Normandy NFM Limited

NORMANDY EXPLORATION PTY LTD

annual report

SECOND ANNUAL REPORT
FOR EL8734 (PARGEE)
FOR THE YEAR TO 8 SEPTEMBER 2001

1:250,000 SHEET REFERENCE:	TANAMI	SF52-15
1:100,000 SHEET REFERENCE:	PARGEE	4758
	MALLEE	4759

DISTRIBUTION:

- ❑ NT DEPARTMENT OF MINES AND ENERGY
- ❑ NORMANDY NFM LIMITED
- ❑ SIMON TITCHENER

D POWER AUGUST 2001 NORMANDY RN: 29121

SUMMARY

The Pargee Exploration Licence 8734 is located in the Granites-Tanami block, approximately 150km north-west of the Granites Gold Mine. The licence was granted on the 9th September 1999. This is the second annual report for the Pargee EL covering the period to 08/09/2001.

Exploration comprised orientation surface sampling as well as regolith assessment drilling.

Exploration activity over the reporting period has incorporated:

- Gridding 4.5 line kms
- Ground Magnetics 4.5 line kms
- Stream Sediment Sampling: 51 samples
- Rock Chip Sampling 6 samples
- Lag Sampling 114 samples
- Aircore Drilling: 28 holes for 1307m, 419 samples
- Petrology 3 samples

Future work will involve the evaluation of shallowly covered areas using surface sampling as well as aircore drilling to empirically evaluate areas of deeper cover. Conceptual targets will also be tested.

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1 INTRODUCTION

Exploration Licence 8374 was granted to Simon Titchener and subsequently managed by Normandy NFM Limited on 9th September 1999 for a period of six years (Table 1). The area of the tenement stands at 456 blocks for 1468km^2.

This report covers the Pargee Tenement for the period ending 08/09/2001.

2 TENEMENT DETAILS

Normandy NFM Limited (NNFM) has signed an Option Agreement with Simon TitchEner (a copy of this Agreement has been lodged with the Department). Under the terms of the Agreement NNFM is responsible for all exploration, exploration programs, budgets, statutory reporting and compliance with the Mining Act. NNFM under the terms of the agreement may at any time between the date of the Agreement and the expiration of the 3rd option period (being the 3rd anniversary of the grant of the EL) elect to purchase the EL from Simon Titchener.

TABLE 1: EL8734 (Pargee) Tenement Summary

Area Name	Blocks	Km^2	Grant Date	Expiry Date	Covenant
Pargee	456	1468	09/09/99	08/09/05	$70,000

3 LOCATION, ACCESS AND PHYSIOGRAPHY

The Pargee EL is located in the Tanami Desert region, approximately 150km NW of the Granites Gold Mine. The area is covered by the Tanami (SF52-15), 1:250 000 series map sheet, as shown on Figure 1.

Access to the tenement can be gained via the old Tanami Highway, or a seismic line that runs north of the Tanami Road toward the Pargee Range.

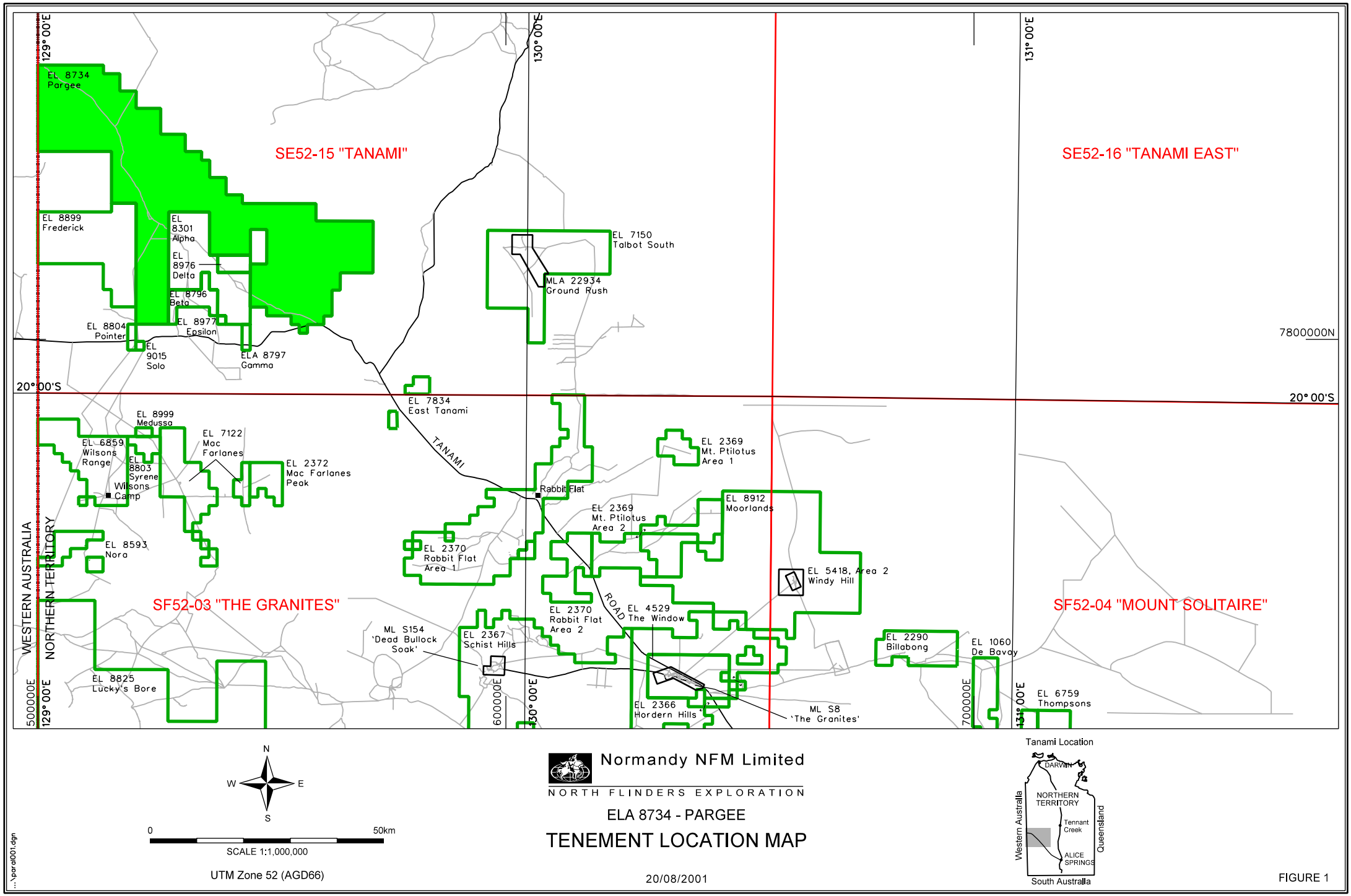
Approximately 70% of the project area is dominated by various thicknesses of alluvial cover, the depth of which is greatest within palaeodrainage systems. Hills and ridges are common in northern and central parts of the project area and range in height from less than 30m to more than 200m above the surrounding plains. They are often steeply incised by narrow channels and creeks, which pass into outwash fans before disappearing into the surrounding sand plains.

Vegetation is generally sparse, because of the arid climate and predominantly sandy soils, and consists mainly of spinifex with scattered low trees (mostly species of eucalyptus and acacia), shrubs and herbaceous plants. Few trees are taller than 8m with relatively large trees present only along creeks.

There are no permanent watercourses in the region, however water apparently persists at the Pargee Rockhole and in some creeks for at least a few months following seasonal rains.

4 HISTORICAL EXPLORATION

Limited exploration has been undertaken within the region presently occupied by the Pargee Exploration License. Power and Nuclear Corporation (PNC Exploration Australia) explored the district for uranium and gold from 1986-1990. No anomalism is reported within the area.



N
W E
S

0 50km

SCALE 1:1,000,000

UTM Zone 52 (AGD66)

Normandy NFM Limited

NORTH FLINDERS EXPLORATION

ELA 8734 - PARGEE

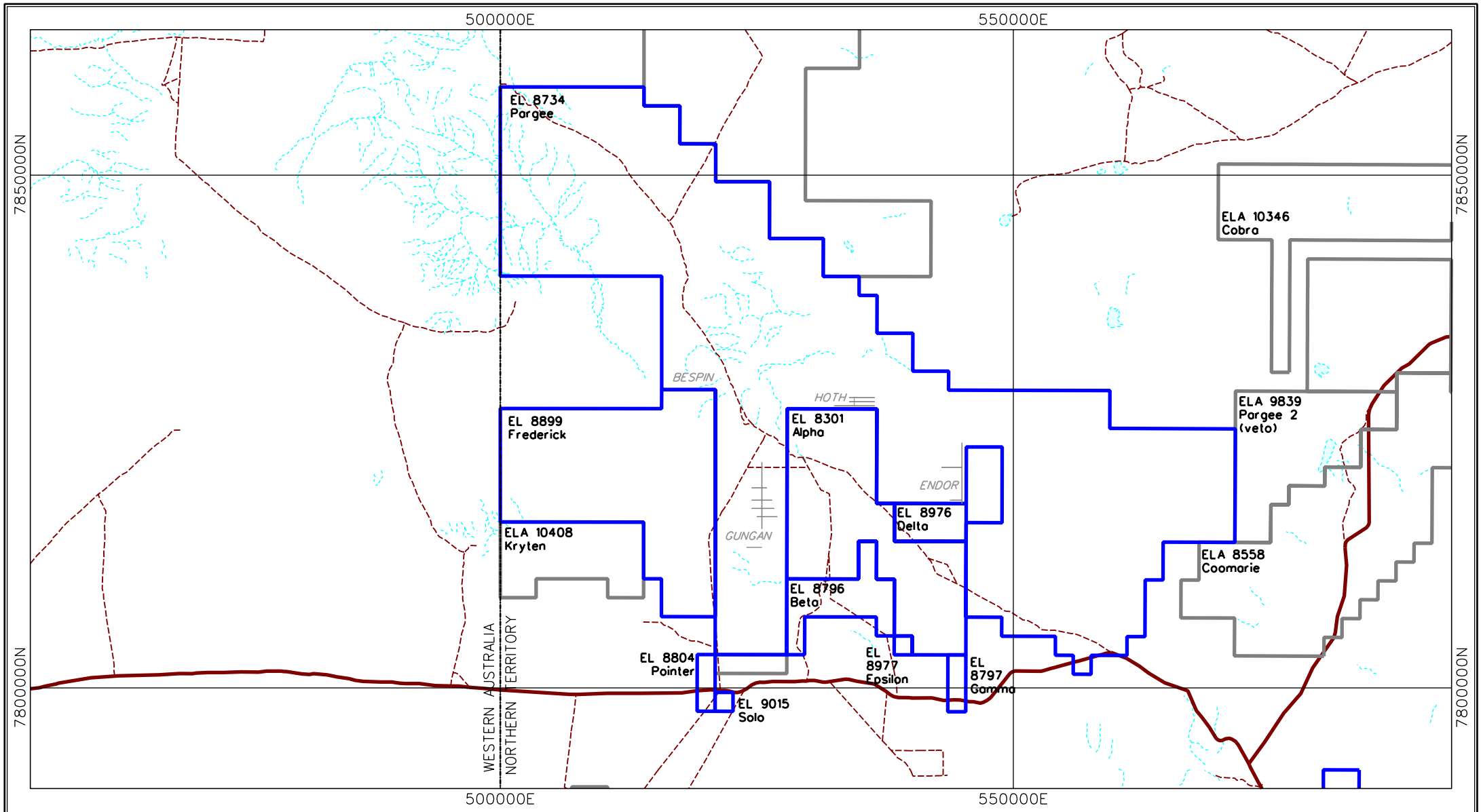
TENEMENT LOCATION MAP

20/08/2001

Tanami Location

FIGURE 1

...\para001.dgn



N
W E
S

0 10 km

SCALE 1:500,000

UTM Zone 52 (AGD66)

Normandy NFM Limited

NORTH FLINDERS EXPLORATION

EL 8734 - PARGEE

PROSPECT LOCATION MAP

24/09/2001

FIGURE 2

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5 GEOLOGY

The Granites-Tanami Goldfield lies in the eastern part of the Early Proterozoic Granites-Tanami Inlier, which is part of the Northern Australian Orogenic Province (Plumb 1990). The Inlier abuts the Arunta Complex to the south and east and is onlapped by younger cover sequences including the extensive Palaeozoic Wiso Basin on its north-eastern margin. To the west, clastic sediments of the Middle Proterozoic Birrindudu Basin overlie and separate the Inlier from similar age rocks in the Halls Creek Province.

Meso Proterozoic Birrindudu Group sediments dominate the northern portion of the reporting area. These comprise mature fluviatile sandstones and interbedded shales of the Gardiner formation and to a lesser extent calcareous sediments of the Talbot Well formation. The Birrindudu sediments are unmetamorphosed, shallowly dipping and unconformably overlie Palaeo Proterozoic sediments of the Pargee formation, which is characterised by immature fluviatile sandstone and intercalated siltstones. The Pargee sequence unconformably overlies turbiditic greywacke and pelitic sedimentary sequences of the Killi Killi group. The Palaeo Proterozoic units have been subject to complex, polyphase deformation and have reached greenschist facies metamorphism during the regional Barramundi Orogeny. The south-eastern portion of the tenement is dominated by the post orogenic Coomarie Batholith.

6 WORK COMPLETED

6.1 Ground Magnetic Survey

During the reporting period ground magnetic surveys were conducted over conceptual target areas.

The surveys were undertaken with the objective of providing ground control for the aeromagnetic anomalies and geological definition of the magnetic sources. In total, 3 lines were surveyed comprising 4.5 line kilometres (Table 3).

These surveys were conducted by Normandy personnel, utilising methods outlined in Appendix 3 of this report. Profiled data is provided in Appendix 2. Survey lines are shown on Figure 3.

TABLE 2: EL8734 (Pargee) Ground Magnetic Survey Details

Line ID	Prospect	Date Completed	AMG Easting	AMG Northing	Bearing (AMG)	Length (km)
7813700	Gungan	17/09/2000	524000	7813700	090	1.5
	Bespin	06/06/2001	518250	7829400	036	1.5
	Bespin	06/06/2001	517000	7831500	036	1.5
					TOTAL	**4.5km**

6.2 Lag Sampling & Rock Chip Sampling

Lag and rock chip samples were collected at reconnaissance spacing (500m ×500m) within appropriate regolith domains. Samples were collected and recorded utilising methods outlined in Appendix 3 of this report. Sample locations are shown on Figure 3.

TABLE 3: EL8734 (Pargee) Lag & Rock Chip Sample Details

Sample Type	Sample Numbers	Total	Genalysis Method	Elements Analysed
Lag	3242001-005, 3242007-029, 3242031-046; 3242140-3242179, 3242181-200; 3242619-627; 756310.	114	[B*ETA] Aqua Regia digest with Enhanced Sensitivity Graphite Furnace Atomic Absorption Spectrometry.	Au (0.1ppb)
			[A/MS] Multi Acid digest with Inductively Coupled Plasma Mass Spectrometry.	Th, Bi, U (0.01ppb) Sb (0.05ppm) Mo, W, Sn, Co, Ag (0.1ppm) As, Ni, Cu (1ppm) Pb (2ppm), Fe (0.01%)
RC	755091-755093; 756311-756313.	6		
				120 samples

All gold assays returned from this program were less than 20ppb.

6.3 Stream Sediment Sampling

Stream sediment samples were collected from representative drainage sites within the Pargee and Gardiner Ranges. The program was intended to empirically test for unconformity and vein-style mineralisation. Sample locations are shown on Figure 3.

The samples were analysed by Genalysis as detailed below (descriptions of analytical techniques including detection limits, are provided in Appendix 1). Samples were also sent to Becqurel to be assayed by Neutron Activation (descriptions of analytical techniques including detection limits, are provided in Appendix 1).

TABLE 4: EL8734 (Pargee) Stream Sediment Sample Details

Sample Numbers	Total	Laboratory	Method	Elements Analysed
287779-793, 287798-829, 287794-797	51	Genalysis	ICP Mass Spectrometry	Au / Ag /Cu
		Becqurel	INAA	Au (5ppb), Ag, As, Ba, Br, Ca, Ce, Co, Cr, Cs, Eu, Fe, Hf, Ir, K, La, Lu, Mo, Na, Rb, Sb, Sc, Se, Sm, Ta, Te, Th, U, W, Yb, Zn, Zr.
				51 samples

There were no repeatable gold anomalous assays.

6.4 Aircore Drilling

Aircore drilling was used to make an initial regolith and lithological assessment of priority areas. This work also utilised the ground magnetic data outlined in section 6.1.

Samples were collected and recorded and all holes were rehabilitated utilising methods outlined in Appendix 3 of this report. Complete assay records and sample descriptions are included in Appendix 1.

Samples were sent to Amdel for multielement analysis by the ARM1 analytical technique (see Table 5 for details) and drill chips were retained for later inspection and storage.

Three samples were sent for petrological analysis (see Appendix 4 for details).

TABLE 5: EL8734 (Pargee) Aircore Drillhole Details

Drillhole ID	Total Holes	Metres	Total samples	Sample type	Laboratory	Elements Analysed
PAAC011-038	28	1307	419	3m composite	Amdel ARM 1 Aqua Regia leach / ICP-MS	Ag, As, Au, Bi, Cd, Co, Cu, Mo, Ni, Pb, Sb, Se, Te, Zn
						28 holes for 1307m, 419 samples

Drilling intersected sediments and variously differentiated granitoids with locally sheared fabrics and minor veining. All gold assays returned from this program were less than 50ppb.

Normandy NFM Limited

NORMANDY EXPLORATION PTY LTD

Tanami Reconnaissance : Northern Territory

EL8734 - PARGEE
SAMPLE, DRILLHOLE
&
GROUND MAGNETICS TRAVERSE
LOCALITY PLAN

Transverse Mercator Projection - UTM Zone 52
Australian Geodetic Datum - AGD66

metres
1000 0 1000 2000 3000 4000

SCALE 1:50,000

DATA BY :	Normandy NFM	PLAN No. :	FIGURE 3
DATE :	AUG 2001	AMEND : 24/09/2001	

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LEGEND
- CRC Sample
- Lag Sample
- Stream Sediment Sample
- Aircore Drillhole
- Ground Magnetics Traverse

ELA 8900
The Mallee

EL 8734
Pargee

EL 8899
Frederick

EL 8301
Alpha

EL 8976
Delta

EL 8796
Beta

EL 8804
Pointer

ELA 9016
Clover
(veto)

BESPIN

HOTH

ENDOR

GUNGAN

PARGEE RANGE

MT FREDERICK
529

Pargee Rockhole

287795 287796 287797 287794 287793 287798 287829 287792 287828 287791 287827 287790 287789 287788 287826 287787 287823 287822 287825 287824 287784 287785 287821 287820 287819 287782 287783 756310 287799 287781 287818 287817 287816 287815 287800 PAAC0038 287801 PAAC0037 PAAC0036 PAAC0035 PAAC0034 287802 287803 287814 287810 287811 287808 287807 287809 287813 287780 287812 287779 287806 287805 287804 755091 3242017 3242016 3242014 3242015 756313 PAAC0030 PAAC0031 PAAC0029 PAAC0032 PAAC0033 PAAC0028 3242021 3242022 3242020 3242023 3242018 3242019 PAAC0027 3242024 3242025 3242027 3242026 3242028 3242043 3242045 3242046 3242044 3242029 3242042 3242040 3242039 3242031 3242041 3242038 3242625 3242627 3242619 3242620 755092 3242626 3242624 3242622 755093 3242623 3242621 3242037 3242033 3242034 3242036 3242032 3242035 756312 3242013 3242012 3242007 3242008 3242009 3242010 756311 3242005 3242011 PAAC0026 3242003 3242002 3242001 3242200 3242004 3242199 3242193 3242195 3242196 3242197 3242198 3242194 3242191 3242190 3242189 3242188 3242187 3242192 3242181 3242182 3242183 3242184 3242185 3242186 3242179 3242177 3242176 3242174 3242178 3242175 PAAC0022 PAAC0023 3242170 3242171 3242173 3242169 3242172 PAAC0024 3242168 3242166 3242167 PAAC0025 3242164 3242163 3242165 3242160 3242161 3242162 3242159 3242156 3242157 3242155 3242158 3242154 3242149 3242150 3242151 3242152 3242153 3242140 3242142 3242143 3242148 3242141 3242144 3242145 3242146 3242147 PAAC0020 PAAC0019 PAAC0017 PAAC0018 PAAC0016 PAAC0015 PAAC0014 PAAC0013 PAAC0012 PAAC0021 PAAC0011

520000E 525000E 530000E 535000E 540000E 545000E

7845000N 7840000N 7835000N 7830000N 7825000N 7820000N 7815000N 7810000N 7805000N

7 EXPENDITURE INCURRED FOR THE REPORTING PERIOD

TABLE 6: EL8734 (Pargee) Exploration Expenditure for the Year to 08/09/01

COST CENTRE	EL8734 TOTAL
Employee Costs	**62,290.97**
Operating Costs	**42,397.55**
Laboratory Costs	**14,444.43**
Drilling	**23,040.23**
Specialist Services	**340.00**
TOTAL	**142,513.18**
COVENANT	$70,000.00

8 FORWARD PROGRAM

Further work will involve an empirical assessment of prospective areas. It is anticipated that this work will involve geophysical surveys, surficial sampling and aircore drilling.

8.1 Proposed Expenditure

TABLE 7: EL8734 (Pargee) Details of Proposed Expenditure for the Year

COST CENTRE	EL8734 TOTALS
Aircore Drilling	$8,500
Surface Sampling	$5,000
Laboratory Costs	$5,000
Employee Costs	$8,000
Specialist Services	$500
Operating Costs	$8,000
TOTAL	**$35,000**
PROPOSED COVENANT	$35,000

The proposed program for EL8734 will lead to an expenditure that is anticipated to be in the vicinity $35,000 for the 12 month period to 08/08/02.

9 REFERENCE LIST / ANNUAL REPORT BIBLIOGRAPHY

References

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Hossfeld, P.S. 1940b. The Gold Deposits of The Granites-Tanami District, Central Australia. *Aer. Geol. Geophys. Surv. N.Aust., Northern Territory Report 4*3.

Mayer, T.E. 1990. The Granites Gold Field, in *Geology of the Mineral Deposits of Australia and Papua New Guinea* (Ed F.E. Hughes) pp 719-724 (The Australasian Institute of Mining and Metallurgy: Melbourne).

Plumb, K.A. 1990. Halls Creek Province and The Granites-Tanami Inlier - regional geology and mineralisation, in *Geology of the Mineral Deposits of Australia and Papua New Guinea* (Ed F.E. Hughes) pp 681-695 (The Australasian Institute of Mining and Metallurgy: Melbourne).

Reports to NTDME

Power, D. 2000. Annual Report for EL8734 (Pargee) for the Year to 8 September 2000. Normandy Exploration Pty Ltd CR:27235.

APPENDIX 1 – DIGITAL DATA

APPENDIX 2 – GEOPHYSICAL DATA

APPENDIX 3 - SAMPLING METHODS AND ANALYTICAL TECHNIQUES

SURFACE SAMPLES

RC (Rock Chip)

A composite technique is adopted whereby approximately 4-5kg of material comprising 10 to 15 grab samples is collected from within a 2m radius of the designated sample site. A description of sample material is recorded in the sample logs.

GPS equipment is used to determine reconnaissance sample locations in the absence of a local grid. Sampled sites have been marked with flagging tape and numbered aluminium permatags affixed to the outcrop.

Lag

Lag is any hard surficial material varying from a coarse sand to rock fragments.

The sample is obtained via a shallow surface scrape, sieved to obtain approximately 250g of material and collected into a plastic zip seal bag. The size of the sieved fraction, which is variable from project to project, is listed in the sample logs.

Reconnaissance lag samples were collected using a Scoutmaster Global Positioning System (GPS) with an external aerial for navigation and lag sample location. Surface lag material was sieved to a +2mm size fraction and a 100-300g amount was double bagged and retained for multielement and low level gold analysis. Notes were made regarding the sample type, quality, description and grain size.

SSS (Stream Sediment)

These samples are collected from defined drainage channels. Typically the samples are sieved to obtain approximately 100g of -80# mesh and analysed for gold, however on occasion multielement analysis is determined.

The density of sampling varies according to the perceived prospectivity of the rock units feeding the drainage system. Drainage sites are preselected using aerial photographs and sample material is collected from a radius of a few metres. Trap sites are deliberately avoided to eliminate sample bias.

RAB & AIRCORE DRILLING

Drilling is undertaken by Century Drilling Ltd. The “Moonwalker” rig can readily covert between RAB and Aircore drilling if and when required.

All drill sites are appropriately rehabilitated with holes being plugged with a concrete bung and covered with available drill spoil.

Drillholes are typically composite sampled at 3m intervals where the geology is considered to be prospective. Depending on the program budget, the drillhole may be comprehensively sampled from surface, sampled only at particular lithologies or have been restricted to a bottom of hole sample. Drill spoil is speared to obtain 2kg composite samples. While this sample is customarily a 3m composite sample, the sample interval is ultimately left to the geologist’s discretion. The sample intervals are clearly documented in the drillhole logs accompanying this report.

GEOPHYSICS SURVEY METHODOLOGY

Ground Magnetics

All ground magnetic surveys are effected by Normandy NFM personnel.

Total Magnetic Intensity (TMI) readings are taken at 0.1 second intervals (0.5m) using a GEM GSM-19W walkmag Overhauser magnetometer. Diurnal measurements are taken using a second magnetometer as a base station, with readings taken every 30 seconds.

Data is collected over surveyed lines which are pegged every 100m and clearly annotated with GPS controlled coordinates (Trimble Global Positioning System combined with a Racal differential GPS attachment).

On completion of the survey, diurnal variations are removed from the data using in-house geophysical software.

Details particular to each survey are discussed in the body of this report. Line origins are estimated to be within +/-50m of the AMG co-ordinates listed.

APPENDIX 4 – PETROLOGICAL SAMPLE DESCRIPTIONS

Report #	Author	Date	Work	Geo	Prospect				Notes
Petrology #	Count	ID	Type	NFM	Sample #	From	To	Easting	Northing	Description

Mt Frederick

EL8734 Pargee

P8046a PU 14/11/2000 TS DP Pargee (EL) ***Pargee***

P06097	12	PAAC016	DC	3671603	75	78	545000	7821440	Quartz-plagioclase-biotite-magnetite-chlorite schist with a clay vein and sericitised plagioclase. Possibly Blake Beds?
P06098	13	PAAC017	DC	3671619	45	48	543700	7821500	Altered schistose amphibolite with pale amphibole (tremolite-actinolite or magnesiohornblende). Sericite-epidote +/- prehnite-altered plagioclase, opaque oxide lenses and fragmented veins, largely filled by prehnite.
P06099	14	PAAC033	DC	3673626	72	75	525935	7817729	Partly brecciated and veined, altered pyroxene diorite with very minor quartz and altered possible olivine.

BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER	29121
REPORT TITLE	SECOND ANNUAL REPORT FOR EL8734 (PARGEE) FOR THE YEAR TO 8 SEPTEMBER 2001
PROSPECT NAME	Pargee, Bespin, Gungan, Hoth
TENEMENT NUMBER	EL8734
OWNER	S. Titchener
COMMODITIES	Gold
TECTONIC UNITS	Tanami Inlier
STRATIGRAPHIC UNITS	Mount Charles Beds, Pargee Sandstone, Gardiner Sandstone
1:250,000 MAPSHEET	SF52-15 Tanami
1:100,000 MAPSHEET	Mallee 4758, Pargee 4759
KEYWORDS	Aircore Drilling, Geophysics, Ground Magnetic Surveys, Lag Sampling, Petrology, Reconnaissance, Rock Chip Sampling, Stream Sampling