RELINQUISHMENT REPORT FOR EL8954
(HIGHLAND ROCKS SOUTH)
FOR THE PERIOD 20 APRIL 1998 TO 19 MARCH 2000

1:250,000 SHEET REFERENCE: HIGHLAND ROCKS SF52-07
1:100,000 SHEET REFERENCE: HIGHLAND 4955
                          MOUNT FAREWELL 4954

DISTRIBUTION: □ NT DEPARTMENT OF MINES AND ENERGY
              □ NORMANDY NFM LIMITED
              □ ADELAIDE RESOURCES LIMITED
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1. INTRODUCTION

EL8954 was granted to Adelaide Resources Ltd on the 20th April 1998. Aberfoyle Resources carried out the 1998-work program. Following the takeover of Aberfoyle Resources by Western Metals and their decision to withdraw from Tanami gold exploration, Adelaide Resources were then to seek a new partner. In 1999 a "Heads of Agreement" was reached between Normandy Exploration and Adelaide Resources, where Normandy Exploration would earn 65% upon spending $500,000 on three of Adelaide Resources EL's (8610, 8954, 8961) by April 2001.

This report describes all exploration carried out on 52 blocks that were relinquished from the tenement area in March 2000. The relinquished area comprises the central region of the original tenement. The blocks to be retained are shown in half tone shading on Figure 2.

2. TENEMENT DETAILS

EL8954 originally comprised of 105 graticular blocks over an area of 336 square km, and was situated upon the Highland 4955 and Mount Farewell 4954, 100 000 map sheets.

The second anniversary of tenure was 19th March 2000, and as required by section 26 of the Mining Act, 50% of the ground was relinquished.

**TABLE 1 - Tenement Summary (EL8954)**

<table>
<thead>
<tr>
<th></th>
<th>Date</th>
<th>Blocks relinquished</th>
<th>Holding (Blocks)</th>
<th>Km²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant</td>
<td>20/04/98</td>
<td></td>
<td>105</td>
<td>169</td>
</tr>
<tr>
<td>First Relinquishment</td>
<td>19/03/00</td>
<td>52</td>
<td>53</td>
<td>85</td>
</tr>
<tr>
<td>Expiry</td>
<td>19/04/04</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. LOCATION, ACCESS AND PHYSIOGRAPHY

EL8954 lies approximately 100km southwest of The Granites Gold Mine as shown on Figure 1. Access to the tenement is via the Tanami Road and then west along the El Dorado Track, which runs through EL8954. Off road vehicle access on Highland Rocks South is reasonable with only a few scrubby areas.

Rare outcrops of quartz veins, gneiss and granite form the low hills in the relinquished area. A large north-south-orientated paleo drainage channel cuts through the center area of Highland Rocks South. Vegetation in the area is predominantly spinifex, with sand plains supporting low acacia, hakea and grevillea scrub.

4. EXPLORATION OBJECTIVES

The lithologies present within EL8954 are significantly different to those of the Arunta and Tanami Complexes and although no dating has been undertaken, it is thought that the rocks examined to date have more in common to those lithologies of the Billabong Complexes. Only limited exploration work has been previously undertaken by Normandy Exploration in such high-grade metamorphic rocks and it is currently unknown what geophysical features are important and as such the exploration program will be largely geochemically driven. Because of the remoteness of EL8954 from The Granites mill, the primary exploration objective is to identify a large gold bearing system.
HIGHLAND
61/3

21º 19'S
60
21º 20'S
61
62
63
64
65
66
67
68
69
70
21º 30'S
41
MOUNT
FAREWELL
61/6

Normandy NFM Limited
NORTH FLINDERS EXPLORATION
EL 8954 - HIGHLAND ROCKS SOUTH
BLOCKS TO BE RETAINED

Blocks to be Retained

UTM Zone 52 (AGD94)
04/07/00

Figure 2
5. GEOLOGY

5.1 Regional Geology

The tenement lies within the Arunta province, a Palaeoproterozoic terrain believed to be analogous to the Granites – Tanami province.

The relationship between the Granites – Tanami and Arunta provinces is not well understood. Basement metasedimentary sequences in both regions are thought to be lateral equivalents (Blake et al., 1975) and the sequences merge with one another (Stewart et al., 1984).

The Granites –Tanami and the Northern Arunta provinces contain similar rock sequences and share similar Palaeoproterozoic magmatic, metamorphic and deformational histories. Both are comprised of a deformed Palaeoproterozoic basement turbiditic sequence of greywacke, quartz sandstone, siltstone, shale, and minor mafic rocks and their moderate to high grade metamorphic equivalents (schist, gneiss, quartzite, amphibolite). The Tanami Block also contains chert, pyritic carbonaceous sediments and ironstone, whereas the Arunta Block has minor calc-silicates and meta-felsic volcanics (felsic orthogneiss).

During the Barramundi Orogeny (1890-1850 Ma, Page and Williams, 1988), the sedimentary sequences in the Arunta were intruded by mafic rocks, deformed and metamorphosed up to amphibolite facies. Granite plutons were emplaced in the closing stages of the Barramundi Orogeny, at about 1820 – 1800 Ma.

In the Arunta province, platform quartzite-shale-carbonate sediments (Reynolds Range Group) unconformably overlie the Barramundi metamorphic rocks and probably represent correlatives of the Hatches Creek Group of the Davenport Province to the north (Blake et al. 1975). Deformation of the Hatches Creek Group preceded granite intrusion at about 1660 Ma (Page and Williams, 1988) and involved an early phase of upright northwest-trending folds and a second episode of northeast-trending folds. Faulting, thrusting and metamorphism accompanied both episodes of folding.

The Arunta province remained tectonically active after the Barramundi Orogeny with several metamorphic and deformational events, including the ~1800 Ma Strangways granulite event (Shaw et al., 1984), the 1750-1650 Ma Allerton retrogressive event (Windrim and McCulloch, 1986) and the most recent Carboniferous Alice Springs Orogeny. In the northern Arunta region, significant granitic magmatism occurred at 1780-1770, 1713, 1635 and 1570 Ma.

The basement provinces described above are unconformably overlain by younger, Neoproterozoic and Palaeozoic sediments of the Birrindudu, Wiso, Georgina and Ngalia basins (Wells and Moss, 1983).

5.2 Geology of the Relinquished Blocks

The tenement lies in an area that has previously been mapped as Arunta Complex, however the area forms part of a high gravity ridge that extends up to the Billabong Complex and it may be later proved that the Highland Rocks South area may not be part of the Arunta Complex but older Archaic basement. Lithologies present are typically very coarse grained, strongly lineated gneisses which have been intruded by granites.
6. PREVIOUS EXPLORATION BY OTHER COMPANIES

Previous work at Highland Rocks South has comprised of; gravity surveys, aeromagnetic and radiometric surveys, aerial photography and interpretation and mapping by the Bureau of Mineral Resources Geology and Geophysics.

Aberfoyle Resources was granted EL8954 on the 20th April 1998. Work undertaken by Aberfoyle Resources comprised of surficial sampling and a RAB drilling program. No anomalous results were returned. For more detail see Table 2. Results are included as part of Appendix 1and the sample and drillhole locations are shown on Figures 4 & 5. For further details refer to Reynolds, N., 1999

TABLE 2 – PREVIOUS WORK

<table>
<thead>
<tr>
<th>Date</th>
<th>Type of Work</th>
<th>Undertaken By</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967</td>
<td>Gravity Survey at 11k spacing</td>
<td>Bureau of Mineral Resources (BMR)</td>
</tr>
<tr>
<td>1971 -</td>
<td>Aerial Photography</td>
<td>BMR</td>
</tr>
<tr>
<td>1972</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1972 -</td>
<td>Geological Mapping</td>
<td>BMR</td>
</tr>
<tr>
<td>1973</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>Airborne magnetic survey at 500 metre flight line spacing</td>
<td>AGSO and NTMDE</td>
</tr>
<tr>
<td>1994</td>
<td>Landform regolith mapping based on Landsat MSS and airborne gamma-ray spectrometric imagery data</td>
<td>AGSO</td>
</tr>
<tr>
<td>1995</td>
<td>Photogeological Study</td>
<td>Australian Photogeological Consultants Pty Limited</td>
</tr>
<tr>
<td>1998</td>
<td>179 RAB holes, 4706 metres, 1589 samples</td>
<td>Aberfoyle Resources</td>
</tr>
<tr>
<td>1998</td>
<td>125 Surficial Samples</td>
<td>Aberfoyle Resources</td>
</tr>
<tr>
<td>1998</td>
<td>7 Petrology Samples</td>
<td>Aberfoyle Resources</td>
</tr>
<tr>
<td>1999</td>
<td>Gravity at 4k spacings</td>
<td>AGSO</td>
</tr>
</tbody>
</table>
7. EXPLORATION BY NORMANDY NFM

7.1 Lag Sampling

Broad spaced reconnaissance lagging was undertaken at Highland Rocks South, whilst investigating the outcropping lithologies. Lag samples were analysed at Genalysis and are submitted as Appendix 1.

Sample locations are shown on Figure 3.

**TABLE 3 – Lag Sample Details**

<table>
<thead>
<tr>
<th>Sample Numbers</th>
<th>Total</th>
<th>Genalysis Method</th>
<th>Elements Analyzed</th>
</tr>
</thead>
<tbody>
<tr>
<td>3197143</td>
<td>1</td>
<td>B*ETA</td>
<td>Au</td>
</tr>
<tr>
<td>3197187</td>
<td>1</td>
<td>B/MS</td>
<td>Fe, Co, Ni, Cu, Zn, As, Mo, Ag, Sn,</td>
</tr>
<tr>
<td>3197192 – 3197202</td>
<td>11</td>
<td></td>
<td>Sb, W, Pb, Bi, Th and U.</td>
</tr>
<tr>
<td>3197204 – 3197214</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3197230 – 3197231</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3240986</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

27 samples

Lag results failed to return any anomalous gold values.

7.2 Composite Rock Chipping

Composite Rock Chips (CRC) samples were collected from outcropping lithologies as well as float samples (typically comprised of quartz veining). CRC samples were analysed at Genalysis and results are submitted in Appendix 1.

Sample locations are shown on Figure 4.

**TABLE 4 – Composite Rock Chip Details**

<table>
<thead>
<tr>
<th>Sample Numbers</th>
<th>Total</th>
<th>Genalysis Method</th>
<th>Elements Analyzed</th>
</tr>
</thead>
<tbody>
<tr>
<td>699488 – 699492</td>
<td>5</td>
<td>B*ETA</td>
<td>Au</td>
</tr>
<tr>
<td>706494 – 706495</td>
<td>2</td>
<td>B/MS</td>
<td>Fe, Co, Ni, Cu, Zn, As, Mo, Ag, Sn,</td>
</tr>
<tr>
<td>787555 – 787558</td>
<td>4</td>
<td></td>
<td>Sb, W, Pb, Bi, Th and U.</td>
</tr>
</tbody>
</table>

11 samples
8. REFERENCE LIST / ANNUAL REPORT BIBLIOGRAPHY

References


Reports to NT DME


Whittaker, E., Second Annual Report for EL 8954 (Highland Rocks South) for the Year to 19 April 2000. Normandy NFM Ltd. NNRN: 26815
APPENDIX 1 – DIGITAL SAMPLE DATA, ASSAYS AND LOGS
APPENDIX 2 - SAMPLING METHODS

LAG SAMPLING

Laggable material is sieved to obtain approximately 200g of a -5mm +2mm sample fraction. The sample is collected into a plastic zip-seal bag, which is enclosed into another to prevent contamination during transport.

COMPOSITE ROCK CHIP SAMPLING

A 2kg representative sample, comprising of multiple rock chips from a particular rock type is collected. If multiple lithologies are present; each lithotype is sampled separately.

Reconnaissance spaced sample sites are not marked, however infill sample sites are flagged in the absence of a local grid.