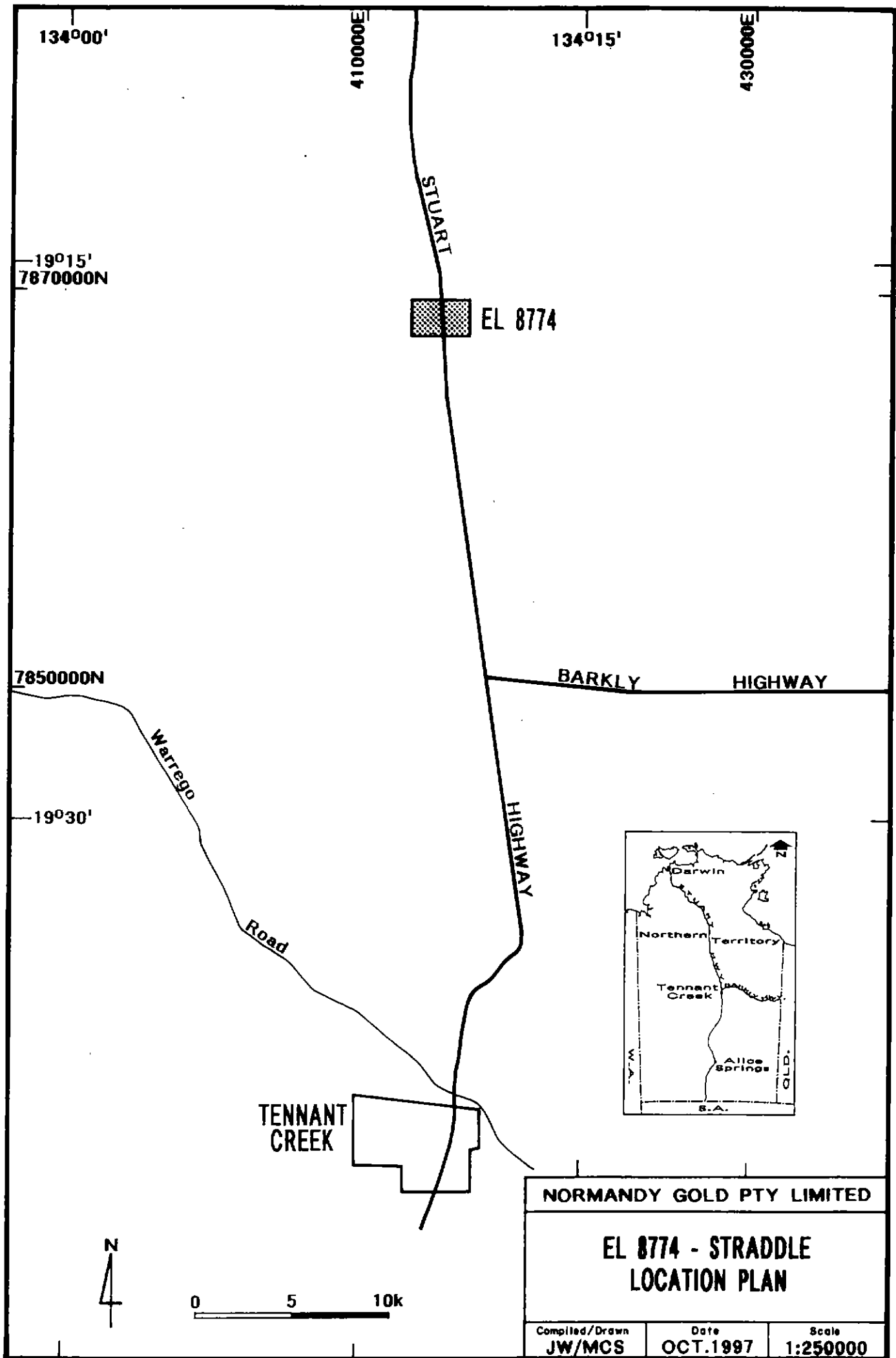


Figure No. 1

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.

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

EL 8774 contains no outcrop and is covered by aeolian and alluvial sands. The rocks are interpreted from the geology (geophysical and drilling data) to be interbedded siltstones and sandstones of the Warramunga Group and the Flynn Sub Group, intersected by a dolerite dyke.

5. EXPLORATION

5.1 Previous Exploration

During 1992-1994, Western Mining Corporation Ltd with Giants Reef Mining as a joint venture partner explored the area covered by EL 8774 (Straddle) under EL 7716 (Phillip Creek).

The joint venture parties conducted an aeromagnetic survey and a sub-regional gravity survey (Ward, 1994).

5.2 Exploration for the Period 16/9/94 to 28/7/97

Reconnaissance work over EL 8774 was carried out by Normandy during 1994-95. This included an aborted vacuum drilling programme. Normandy's exploration activities for this period have been fully reported to the Department of Mines and Energy (DME) previously in Mouchet (1995).

Year 2 of tenure saw the execution of a RAB drilling programme of 10 holes totaling 593m. Normandy's exploration activities for this period have been fully reported to the Department of Mines and Energy (DME) previously in Mouchet (1996).

5.3 Exploration Expenditure for the Period 16/9/94 to 28/7/97

A breakdown of exploration expenditure for the entire period of Normandy's tenure over EL 8774 is detailed below:

EXPENSE	COST
Employee Costs	\$ 13,058
Overheads	\$ 2,163
Drilling	\$ 6,764
Assays	\$ 3,326
Operating Costs	\$ 3,039
Specialist Services	\$ 428
Tenement Costs	\$ 310
TOTAL	\$ 29,088

6. CONCLUSIONS AND RECOMMENDATIONS

EL 8774 (Straddle) was relinquished due to the generally low geochemical anomalism found during the RAB program, combined with potential difficulties in access and security of tenure posed by the presence of a stock route on the more prospective of the 2 original blocks.

7. ENVIRONMENTAL AND REHABILITATION FACTORS

Normandy 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.

8. 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).

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APPENDIX ONE

BIBLIOGRAPHIC DATA SHEET

BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER 97102 ADEL: 22016

REPORT NAME FINAL REPORT FOR EXPLORATION LICENCE 8774
FOR THE PERIOD 16/9/94 TO 28/7/97, TENNANT
CREEK DISTRICT, NORTHERN TERRITORY

PROSPECT NAME(S) STRADDLE

OWNER/JV PARTNERS NORMANDY GOLD PTY LIMITED

KEYWORDS PHILLIP CREEK, VACUUM DRILLING
RAB DRILLING, WARRAMUNGA FORMATION, FLYNN
SUBGROUP.

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TECTONIC UNIT TENNANT CREEK INLIER

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

1:100,000 MAP SHEET FLYNN 5758