FIFTH ANNUAL REPORT
FOR EXPLORATION LICENCE 9405
FOR THE PERIOD 4/1/2000 TO 3/1/2001
TENNANT CREEK DISTRICT, NORTHERN TERRITORY
GRAND CENTRAL JOINT VENTURE
WARREGO ROAD PROSPECT
VOLUME 1 OF 1

1:25000 SHEET REFERENCE:  TENNANT CREEK SE53-14

DISTRIBUTION:
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- GIANTS REEF MINING N.L.
  - TENNANT CREEK
- NORMANDY EXPLORATION PTY LTD

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Normandy RN : 29114
EL 9405 is subject to the Grand Central Joint Venture Agreement between Giants Reef Mining NL and Normandy Tennant Creek Pty Limited. The joint venture commenced on the 21 January 1998 with Normandy being sole manager and operator.

EL 9405 (Warrego Road Prospect) is located approximately 39 kilometres NW of Tennant Creek township. Access is gained along dirt tracks, near the old smelter, running north from the sealed Warrego Road.

This report details work undertaken by Normandy during the fifth year of tenure.

Work undertaken during the fifth year of tenure included:
- further analysis and interpretation of the 1998 helimagnetic survey data.
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1 CONCLUSIONS & RECOMMENDATIONS

A review of the geophysical and geochemical data was carried out during the fourth year of tenure using the helimagnetics survey conducted over EL 9405 in January 1998.

Exploration of EL 9405 for the fifth year of tenure is dependant on the success of exploration on the neighboring SEL 9214.

2 INTRODUCTION

EL 9405 is subject to the Grand Central Joint Venture Agreement between Giants Reef Mining NL (Giants Reef) and Normandy Gold Pty Limited (Normandy) since the 21 January 1998.

3 LOCATION & ACCESS

EL 9405 (Warrego Road Prospect) is located approximately 39km NW of Tennant Creek township. Access is gained along dirt tracks running north from the sealed Warrego Road, in the vicinity of the old smelter (Figure 1).

The climate of the Tennant Creek district is mild and dry through most of the autumn to spring months. The summer period is hot with seasonal heavy rainfall between January and March making access very difficult during these periods.

4 TENURE

EL 9405 covering 1 graticular block was granted to Carpentaria Gold Pty Ltd (70%; Carpentaria) and Giants Reef (30%) on 4 January 1996 for a period of six years. Carpentaria withdrew from the joint venture in October 1996 and registration of the transfer of Carpentaria’s 70% equity to Giants Reef was effective on 13 March 1997.

EL 9405 is now subject to the Grand Central Joint Venture Agreement between Giants Reef and Normandy. The joint venture commenced on the 21 January 1998 with Normandy being sole manager and operator.

The licence lies within NT Portion 408 Phillip Creek Station.

5 REGIONAL GEOLOGY

The geological understanding of the Tennant Creek Inlier has been recently advanced by detailed geological mapping over the Tennant Creek and Flynn 1:100,000 map sheets (Donnellan et. al. 1995), precision dating of stratigraphic components of the region (Compston, 1995) and regional geophysical interpretations.

The oldest exposed Proterozoic lithofacies in the Tennant Creek Inlier are the metasedimentary rocks of the Warramunga Formation, which are the hosts to the ironstone Au-Cu-Bi mineralisation of the Tennant Creek Goldfield. These Palaeoproterozoic metasediments were deposited approximately 1860 Ma. Deformation and intrusion of the Warramunga Formation by voluminous porphryies and granitoids occurred during the Barramundi Orogeny (1858 Ma to 1845 Ma).
Following deformation and uplift the volcanics and volcaniclastics of the Flynn Sub-Group were erupted (1845 Ma to 1827 Ma), with intrusion of porphyries and minor granitoids into the Warramunga Formation. An additional deformation event preceded the deposition of the Hatches Creek Group/Tomkinson Creek Sub-Group (1820 Ma to 1785 Ma) and the intrusion of late-stage granitoids and porphyries into both the Warramunga Formation and Flynn Sub-Group at 1650-1712 Ma.

6 LOCAL GEOLOGY

Most of the licence area is underlain by the Palaeoproterozoic Warramunga Formation, which is host to almost all the gold, copper and bismuth occurrences in the Tennant Creek Goldfield (Simpson, 1998).

7 PREVIOUS WORK

Asarco Australia Ltd (Asarco) explored the area now covered by EL 9405 under EL 5223 from 1987 to 1988. Work completed by Asarco included gridding, soil sampling and lag sampling. Blanket lag sampling completed over the licence yielded several weak single sample anomalies that were followed up by detailed lag and soil sampling. Maximum values obtained were 10ppb Au in lag and 24ppb Au in soil samples. There was no correlation between lag and soil sample assays and no continuity between the weakly anomalous samples. This work failed to enhance the prospectivity of the licence, and was surrendered on 16 November 1988 (Paterson, 1989).

No work has been carried out on EL 9405 during the first year of tenure (Byrne, letter to NTDME). Work completed during the second year of tenure included data review and farm-in negotiations (Simpson, 1998).

A helimagnetics survey was conducted over EL 9405 in January 1998. The data was gathered using the Normandy proprietary helimagnetics sensor suspended on a steel cable beneath the aircraft. The survey configuration was 50m spaced N-S lines, sampled approximately every seven metres with an average terrain clearance of thirty metres. A contour plot of the acquired data for EL 9405 is provided in Mouchet (1999).

8 WORK CARRIED OUT DURING REPORTING PERIOD

An ongoing review of the geophysical and geochemical data was carried out during the fifth year of tenure using the helimagnetics survey conducted over EL 9405 in January 1998.
9 EXPENDITURE STATEMENT FOR THE PERIOD 4/1/1999 TO 3/1/2000

During the fifth year of tenure, EL 9405 incurred an allowable exploration expenditure of $3,872 against a covenant of $3,200. A breakdown of this expenditure follows (Table 1):

Table 1: Exploration Expenditure for EL 9405 from 4/1/2000 to 3/1/2001

<table>
<thead>
<tr>
<th>EXPENSE</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Costs</td>
<td>$759</td>
</tr>
<tr>
<td>Overheads</td>
<td>$630</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$2483</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3872</strong></td>
</tr>
</tbody>
</table>

The Tenement Rental Costs incurred are $160; Normandy total expenditure for EL 9405 for year five of tenure is $4,032.

10 RECOMMENDED WORK PROGRAM & PROPOSED EXPENDITURE FOR THE PERIOD 4/1/2001 TO 3/1/2002

Following purchase of Normandy Tennant Creek Pty Ltd by Giants Reef Mining Limited effective 13 June 2001, the proposed exploration expenditure for EL 9405 is as follows (Table 2):

Table 2: Proposed Exploration Expenditure for EL 9405

<table>
<thead>
<tr>
<th>EXPENSE</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geology - Review</td>
<td>$500</td>
</tr>
<tr>
<td>Geophysics</td>
<td>$500</td>
</tr>
<tr>
<td>Administration and</td>
<td>$500</td>
</tr>
<tr>
<td>Overheads</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,500</strong></td>
</tr>
</tbody>
</table>
11 ENVIRONMENTAL / REHABILITATION REPORT

Normandy has commenced an active rehabilitation program 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.

Several active rehabilitation programs are currently being undertaken in the Tennant Creek field. These include programs at Nobles Nob, Eldorado, White Devil, Orlando, Gecko, Ivanhoe and Warrego.

Environmental Management Plans for the Company's Tennant Creek Operations (Fowler, 1993; Fowler et al., 1998) have been submitted to the Department of Mines and Energy under separate cover. These plans detail the strategies to be implemented over various areas following completion of exploration programs and mining operations.

12 REFERENCES


APPENDIX ONE

BIBLIOGRAPHIC DATA SHEET
BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER: 29114


PROSPECT NAME(S): WARREGO ROAD

TENEMENT NUMBER(S): EL 9405

OWNER/JV PARTNERS: GIANTS REEF MINING NL
                      NORMANDY TENNANT CREEK PTY LTD

AGREEMENT: GRAND CENTRAL JV

COMMODITIES: GOLD, COPPER

TECTONIC UNITS: TENNANT CREEK INLIER

STRATIGRAPHIC UNITS: WARRAMUNGA FORMATION

1:250,000 MAP SHEET: TENNANT CREEK SE53-14

1:100,000 MAP SHEET: SHORT RANGE 5659

KEYWORDS: EXPLORATION PROPOSAL.