EXODUS MINERALS LIMITED

(ACN 007 701 715)

Annual Report

Reynolds Range

Exploration Licence

7343

For the period 29 May 1997 to 28 May 1998

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Volume 6

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Southern Geoscience Consultants Report
EXODUS MINERALS LTD
REYNOLDS RANGE PROJECT

REVIEW OF GEOPHYSICAL DATA

W.S. PETERS
16th February 1998
EXODUS MINERALS LTD
REYNOLDS RANGE PROJECT

REVIEW OF GEOPHYSICAL DATA

W.S.PETERS
16th February 1998

1. Introduction:
The Reynolds Range Project is located in the NT about 200km northwest of Alice Springs (Figure 1). It is a gold/polymetallic play which has been previously explored by Normandy. Exodus have farmed into the project. The digital data for helimagnetic and gradient array IP/resistivity surveys carried out by Normandy have been processed and examined. The aim of the review is to assist with siting drill holes aimed at identifying gold and base metal mineralisation.

2. Airborne Survey:

There are two sets of data provided. Only the close spaced Normandy helimagnetic survey has been examined. This has a line spacing of 100m and was flown at a height of 30m on a bearing of 045 degrees.

The data were subset to the area of the gradient array IP survey (the main area of interest) and transformed to local grid coordinates. Stacked profiles were produced initially (Figure 2). These show that the data has many problems including:

- Very high noise levels of about 4nT
- Several lines of bad navigation data
- At least one possibly spurious line

The data were filtered to try and reduce the noise. The results of the filtering are shown in Figure 2 superimposed on the original data. An east shadowed TMI image (Figure 3) and east shadowed first vertical derivative image (Figure 4) were then made.

The magnetic maps show relatively quiet magnetic relief with maximum anomalies of 100nT. Most anomalies are of the order of 10nT. Some anomalies strike grid north-south consistent with the predicted geology. In much of the area, however, there are distinct grid northwest striking magnetic units. These are thought to be dolerite sills and are particularly visible on the FVD plan (Figure 4).
The interpretation plan (Figure 5) shows the various interpreted magnetic units which have been subdivided according to their magnetic character.

Faults are difficult to interpret with any confidence. The northwest striking ‘dolerites’ tend to be terminated in the centre of the area and a series of north-south striking faults have been inferred to explain this. The FVD image shows what may be grid northeast striking fractures/lineaments cutting the area in two places. Magnetic dips appear to be relatively steep.

3. Gradient Array IP Survey:
The gradient array data were processed to produce stacked profiles (Figure 6) and a shadowed colour image (Figure 7) of the chargeability data.

The chargeable zones have been outlined according to the strength of the responses and the main chargeable axes have been interpreted (Figure 5). The chargeable zones strike grid north-south in much of the area but also trend northwest in places conformable with the magnetic ‘dolerites’. The highest chargeabilities are in the northern part of the area.

It is presumed that the IP zones are due to sulphides which are hopefully related to the gold mineralisation. This is not always the case and they can simply reflect changes in rock type or degree of weathering (fresher rock tends to be more polarisable).

4. Gradient Array Resistivity Survey:
The gradient array resistivity data were processed to produce stacked profiles (Figure 8) and a shadowed colour image (Figure 9) of the resistivity data.

The data show resistivities ranging from 300 ohm.m. to 3000 ohm.m. There is no good correlation of low resistivities with high chargeabilities which suggests that significant conductive sulphides are not present. In fact there is in general, a reasonably good correlation between high resistivities and the higher chargeability zones. This may possibly be due to silicification associated with sulphides.

As the higher resistivities seem to show more geologically meaningful information, these zones have been outlined on the interpretation plan (Figure 5).

5. Conclusions and Recommendations:
The combined interpretation has been correlated with anomalous drilling results. The magnetically interpreted north-south fault zone correlates reasonably well with the anomalous results but does not have the detail to provide any specific targets. The northeast striking cross cutting ‘fracture – lineaments’ correlate reasonably well with the Sabre and Falchion mineralised zones and may have some control on the mineralisation.

The resistivity patterns do not give any apparent consistent correlation with the mineralisation although they tend to support the interpretation of the fault zones..
The high chargeability zones show a general but not consistent correlation with the mineralisation. These are therefore the main geophysical aid to targeting drill holes.

The main anomalous gold zones in the south of the area at Assegai are disappointingly bland on the geophysical data. The only correlation seems to be with the interpreted fault zone which is very poorly defined in this area.

Twelve target zones have been outlined on the interpretation plan and these are discussed individually. They are all based on chargeable (IP) zones and if they are drill tested, the holes should be sited to intersect the interpreted chargeability axes.

- **Target T1**: This is an unusually isolated discrete IP zone well east of the main mineralised trend. It is close to an interpreted fault and there are some high gold values close by.

- **Target T2**: This is an IP axis along a fault with some associated high gold values.

- **Target T3**: This IP axis strikes parallel to a ‘dolerite’ sill. It correlates directly with some high gold values.

- **Target T4**: This is one of the most prominent IP zones on the survey and contains two separate axes. It coincides well with high gold values (Falchion). The strike of the zone tends to be grid northwest parallel to the ‘dolerites’.

- **Target T5**: This is similar to T2 and is an IP axis striking along an interpreted fault. It has coincident high gold values.

- **Target T6**: This is a broad, reasonably high IP zone containing two axes. Elevated gold values are coincident with the western axis.

- **Target T7**: This is a reasonably well defined IP zone between two interpreted faults. It coincides very well with a broad zone of anomalous gold values (Sabre).

- **Target T8**: This is another quite strong IP response which strikes grid northwest. It is associated with some high gold values.

- **Target T9**: This is a smaller IP zone well west of the main mineralisation. It coincides to some extent with one of the northeast striking magnetic lineaments which may enhance its prospectivity.

- **Target T10**: 
This is a north-south striking zone of higher chargeability containing two axes. It coincides to some extent with one of the northeast striking magnetic lineaments which may enhance its prospectivity. There are no obvious elevated gold values associated with it.

**Target T11:**
This is an unusual feature well east of the main mineralised zone. It is a relatively weak IP zone but is associated with a distinct isolated magnetic anomaly immediately east of it. There are no elevated gold values associated with it.

**Target T12:**
This is a moderately distinct IP zone in the south of the area which has some associated high gold values.

The better looking targets are T1, T4, T6, T7, and T8.

Dipole-dipole surveys were carried out on lines:

49750N  
50050N  
50150N  
51300N  
52200N

These surveys are presumably over selected gradient array anomalies. Strictly speaking, these data should also be reviewed, however, time is short and the plots are not immediately available. They could be examined once drilling targets are selected.

W.S.Peters  
16th February 1998
SURVEY SPECIFICATIONS

Contractor: Nornamby
Survey Area: 52 sq. km
Location: GSM Overwater Proton
Line Spacing: 100 meters
Line Direction: ENE - SSW degree (Magnetic North)
Height:

PLOT SPECIFICATIONS

First Level Contours: 0.01 mT
Second Level Contours: 0.05 mT
Third Level Contours: 0.25 mT
Grid Cell Size: 20 m x 20 m

PROCESSING DETAILS

Electrical Magnetic variation have been removed.
Processing: Southern Geoscience
Supervision: W.S. Peters

LOCAL GRID COORDINATE

SCALE 1:10000

SOUTHERN GEOSCIENCE CONSULTANTS
PTY LTD
A.C.N. 607 652 461
EXODUS MINERALS NL
REYNOLDS RANGE NT
HEL-MAGNETIC SURVEY
FIRST VERTICAL DERIVATIVE IMAGE (NL)
SHADED WITH 50% EAST GRADIENT
FIRST VERTICAL DERIVATIVE CONTOURS

SCALE 1:10,000

DATE: 10-08-1999

F I G U R E
SURVEY SPECIFICATIONS

Contractor: [Name of Contractor]
Survey Date: [Date]
Instrumentation: [Description of instrumentation]
Cable Spacing: [Distance]
Line Spacing: [Distance]
Line Direction: [Direction]

Gradient array was conducted over 6 blocks. The positions of the current electrodes are not known.

PLOT SPECIFICATIONS

First Level Contours: [Distance]
Second Level Contours: [Distance]
Third Level Contours: [Distance]
Grid Cell Size: [Distance x Distance]

PROCESSING DETAILS

Duplicate resistivity and chargeability values have been averaged.
Processing: [Name of Processing
Computation: [Name of Computation
Supervision: [Name of Supervisor]

SOUTHERN GEOSCIENCE CONSULTANTS PTY. LTD.
A.C.N. 097 552 461

EXODUS MINERALS NL
REYNOLDS RANGE, NT
GRADIENT ARRAY IP SURVEY
RESISTIVITY CONTIONS
EAST SHADE IMAGE

SCALE 1:10000
LOCAL GRID COORDINATES

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EXODUS MINERALS NL
REYNOLDS RANGE, NT
GRADIENT ARRAY IP SURVEY
RESISTIVITY CONTIONS
EAST SHADE IMAGE

SCALE 1:10,000
W.A. FETENS
DATE 2-02-98
FIGURE 4