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SECOND ANNUAL REPORT

FOR EXPLORATION LICENCE 9433

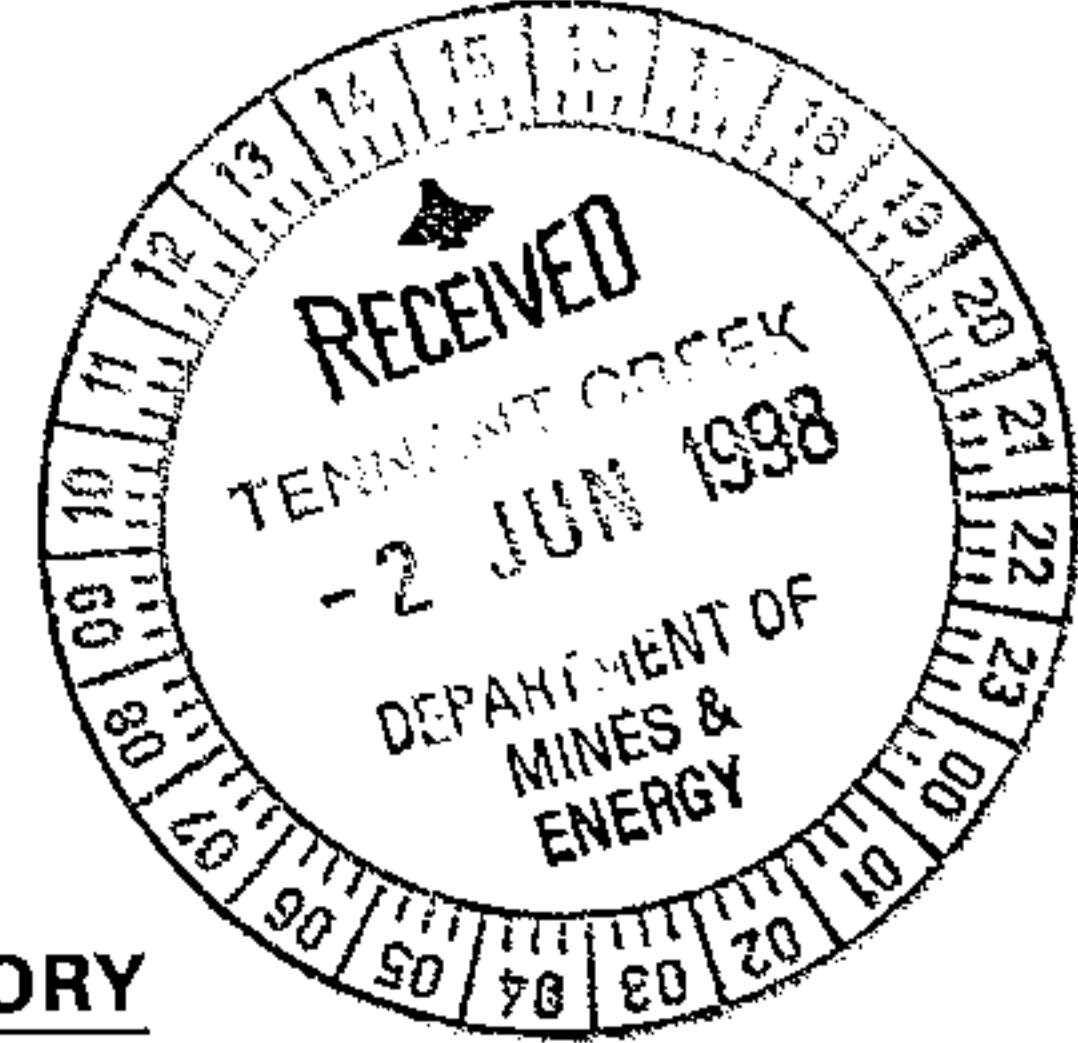
FOR THE PERIOD 13/5/97 TO 12/5/98

BARROW CREEK DISTRICT, NORTHERN TERRITORY

BAMBI PROSPECT

BARROW CREEK 1:250,000 SHEET SF 53-6

VOLUME 1 OF 1



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DATE:

MAY 1998

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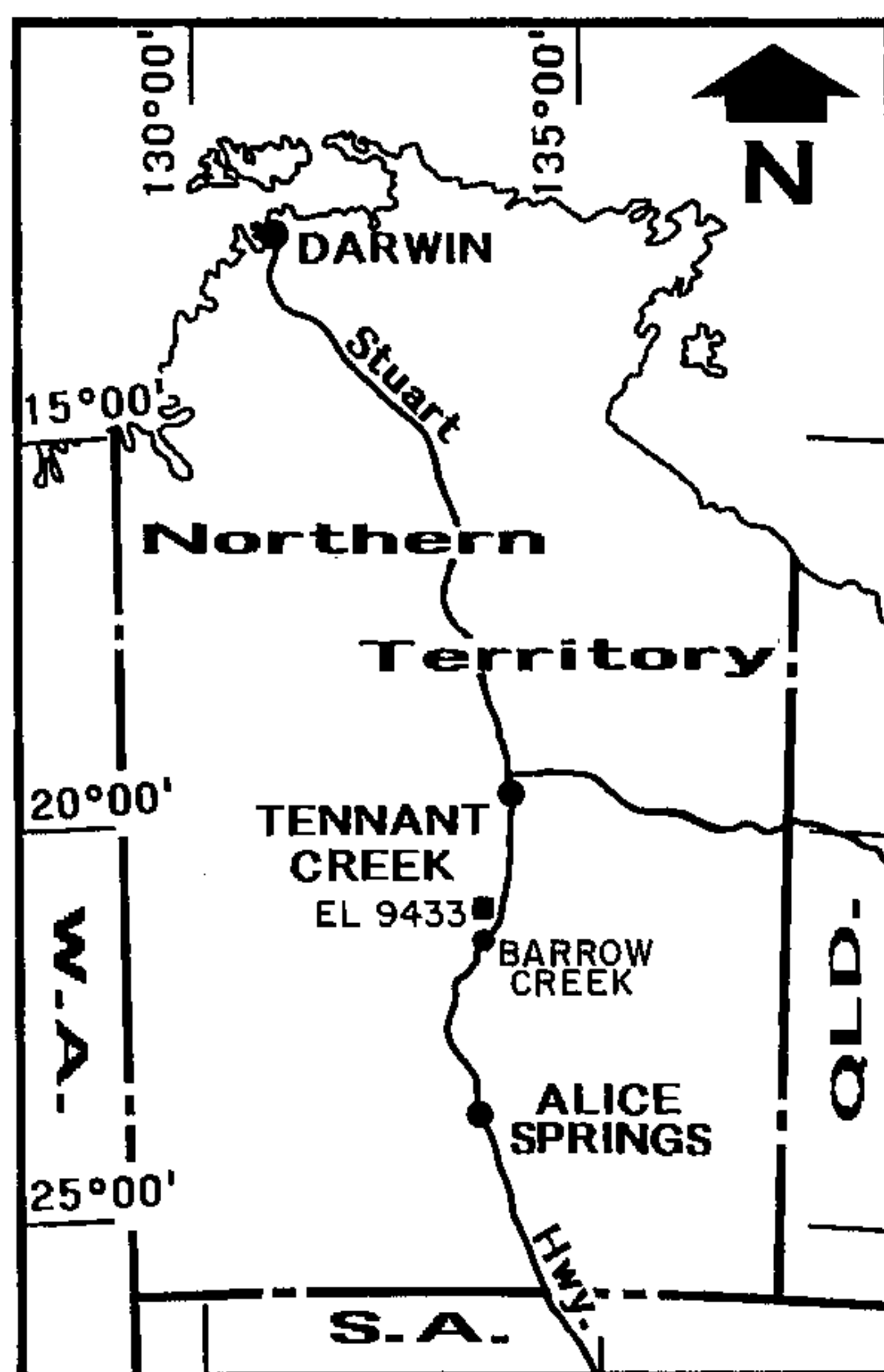
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SUMMARY

REPORT NO: TENNANT CREEK: 98044 ADELAIDE: 23361
TITLE: SECOND ANNUAL REPORT FOR EXPLORATION LICENCE 9433 FOR
THE PERIOD 13/5/97 TO 12/5/98 BARROW CREEK DISTRICT,
NORTHERN TERRITORY, BAMBI PROSPECT, VOLUME 1 OF 1.
AUTHORS: J LIBBY & POJ MOUCHET
DATE: MAY 1998



The area covered by the Barrow Creek Joint Venture (BCJV), located approximately 200 kilometres south of Tennant Creek, is being explored for economic shear hosted and/or "Granites" style gold mineralisation. Exploration Licence 9433, situated in the northern portion of the Barrow Creek Group of tenements, consists of 14 graticular blocks and was granted on 13 May 1996.

Exploration of EL 9433 during the 2nd year of tenure involved the compilation, interpretation and review of historical geological, geophysical and geochemical data. This review identified a highly prospective target. It is proposed to test this target via an extensive soil sampling programme during the licences 4th year of tenure.

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1 CONCLUSIONS & RECOMMENDATIONS

EL 9433 covers a highly prospective area where quartz veining and apparent destruction of magnetic minerals suggests intense hydrothermal alteration. Further interpretation of historical data is required to define specific targets within this apparent alteration system prior to drilling.

A significant soil sampling program is proposed on EL 9433 to identify mineralised zones. However, it is unlikely that this programme will be undertaken until the 4th year of tenure, once a better understanding of the local geology is developed and other more highly ranked targets are tested in the region.

2 INTRODUCTION

Exploration Licence 9433 which forms part of the Barrow Creek Group of tenements is currently being explored for "Granites" style and/or shear hosted gold mineralisation under a joint venture agreement between Normandy Gold Pty Limited (Normandy), Normandy Exploration (Norex) and Yuendumu Mining Company (YMC).

Normandy is the manager and operator of the Barrow Creek Joint Venture (BCJV).

3 LOCATION & ACCESS

Exploration Licence 9433 (Bambi) is located approximately 200km south of Tennant Creek and 20km northwest of the Barrow Creek Hotel (Figure 1). Access is via station tracks from the Stuart Highway.

4 TENURE

EL 9433 comprises 14 graticular blocks and was applied for and subsequently granted to Normandy on 20 October 1994 for a period of six years. As part of the EL falls within the BCJV Area of Interest, the licence has been included under the Joint Venture Agreement.

5 REGIONAL GEOLOGY

Biotite/muscovite-quartz schists (Bullion Schist) and discontinuous lenses of amphibolite/metadolerite of the Arunta Inlier are the oldest rocks in the Barrow Creek area. Deformation and regional metamorphism to low-amphibolite facies took place between 1810-1750 Ma (Black, 1981). The Bullion Schist was named after the host rocks to copper mineralisation at the Home of Bullion mine. This deposit was mined between 1923 and 1951 and produced about 6100 tonnes of high-grade copper ore (Haines et al., 1991).

Unconformably overlying the the Bullion Schist are the Lower Proterozoic Hatches Creek Group rocks that comprise shallow marine sediments and felsic to mafic volcanics. The Hatches Creek Group is subdivided into a lower unit of immature sandstones and pelites and upper unit of more mature cross-bedded arenites and siltstones.

7660000N
21°10'

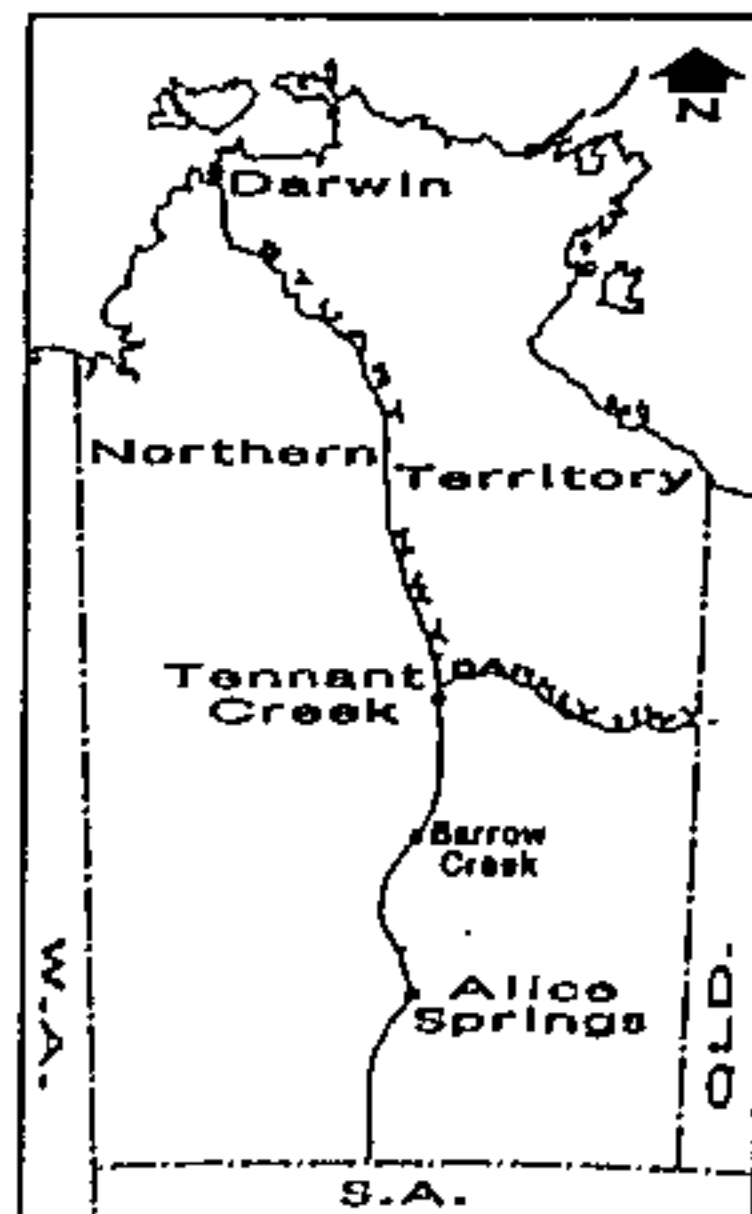
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133°40'

133°50'
380000E

134°00'
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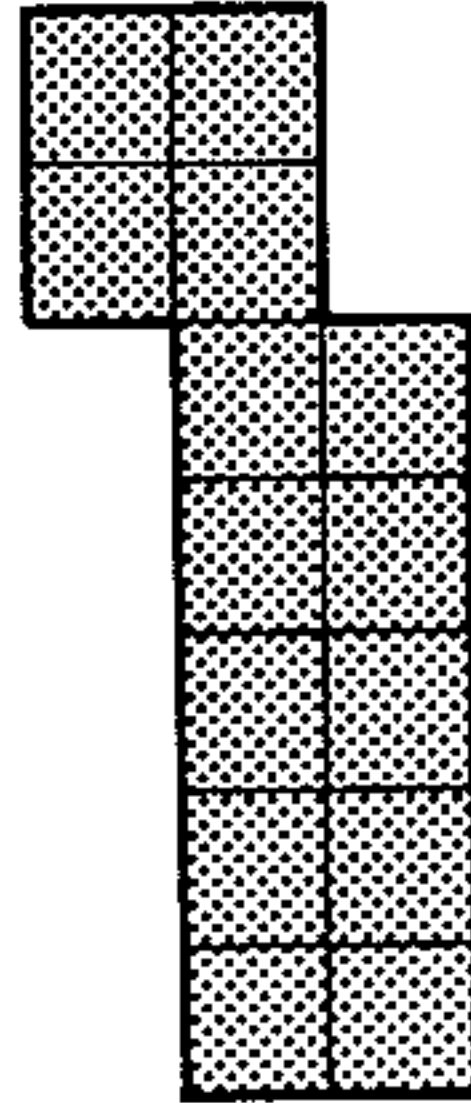
21°20'
7640000N

21°30'
7620000N



NTG Pipeline

EL 9433



Millers Workings

STUART

HIGHWAY

Barrow Creek



5k



NORMANDY GOLD PTY LIMITED		
EL 9433 - BAMBI LOCATION PLAN		
Compiled/Drawn JL/MCS	Date MAY 1998	Scale 1:250000

Figure No. 1

Following deposition, the Hatches Creek Group was folded about NW trending axes and metamorphosed to upper greenschist facies. At ca. 1660 Ma the Bullion Schist and Hatches Creek Group rocks were intruded by granitoid (Blake et al, 1987).

During the Tertiary period a prolonged period of erosion and weathering resulted in the denudation of the region and the formation of extensive silcrete and ferricrete horizons. Continued erosion in stream channels and the deposition of aeolian sands has resulted in the formation of a highly denuded landsurface covered extensively by a thin sheet of aeolian sands.

6 LOCAL GEOLOGY

Colluvial and aeolian sands cover the majority of the licence area. In the centre of the licence a large, east-north-east trending quartz/silica breccia veins crop out. These veins trace the contact between two granitoid stocks/plutons.

Aeromagnetic data suggest that the bedrock geology is dominated by granitoid, which intrudes an extensive belt of Bullion Schist. Rafts of Bullion schist and Hatches Creek Group rocks form a series of rafts between two large granitoid stocks/plutons

7 PREVIOUS WORK

Within the Barrow Creek area, Kewanee Australia Pty Ltd undertook a broad exploration programme between 1970-1974 within the Crawford-Osborne Range area. Several targets were delineated by a combination of airborne magnetics, radiometrics and EM survey techniques. Targets generated by this method were followed up with geological mapping, sampling and a combination of percussion, reverse circulation and diamond drilling. This work delineated a sub-economic Cu-Ni resource (Prospect D), but grade was considered too low to warrant further investigation and the ground was relinquished in 1973 (Feros, 1971, Brown, Feros & Cogar, 1972; Cogar, 1972; Barraclough, 1973; Randell, 1973; Felderhof & Barraclough, 1973a and 1973b).

Australus Mining Co Pty Ltd conducted limited exploration during 1969, for base metal potential in the Crawford Range area. Pegmatites, granites and metadolerites were targeted with disappointing results.

Normandy Gold Pty Limited explored the area between 1993 to 1995 under EL 8177 (Millers). Work completed by Normandy Gold Pty Limited on EL 8177 included:

- Regional Gravity Survey
- Regional RAB Drilling (2 holes for 60m)

The gravity survey was used to delineate bedrock lithology and possible exploration targets beneath the aeolian sand cover. Results from the gravity survey, suggested most of the Exploration Licence was granite. The regional RAB drilling programme was carried out along fence lines and tracks. It provided information on the thickness and origin of cover and also bedrock lithology. The bedrock lithology for the two holes on EL 9433 were both in unmineralised granitoid (Mouchet, 1996).

Work undertaken on EL 9433 during the first year of tenure included regional aeromagnetic, radiometric and regolith surveys (Morris, 1997).

8 WORK CARRIED OUT DURING REPORTING

Work carried out during the reporting period was restricted to the compilation, interpretation and review of previous geological, geophysical and geochemical data. This review identified a high priority target on the licence, where the ENE-trending vein corresponds with rafts of Bullion Schist and Hatches Creek Group rocks along the contact between the granitoid stocks/plutons mentioned above. The apparent destruction of magnetic minerals along this zone (as revealed in aeromagnetic data) is interpreted to indicate significant hydrothermal activity, and may be mineralised.

9 EXPENDITURE STATEMENT FOR THE PERIOD 13/5/97 TO 12/5/98

During year two of tenure, EL 9433 incurred an allowable exploration expenditure of \$7,495 against a covenant of \$11,000. A breakdown of this expenditure follows (Table 1):

Table 1: Exploration Expenditure for EL 9433 from 13/5/97 to 12/5/98

EXPENSE	COST
Employee Costs	\$4,361
Overheads	\$2,394
Drilling	\$0
Assays	\$0
Operating Costs	\$537
Specialist Services	\$203
Tenement Costs	\$0
Research	\$0
TOTAL	\$7,495

The Tenement Rental Costs incurred are \$330; Normandy Gold Pty Limited total expenditure on EL 9433 for year two of tenure is \$7,825.

10 RECOMMENDED WORK PROGRAMME & PROPOSED EXPENDITURE FOR THE PERIOD 13/5/98 TO 12/5/99

Proposed exploration expenditure for EL 9433 during its 3rd year of tenure totals \$9,700 (Table 2). This expenditure will cover the costs of continued evaluation of the licence and target generation.

A significant soil sampling programme is proposed for the licence. However, due to competing priorities it is unlikely that this programme will be undertaken until the 4th year of tenure for the licence.

Table 2: Proposed Exploration Expenditure for EL 9433 during the 3rd year of tenure

EXPENSE	COST
Employee Costs	\$2,500.00
Overheads	\$2,500.00
Drilling	\$0.00
Assays	\$0.00
Operating Costs	\$1,500.00
Specialist Services	\$3,000.00
Tenement Costs	\$200.00
Research	\$0
TOTAL	\$9,700.00

11 ENVIRONMENTAL/REHABILITATION REPORT

Normandy Gold 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.

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APPENDIX ONE

BIBLIOGRAPHIC DATA SHEET

BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER: TENNANT CREEK: 98044 ADELAIDE: 23361

REPORT NAME: SECOND ANNUAL REPORT FOR EXPLORATION
LICENCE 9433 FOR THE PERIOD 13/5/97 TO 12/5/98
BARROW CREEK DISTRICT, NORTHERN TERRITORY,
BAMBI PROSPECT, VOLUME 1 OF 1.

PROSPECT NAME: BAMBI

TENEMENT NUMBER: EL 9433

OWNER/JV PARTNERS: NORMANDY GOLD PTY LIMITED,
NORMANDY EXPLORATION LTD,
YUENDUMU MINING COMPANY NL

AGREEMENT: BARROW CREEK JOINT VENTURE

COMMODITIES: GOLD, COPPER

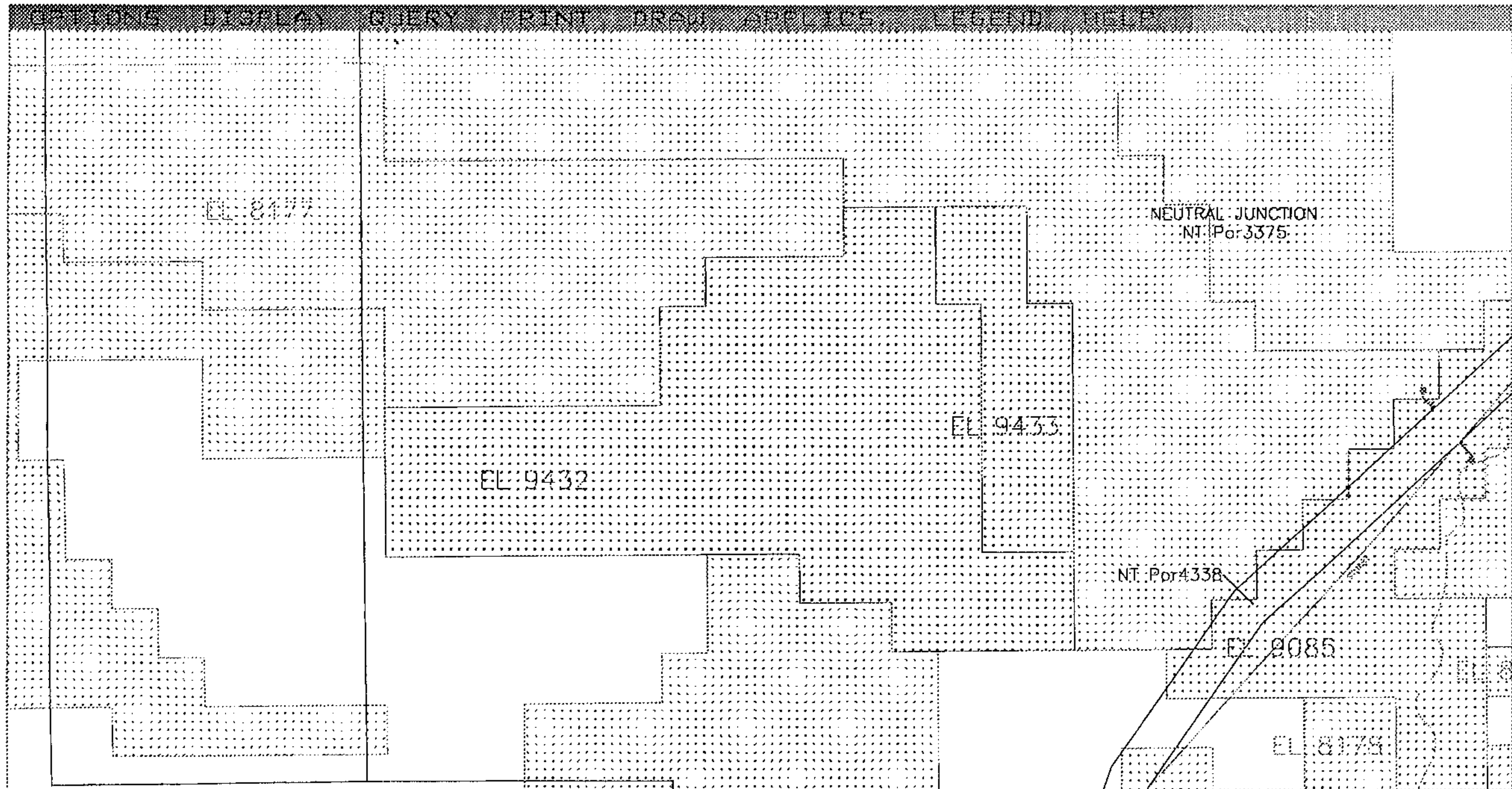
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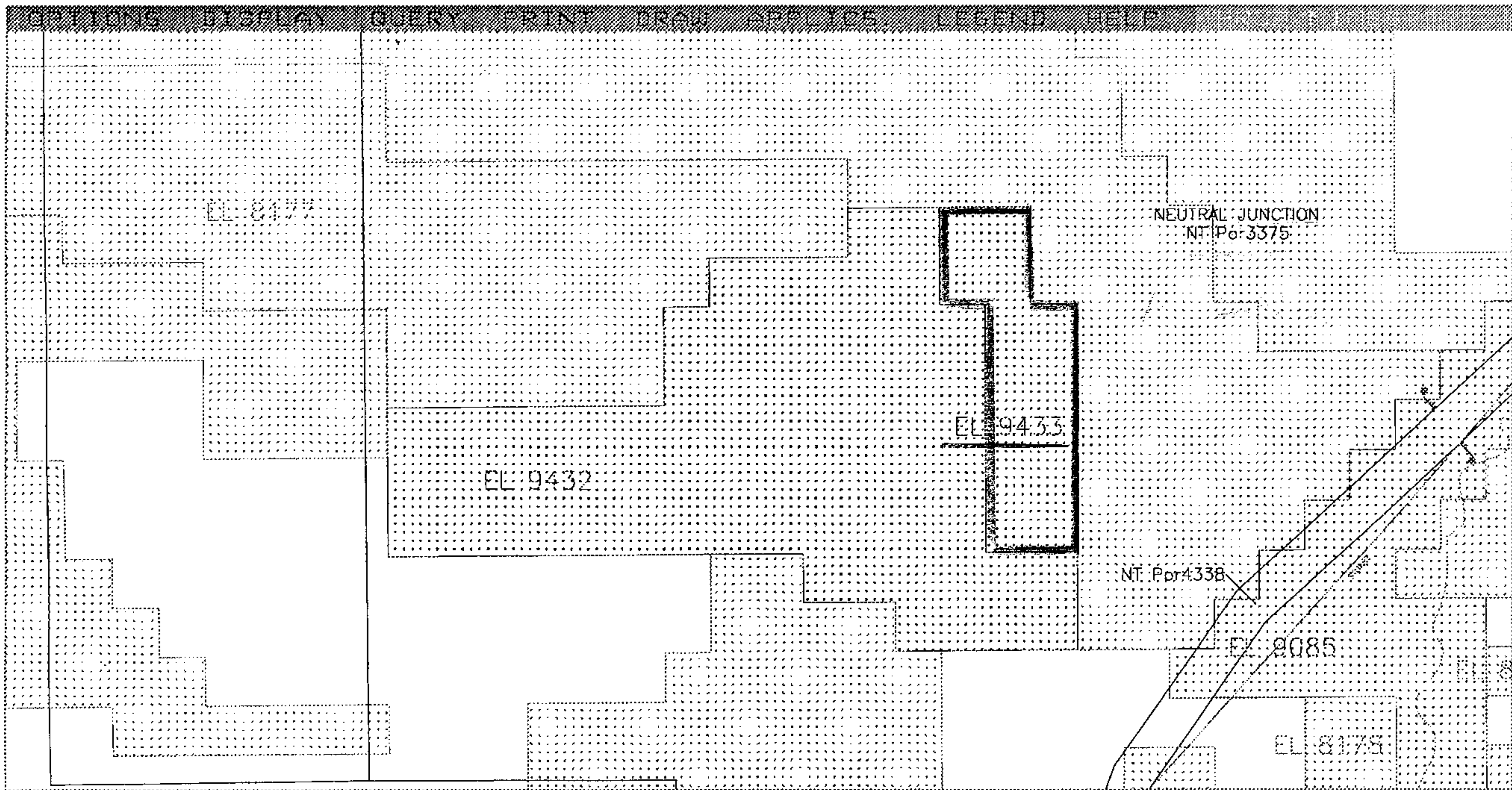
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HATCHES CREEK GROUP

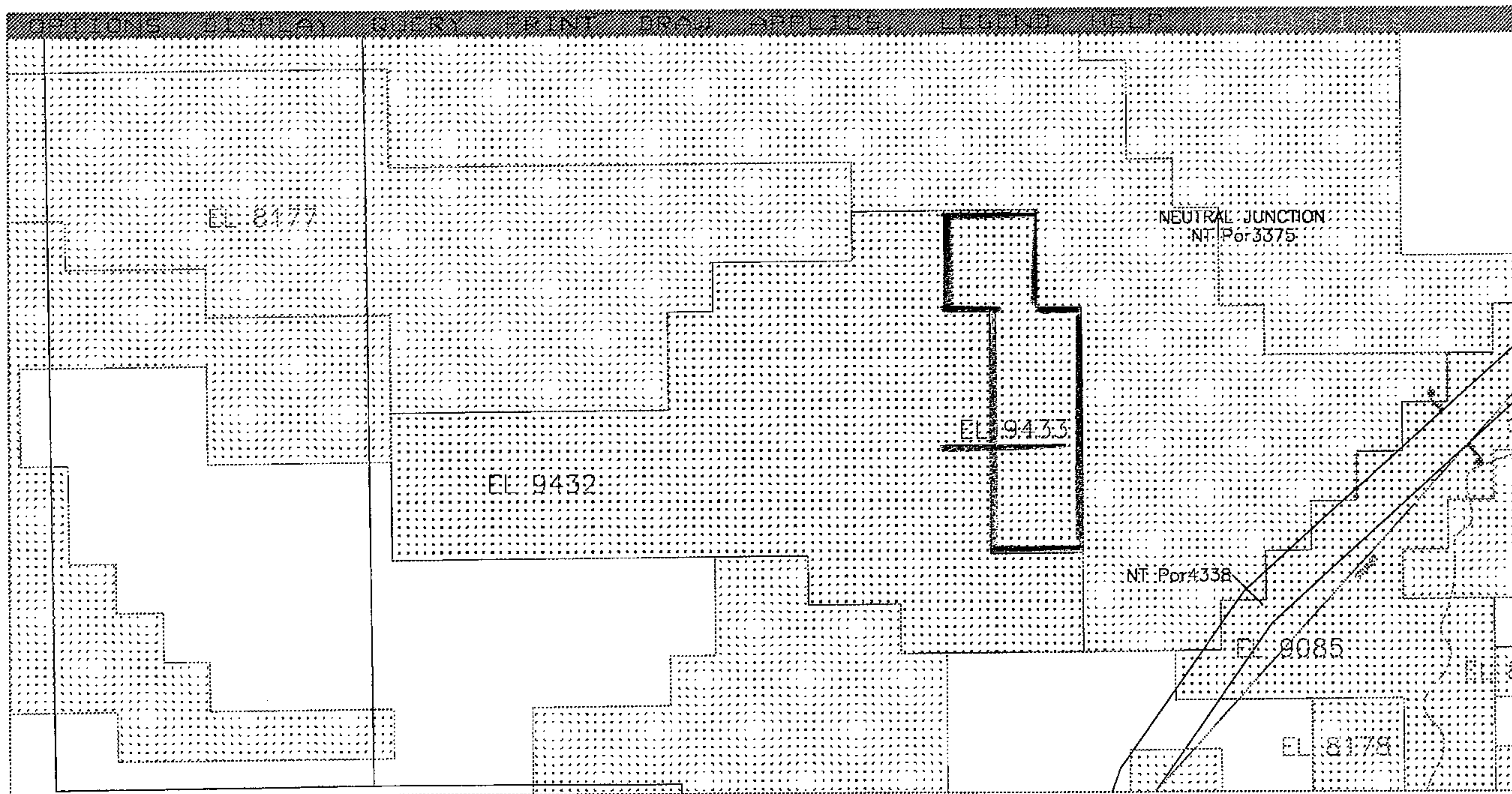
1:250,000 MAP SHEET: BARROW CREEK SF53-06

1:100,000 MAP SHEET: CRAWFORD 5655

KEYWORDS: EXPLORATION REVIEW







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