Central Desert Joint Venture

1st ANNUAL REPORT FOR SEL 10319 & EL 10397

23rd JANUARY 2001 – 22nd JANUARY 2002

3rd MAY 2001 – 2nd MAY 2002

TANAMI REGION NORTHERN TERRITORY

COMPILED BY: M.MUIR

Distribution:
NT Department of Mines & Energy
Anglogold, Darwin
Otter Exploration, Tanami

TITLE: 1ST ANNUAL REPORT FOR SEL 10319 & EL10397

PERIOD: 23RD JANUARY 2001 to 22ND JANUARY 2002 (SEL 10319)
3RD MAY 2001 to 2ND MAY 2002 (EL 10397)

COMPILED BY: MARYANNE MUIR

LOCATION: TANAMI 1:250,000 Map Sheet SE 52-15

COMMODITY: GOLD

DATE: FEBRUARY 2002

SUMMARY

Special Exploration Licence (SEL) 10319 was granted on the 23rd January 2001 for a period of six years. EL 10397 was granted on the 3rd May 2001 for a period of six years. Combined reporting was proposed and a submission date of 3rd May 2002 for the first Annual Report was accepted by Department of Mines and Energy.

SEL 10319 was applied for on the 11th of December 1998 as a combination of the old EL 1254 and a portion of EL9684. Exploration Licence 9684 was granted to initially to Stockdale Prospecting Ltd on the 18th of December 1996 for a period of six years. The Exploration Lease was transferred to Otter Gold NL on the 9th of April 1999. The tenure was subsequently accepted into the Central Desert Joint Venture by Acacia Resources (now Anglogold Australasia). On completion of the fourth term of the licence Otter Gold NL opted to surrender the licence. Exploration Licence 1254 was renewed on the 16th March 1998 where it went under negotiation for an Indigeneous Land Use Agreement (ILUA) and converted to SEL 10319.

Work undertaken on both Exploration Licences 10319 and 10397 during the previous year included analysis of potential targets and their validity from previous work.

Total Expenditure on Exploration Licences 10319 and 10397 was not able to be determined and will be forwarded at a later date. Difficulties arose from the takeover of Otter Gold NL by Normandy NFM. Accounting staff from Otter have been retrenched or are working on the takeover and are unable to access the required expenditure data. It is anticipated that when Normandy NFM acquire the accounts system they will be able to forward an accurate expenditure.

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1.0 INTRODUCTION

Special Exploration Licence (SEL) 10319 was granted on the 23rd January 2001 for a period of six years. EL 10397 was granted on the 3rd May 2001 for a period of six years. SEL 10319 comprises of 500 blocks covering an area of 1616km^2. EL 10397 comprises of 49 blocks and covers and area of 147km^2.

Both Exploration Licences are part of the Central Desert Joint Venture (CDJV) and are covered by the Indigeneous Land Use Agreement (ILUA) dated 7th February 2000 between the Central Land Council, Otter Gold NL and Anglogold Australasia.

SEL 10319 & EL 10397 are located approximately 70km north of the Tanami Mine Site along the Lajamanu Road, extending over the majority of the Suplejack Pastoral Lease.

2.0 GEOLOGY

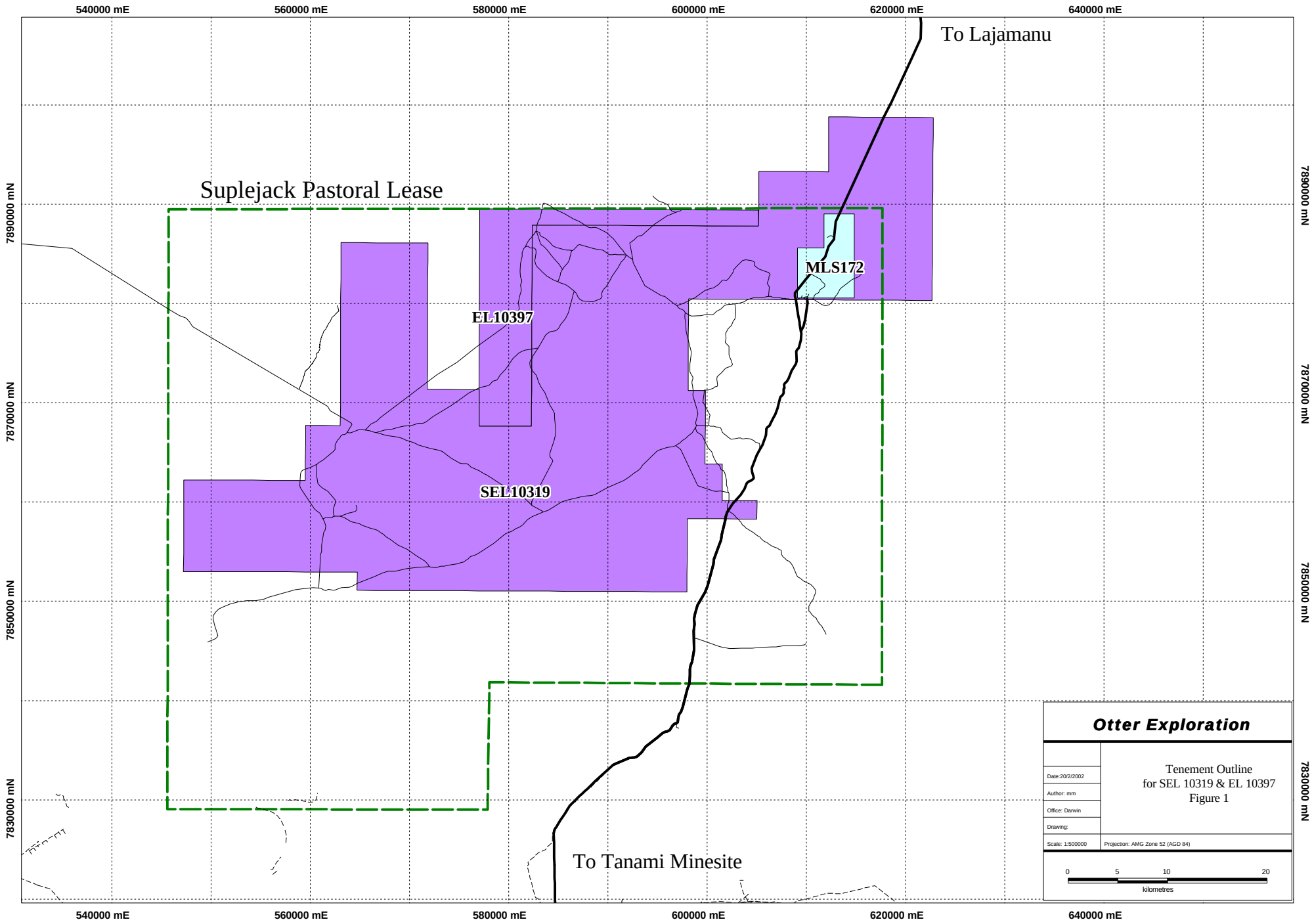
2.1 REGIONAL GEOLOGY

The Granites – Tanami Block is bounded to the west by the Canning Basin, and to the east by the Wiso Basin and is considered to be one of the western most Palaeoproterozoic inliers of the Northern Australian Orogenic Province. The block is thought to have developed around the Barramundi Orogeny – major event 1845 – 1840 Ma (Blake et al., 1979).

The stratigraphy of the Tanami Region has been revised as a result of an intensive study recently completed by the NTGS (Hendrix et, al., 2000). The stratigraphy outlined by Blake et al (1979) has had some significant modifications (Table 1).

The oldest rocks of Archean age belong to the Billabong Complex and the Browns Range Metamorphics. The Browns Range Metamorphics comprise granitic gneiss and muscovite schist intruded by fine-grained granite, thin granitic sills, aplite and pegmatite. The Billabong Complex comprises banded granitic gneiss', which are generally elongated and fault bound.

Lying unconformably above the Archean basement is the palaeoproterozoic MacFarlane Peak Group. These rocks are characterised by a thick sequence of mafic volcanic, volcaniclastic and clastic sedimentary rocks, which possess a distinctive magnetic and gravity signature. This package of rocks is structurally complex and is considered to have a tectonic contact with the overlying Tanami Group.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To Lajamanu
Suplejack Pastoral Lease
MLS172
EL10397
SEL10319
To Tanami Minesite
Otter Exploration
Tenement Outline
for SEL 10319 & EL 10397
Figure 1
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Author: mm
Office: Darwin
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<table>
<tr><th colspan="7">Blake et al (1979)</th><th colspan="3">Hendrix et al (2000)</th></tr>
<tr><td colspan="2" rowspan="3">Birrindudu Group</td><td colspan="5">Coomarie Sandstone</td><td rowspan="3">Birrindudu Group</td><td>Coomarie Sandstone</td><td rowspan="3">Suplejack Downs Sandstone</td></tr>
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“Billabong Complex”</td></tr>
</table>

Table 1. Comparison of stratigraphic nomenclature (Hendrix et al, 2000).

The Tanami group is subdivided into three formations:

Twigg Formation:	purple siltstone with minor sandstone and chert
Killi Killi Formation:	turbiditic sandstone
Dead Bullock Formation:	siltstone, mudstone, chert and banded iron formation

The Dead Bullock Formation occurs at the base of the Tanami Group and is dominated by fine-grained sedimentary rocks. The rocks outcrop at Dead Bullock Soak, Lightning Ridge and Officer Hill. At the Granites the rocks have been metamorphosed to amphibolite facies to form andalusite, garnet and hornblende bearing schists. The Dead Bullock formation is host to significant gold mineralisation at the Granites and Dead Bullock Soak.

The Killi-Killi Formation conformably overlies the Dead Bullock Formation and is the most extensive formation in the group. The sequence of turbidites includes micaeous greywacke, quartzwacke, and lithic greywacke, quartz arenite and lithic arenite, interbedded with siltstone, mudstone and occasional thin chert beds. Detrital mica is a characteristic feature. The Killi-Killi is metamorphosed to lower greenschist facies and is interpreted to be up to 4km thick.

The Twigg formation is confined to a narrow package of rocks immediately west of the Tanami Mine corridor. It comprises a sequence of interbedded purple siltstone with thin-bedded chert and minor medium bedded greywacke.

The Pargee Sandstone unconformably overlies the Tanami Group and is exposed on the western side of the Coomarie Dome extending into Western Australia. The

Pargee Sandstone comprises thick-bedded quartz arenite, lithic arenite and conglomerate with pebbly sandstone and conglomerate at the base.

The Mount Charles Formation comprises an intercalated package of basalts and turbiditic sediments, which occur on the western side of the Frankenia Dome. The Mount Charles Formation is host to structurally controlled vein hosted gold mineralisation in the Tanami Mine Corridor. Sediments include sandstone, mudstone, carbonaceous mudstones and intraclast conglomerate. Basalts are predominantly massive units with pillow basalts and basaltic breccias also evident.

The Mt Winneke Group is also interpreted to lie unconformably over the Tanami Group. This group is divided into two units including siliclastic sediments and felsic volcanics.

The Nanny Goat Volcanics are characterised by extrusive volcanic rocks including quartz-feldspar ignimbrite, feldspar ignimbrite, rhyolite lava, basalt and minor siliclastic sediments.

The Birrindudu group comprises 3 units with Gardiner Sandstone at the base, overlain by Talbot Well Formation and Coomarie Sandstone. The Suplejack Down sandstone is interpreted to belong to this group but is relationship is unclear. The Birrindudu group lie unconformably over the Browns Range Metamorphic's, MacFarlane Peak Group, Tanami Group, Pargee Sandstone, Nanny Goat Creek Volcanics and Mount Winnecke Group.

Cainozoic laterite, silcrete, calcrete, and Quaternary debris cover 60 – 70% of the Tanami Desert. The Quaternary sediments are generally unconsolidated, representing the most recent phase of erosion and deposition of sands, gravels and lithic fragments.

2.2 LOCAL GEOLOGY

2.2.1 Local Geology for the 'old' EL 9684

Geologically, the lease is predominantly part of the Coomarie Dome, which extends down to the Tanami Mine region. The Coomarie Dome has intruded Tanami Complex rocks (including Mt Charles Beds, Nanny Goat Creek Beds and Nongra Greek Beds). It is thought that inliers/ roof pendants may exist within some portions of the lease.

Covering these is a series of Upper Proterozoic Birrindudu Group Sediments (including Gardiner Sandstone, Talbot Well Formation and Coomarie Sandstone). To the east of the lease the majority of the younger Cambrian Antrim Plateau Volcanics lie (these consist of Tholeiitic basalt, minor tuffaceous sandstone, and lithic arenite). Previous experience and brief helicopter reconnaissance has suggested that not all the mapped Antrim Plateau Volcanics are as such and may be Tanami Complex in origin.

Obvious outcropping geology is restricted to the Birrindudu Group Sediments.

2.2.2 Local Geology for the 'old' EL 1254.

Within the project area, five stratigraphic units have been recognised; Nanny Goat Creek Beds, Supplejack Downs Sandstone, Gardiner Sandstone, Larranganni beds and Antrim Plateau Volcanics.
The Nanny Goat Creek Beds are Archaean to Lower Proterozoic rocks, stratigraphically equivalent to the Mount Charles Beds outcropping near the Tanami Mine to the south. Both of these rock units form part of the Tanami Complex.

The Nanny Goat Creek Beds are described as predominantly volcanic rocks consisting of ignimbritic acid porphyry, amygdaloidal non-porphyritic basaltic lavas with intrusive patchy porphyritic basalt and tuff. The subordinate rocks are metasedimentary greywacke, shale and siltstone.

The Nanny Goat Creek Beds host the Crusade gold mineralisation. The mineralisation occurs along a regional shear zone that juxtaposes two units from the Nanny Goat Creek Beds; namely a dacite to the west and a basalt to the east. The majority of the mineralisation is hosted within the footwall basaltic rocks.

Structure evident in the Gardiner Sandstone (Carpentarian) can be easily recognised on a regional basis and transferred to the Nanny Goat Creek Beds. With this in mind, two structural trends are evident:

- north $\rightarrow$ south,
- north-west $\rightarrow$ south-east.

The Mineral Lease (Crusade) consists of outcropping Nanny Goat Creek Beds. The rocks are generally steeply dipping with cleavage often parallel to bedding, adding to the structural complexity. Complex folding and faulting is evident and detailed mapping is required to more fully understand this area.

The Supplejack Downs Sandstone unit consists of sublithic arenite and quartz arenite with some locally exposed shale and siltstone. It appears to unconformably overlie the Nanny Goat Creek Beds and is in turn unconformably overlain by Gardiner Sandstone. Mapping shows this unit to have moderate dips (24-45°) with ubiquitous open and tight folds.

The Gardiner Sandstone unit forms part of the Birrindudu Group and consists of sublithic arenite, subordinate quartz arenite, conglomerate, shale siltstone and glauconitic sandstone.

The Ware Range is a very good example of typical Gardiner Sandstone. The range is a strike ridge with generally shallow to flat dipping structures. The whole of the Ware Range appears to form an elongated synclinal structure. Folding, jointing, bedding trends, joint patterns and cross-cut faulting are easily distinguished in outcrop.

The Antrim Plateau Volcanics are considered to be the oldest Palaeozoic rocks in the area and are probably of early Cambrian age. The unit is dominated by tholeiitic basalt lavas with subordinate intercalated sandstone and chert. Outcrop within the licence area is minimal. There is very little outcrop and most of the unit appears lateritised.

The remainder of the project area is covered by alluvial and aeolian sand, silt and gravels with extensive laterite development.

Prior to exploration by the CDJV, no economic gold or base metal mineralisation had been discovered in the project area. There were some minor radioactive anomalies and rare earths anomalies discovered in association with the north-south trending structural/unconformity contact on the eastern side of the Ware Range. These elements are excluded from the current exploration effort.

2.2.3 Local Mineralisation within the 'old' EL 1254.

Geological interpretation of the Crusade mineralised system shows it to be composed of approximately 20 separate quartz veins which are closely associated with the lithological contact between the basalt and the dacite. These veins have a variable dip (50-85^{o}) to the west and are suspected to have been produced as a result of reverse thrusting (ie. dip slip with a small component of strike slip) along the lithological contact. There is also a slight northerly plunge apparent within the core of the mineralisation, which is associated with a flattening of the vein dip.

The modelling of the Crusade mineralisation shows a trench of oxidation within the sulphide material which is directly associated with the quartz vein hosted mineralisation. This channel of increased weathering extends to the north and south of the central part of the orebody and is thought to be attributable to the greater permeability of the broken ground associated with the quartz veining. The channel is interrupted within the central part of the orebody where the more intensely altered, silicified material occurs as a more competent bulge within the oxidised layer. The degree of weathering is also reflected in the Au grade, with the oxidised material having a significantly reduced grade when compared with the sulphide ore. This is also visible within the interpreted flitch plans, which show a steady increase of grade with depth.

2.2.4 Local Geology for EL 10397

Geology is confined to Lower Proterozoic Birrindudu cover sequences and Cambrian Antrim Plateau Basalts.

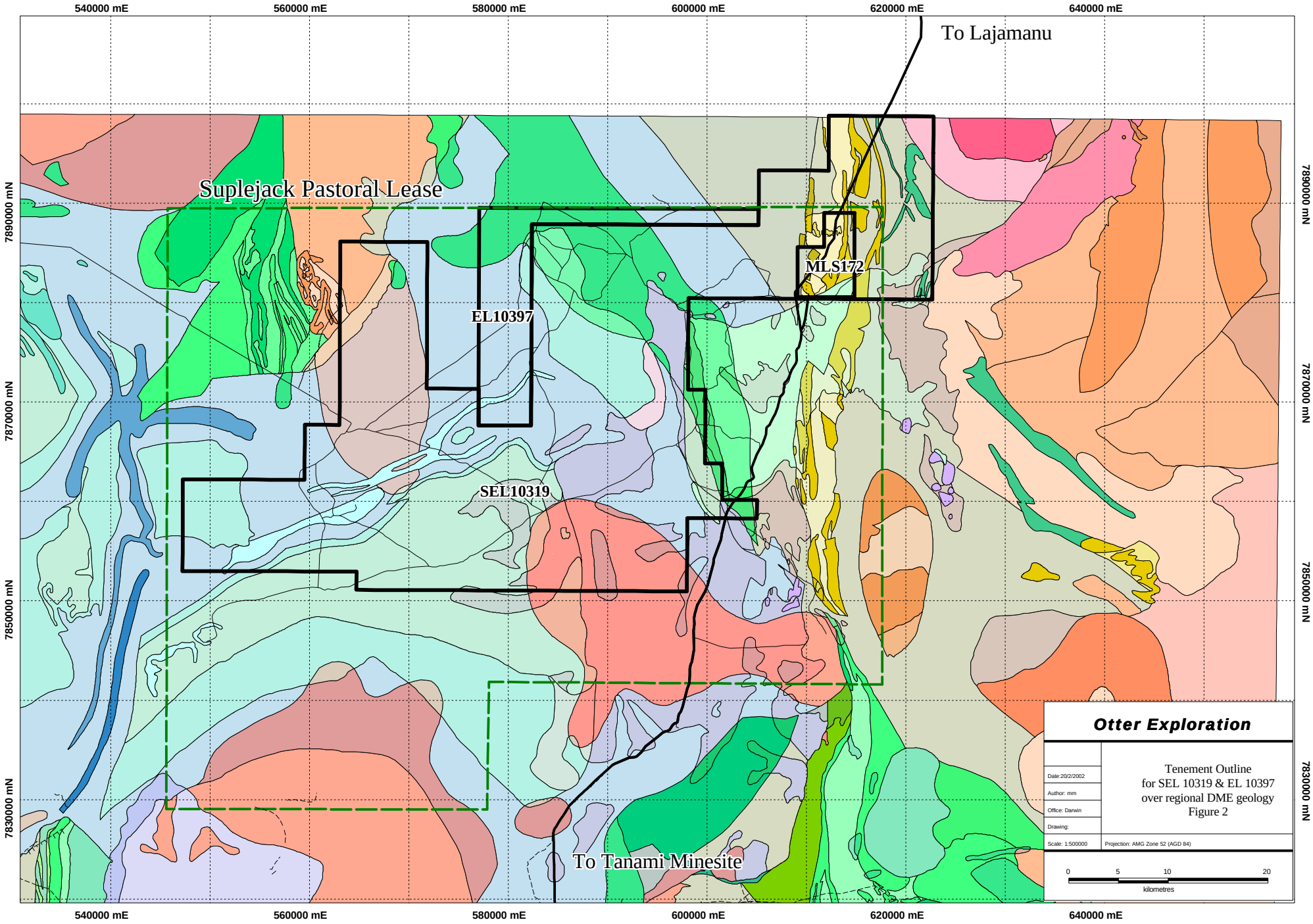
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Figure 2
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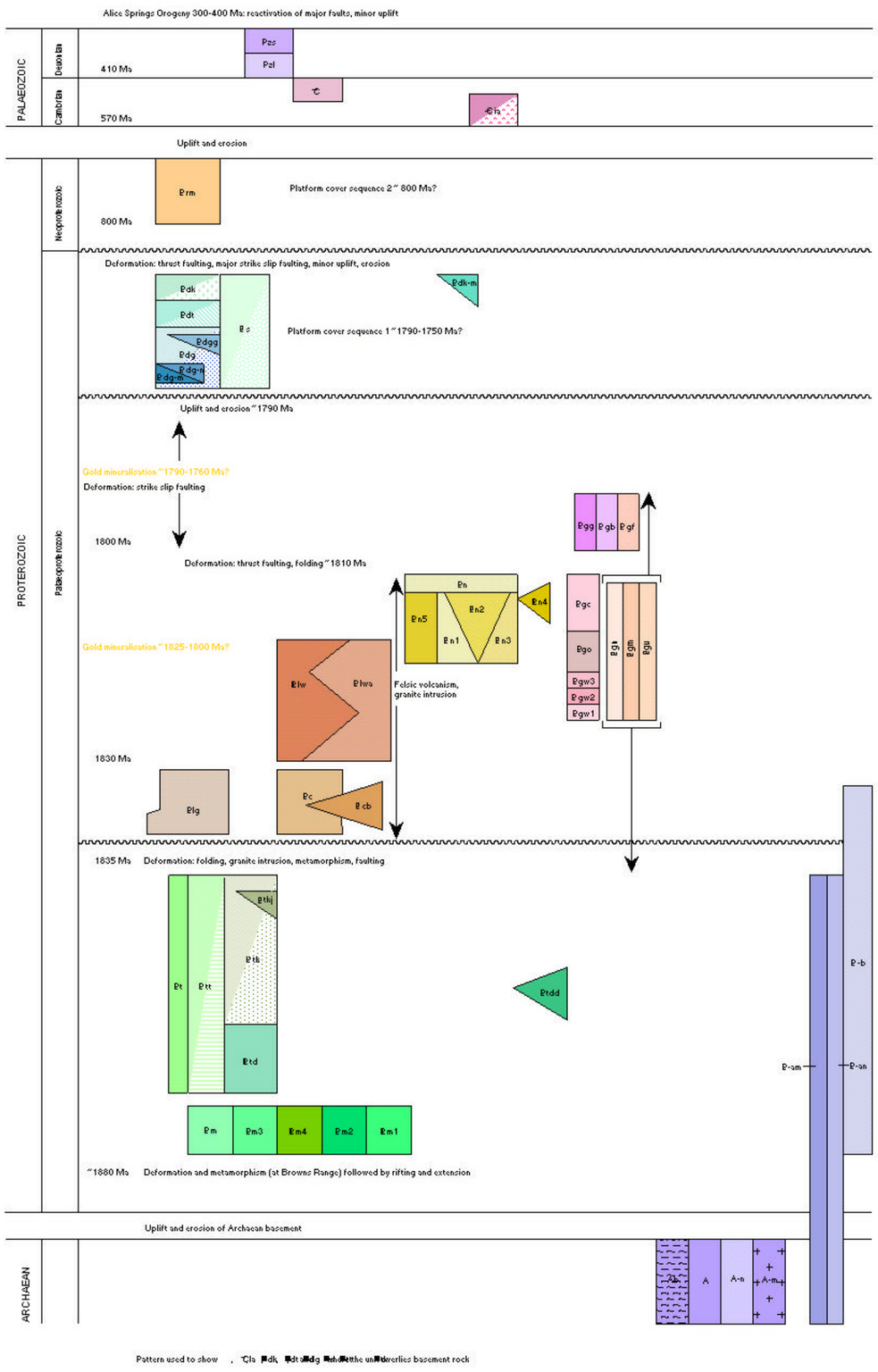
Legend for Regional Geology Map & Stratigraphy

SEDIMENTARY		VOLCANIC		INTRUSIVE		METAMORPHIC
Non-marine	Marine	Subaqueous	Subaerial	Dyke/ Sill	Pluton	

CAINOZOIC AND TERTIARY UNITS NOT SHOWN



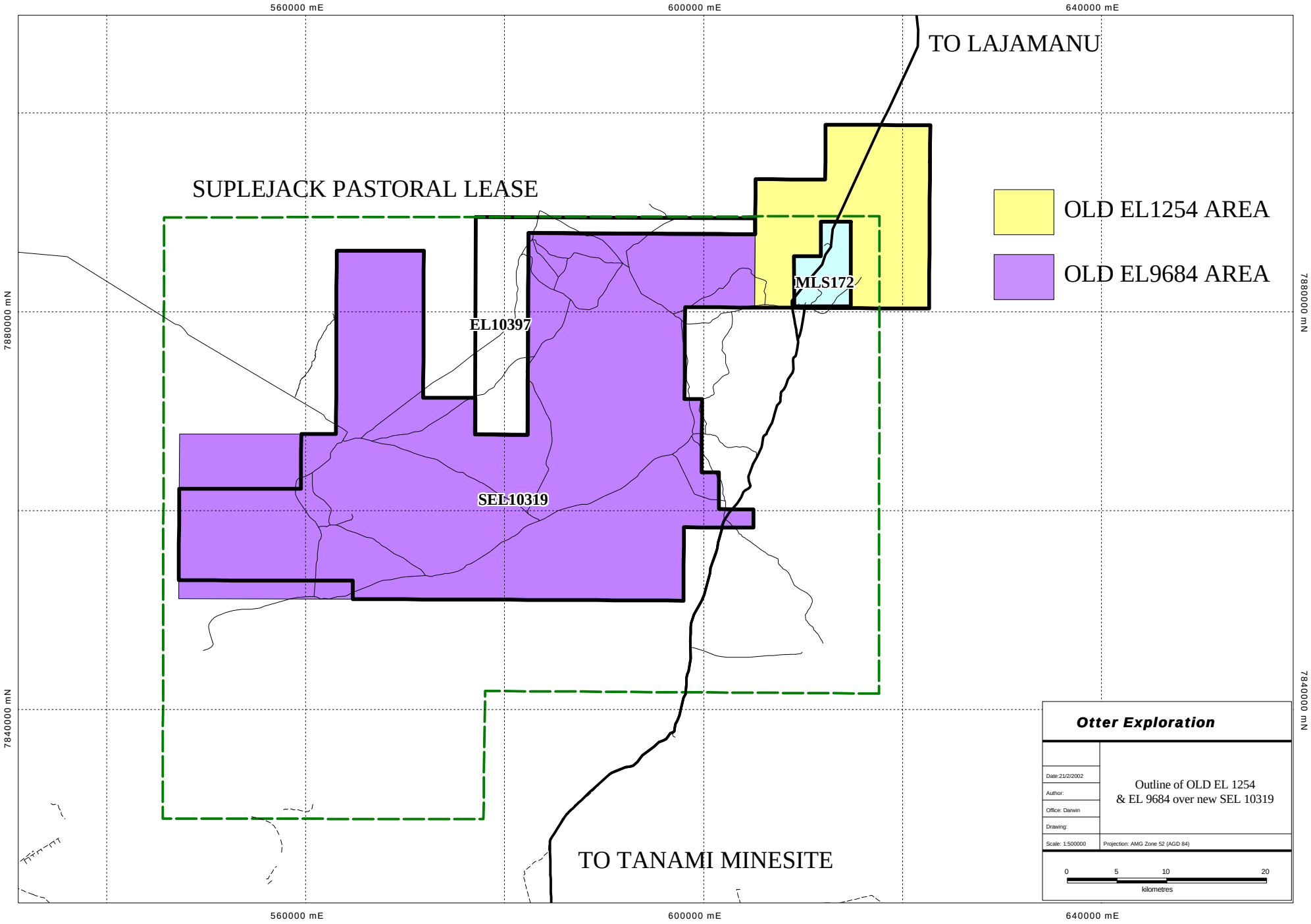
Antrim Plateau Volcanics			- Pzs	Sandstone: non-magnetic
			- Pzl	Sandstone, siltstone, mudstone: non-magnetic
			- -C	Sandstone, siltstone, shale: non-magnetic
			-Cla	Basalt: moderately magnetic
Redcliff Pound Group	Muriel Range Sandstone		- Prm	Arenite, siltstone, shale, conglomerate, arkose, breccia: non-magnetic
Birrindudu Group	Coomarie Sandstone		Pdk	Sandstone: weakly magnetic
			Pdk-m	Basalt or magnetite rich sandstone: moderately magnetic
	Talbot Well Formation		Pdt	Chert, arenite, siltstone, mudstone, limestone: non-magnetic
	Gardiner Sandstone		Pdg	Sandstone: non-magnetic
		Glauconitic Sandstone member	- Pdgg	Sandstone: non-magnetic
			Pdg-m	Sandstone: weakly magnetic
			Pdg-n	Sandstone: non-magnetic
	Supplejack Downs Sandstone		P s	Sandstone: non-magnetic
Granites Suite			- Pgg	Biotite granite; I-type: moderate-highly magnetic, low gravity response
Bore Field Road Suite			Pgb	Diorite and gabbro; I-type: high-intensely magnetic, moderate gravity response
Frederick Suite			Pgf	Biotite hornblende granodiorite; I-type: moderate-highly magnetic, low gravity response
			Pgn	Undifferentiated intrusive: non-magnetic, low gravity response
			Pgm	Undifferentiated intrusive: moderately magnetic, low gravity response
			Pgv	Undifferentiated intrusive: variably magnetic, low gravity response
Coomarie Suite			Pgc	Biotite hornblende granodiorite; I-type: weakly magnetic, low gravity response
Inningarra Suite			- Pgo	Biotite, hornblende granodiorite; I-type: variably magnetic
Winnecke Suite			Pgw3	Biotite hornblende granodiorite; I-type: non to weakly magnetic
			Pgw2	Biotite hornblende granodiorite; I-type: moderate-highly magnetic
			Pgw1	Biotite hornblende granite; I-type: non-magnetic
Mount Winnecke Group	Nanny Goat Volcanics		Pn	Undifferentiated: non to weakly magnetic
			Pn5	Sandstone: non-magnetic
			Pn4	Basalt: moderate-highly magnetic
			Pn3	Rhyolite lava: non-magnetic
			Pn2	Rhyolitic feldspar-quartz ignimbrite: non-magnetic
			Pn1	Rhyolitic quartz-feldspar ignimbrite: non-magnetic
			Plw	Sandstone: non to weakly magnetic
			Plwa	Dacite and rhyolite porphyries and volcanics: weakly magnetic
	Mount Charles Formation		Pc	Sandstone, siltstone, basalt: non to weakly magnetic, high gravity response
		Basalt member	P cb	Basalt: intensely magnetic, high gravity response
	Pargee Sandstone		Plg	Conglomerate, sandstone, siltstone: non to weakly magnetic
Tanami Group			P-am	Undifferentiated: moderate-highly magnetic
			P-an	Undifferentiated: non to weakly magnetic
			P-b	Undifferentiated: complex magnetic responses
			Ptdd	Metadolerite sills: moderate-highly magnetic
	Twigg Formation		Pt	Undifferentiated: non to weakly magnetic
			Ptt	Siltstone, sandstone, chert: non-magnetic
	Killi Killi Formation	Jasperlitic Chert member	- Ptkj	Jasperlitic chert: non-magnetic
			Ptk	Sandstone, siltstone: non to weakly magnetic
	Dead Bullock Formation		Ptd	Siltstone, numerous sills, moderate-intensely magnetic, high gravity response
MacFarlane Peak Group			Pm	Undifferentiated: non to weakly magnetic
			Pm4	Siltstone and calc-silicate: non to weakly magnetic
			Pm3	Metagreywacke and schist: non-magnetic
			Pm2	Interbedded basalt and volcaniclastic sediment, possible felsic volcanics and dolerite: weakly magnetic
			Pm1	Amphibolite, possible dolerite, basalt: high-intensely magnetic, high gravity response
Browns Range Metamorphics			Ab	Undifferentiated schist, gneiss, migmatite: non-magnetic
			- A	Undifferentiated felsic and mafic gneiss, granite and migmatite: variably magnetic, high gravity response
			- A-n	Undifferentiated felsic and mafic gneiss, granite and migmatite: non-magnetic, high gravity response
			- A-m	Undifferentiated felsic and mafic gneiss, granite and migmatite: moderate-intensely magnetic, high gravity response

- not on map

Magnetic values of stratigraphy:
0-250 nT weakly magnetic
250-500 nT moderately magnetic
500-750 nT highly magnetic
>750 nT intensely magnetic

GEOLOGICAL SYMBOLS

- Geological boundary
- Fault showing relative displacement
- Fault showing relative displacement: down,up
- Deeply buried source
- Fold axis: anticline, syncline
- Axial trace of fold
- Dyke
- Magnetic trend
- Radiometric trend
- Joint
- Shear zone
- Dolerite
- Magnetic metamorphic aureole
- Palaeochannel
- 1848±2 Ma — Radiometric age determination in million years, U/Pb SHRIMP
- A / B — Unit A overlies unit B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TO LAJAMANU
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Outline of OLD EL 1254
& EL 9684 over new SEL 10319
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kilometres

3.0 SUMMARY OF PREVIOUS EXPLORATION

3.1 Summary of Exploration within the 'old' EL 9684

An overview of exploration conducted within EL9684 for the previous four years is provided.

3.1.1 18th December 1996 – 17th December 1997

During the first year of exploration by Stockdale Prospecting, regional loam samples were taken in the search for diamonds. Additional surface samples were taken and kept for each site a loam sample was taken. The samples were taken separately from the loam samples in 'geochem' packets to a depth that did not exceed 20 centimetres. The samples were taken on two kilometre by two kilometre grid. An estimated $15,000 was spent on this helicopter reconnaissance by Stockdale.

3.1.2 18th December 1997 – 17th December 1998

Otter Gold NL and Stockdale Prospecting consolidated an agreement for Otter to explore for gold on Stockdale's Suplejack licence before the Lease was converted to the Central Desert Joint Venture. During the end quarter of 1998 Otter gold NL was involved in the purchase of, and analysis of the 489 additional surface samples taken by Stockdale Prospecting. The samples were sent to ALS's Perth laboratory for ZARG analysis.

3.1.3 18th December 1998 – 17th December 1999

The Exploration Licence was transferred from Stockdale Prospecting to Otter Gold NL on the 9th of April 1999. CRC LEME conducted a regolith study providing effective regolith mapping (see figure 3 & 4). All back ground information was researched. Areas were designated for follow up sampling during 1999 – 2000 after analysis of the surface sample results. Analysis of the results showed less than 1ppb Au anomalism (over a two kilometre by two kilometre grid) however even on this large scale the results 'appear' to outline trends that correspond with structures (see figure 5 & 6).

3.1.4 18th December 1999 – 17th December 2000

Regional surface sampling was carried out on 400m x 400m grid over selected areas highlighted from the Stockdale sampling. Seven of the eight areas tested were sampled using a Robinson helicopter (1058 samples). Of these eight programmes two produced anomalies worth following up (Hereford and Charolais). These were sampled on a 100m x 100m grid (510 samples and 308 samples respectively). These were carried out to define targets for angle RAB. Field visits to the region confirmed discrepancies with the BMR Outcrop Geology. Seven rockchips were taken during the field visits via a helicopter. There still remains an unexplained 543ppb Au rockchip.

3.2 Summary of Exploration within EL 1254

Exploration activities by the Joint Venture and Otter Exploration between 17/3/89 and 16/3/98 included:

3.2.1 17th March 1989 – 16th March 1992

- Aeromagnetic purchase from NTDME.
- Image processing of aeromagnetics.
- Aerial photographic data purchase.
- Regional traversing.
- Soil and rockchip sampling at the Crusade and Kokoda prospects.

3.2.2 17th March 1992 – 16th March 1993

- Gridding and geological mapping at Crusade totalling about 15.4 line kilometres.
- A soil orientation survey at Crusade along line 11000N, testing -20# fraction and a >1mm, <10mm fraction.
- Grid based soil sampling at Crusade, collecting 100m composites of the <10mm >1mm size soil fraction.
- Composite and selective rock chip sampling of veins at Crusade.
- Three fences of RC drilling (10 holes for 606m) at Crusade (CRC001-010).
- Gridding and geological mapping of approximately 6.7 line km at Kokoda.
- Soil and selected rock chip sampling at Kokoda along the new grid lines.

Significant drill results from the above work includes:

CRC004	2m @ 2.0g/t Au	58 - EOH
CRC002	2m @ 3.4g/t Au	15 - 17m
CRC010	3m @ 2.2g/t Au	6 - 9m

3.2.3 17th March 1993 – 16th March 1994

- Additional gridding, soil sampling and mapping in the Kokoda and Crusade grids.
- Re-sampling of three cross lines in the Crusade Grid area using a motorised auger.
- Regional soil sampling along 14 regional lines totalling 27.15km with 179 surface soil samples and 138 auger samples collected.

3.2.4 17th March 1994 – 16th March 1995

- Regional soil sampling traverses along two lines, totalling 1.3km; 10 samples analysed for low level Au by fire assay (FA3).
- A total of 10.8km of infill and extension gridding was completed within the Crusade and Kokoda grids.
- 46 soil samples were taken at 50 and 100m intervals at Kokoda and 49 samples were taken from Crusade and analysed for low level Au by fire assay (FA3).
- Two fences of three RC holes (KKRC01-06) totalling 624m were drilled on the Kokoda grid.
- Fourteen RC holes (CRC011-024) from surface and one re-entry of an old hole (CRC003) for a total of 1380m were drilled on the Crusade grid.
- All RC holes were sampled every metre and analysed for Au by fire assay (FA1).

Significant drill results from the above work includes:

KKRC05	10m @ 1.0g/t Au, 61 - 71m
CRC003 (re-entry)	25m @ 1.48g/t Au, 64 - 89m
CRC016	12m @ 3.19g/t Au, 72 - 84m
CRC017	14m @ 1.24g/t Au, 8 - 22m Au

3.2.5 17th March 1995 – 16th March 1996

- New grid line covering the Crusade and Kokoda grids. The base line has a magnetic orientation of 012° and extends from 2600N to 9640N.
- Ground magnetics using 3 magnetometers; readings taken at 5m spacings, 80 metres apart on the new grid. Results showed a N-S basaltic package underlain by a non magnetic unit. From 4500N to 5500N, break in magnetics occurs which is characterised by an intense zone of mineralisation and alteration indicating the destruction of magnetism by the mineralising fluid.
- Airborne magnetics fixed wing with lines flown E-W at 200 metre intervals.
- RAB drilling totalling 1604m to geochemically test geophysical anomalies interpreted from aeromagnetic data. Results indicate two broad, slightly anomalous zones (up to 4ppb).
- Geological mapping/rock chip sampling. Basalts and numerous quartz veins were mapped. Of the 31 rock chip samples taken in this part of the program, seven returned assays greater than 0.5g/t Au , including one at 3.88g/t Au.
- Reverse circulation drilling totalling 4476m, including 50 new holes from surface and three re-entrys, were drilled in the period. Also 446.6m of diamond drilling was carried out for 46 holes, enabling a reserve of 1.2 Mt @ 2.39g/t Au to be calculated.
- Petrology and petrography were also carried out on the mineralised and non-mineralised horizons.

- Metallurgical testing was carried out on the oxide and sulphide ores. The results showed the oxide ore amenable to heap leaching, with poor recoveries from the sulphide ore.

3.2.5 17th March 1996 – 16th March 1997

- An ultra-detailed aeromagnetic survey was conducted over the Supplejack tenement in October by UTS Geophysics in a fixed wing
- A total of 3332m of posthole RAB were drilled on eight lines (holes SJPH208-388) with a sample spacing of 50m. The programme was designed to follow up previous geochemical anomalies and to test areas of structural discontinuity identified from aeromagnetic images.
- RC drilling was designed to close up drillhole spacing to 40mx40m within the central part of the Crusade deposit and to check for extensions of the mineralisation to the south and north. Results from the RC programme suggest that there has been some remobilisation of Au within the top 50-70m around the main ore zone:

2m @ 5.50g/t Au	(CRC075; 73 - 75m)	4840mN
2m @ 1.56g/t Au	(CRC075; 83 - 85m)	4840mN
14m @ 0.99g/t Au	(CRC078, CDH17; 10 - 24m)	4840mN
10m @ 1.17g/t Au	(CRC078, CDH17; 104 - 114m)	4840mN
11m @ 1.72g/t Au	(CRC079, CDH08; 95 - 106m)	4840mN
23m @ 0.79g/t Au	(CRC081; 0 - 23m)	4720mN
2m @ 3.72g/t Au	(CRC082; 38 - 40m)	4720mN
18m @ 0.83g/t Au	(CRC082; 62 - 80m)	4720mN
3m @ 1.38g/t Au	(CRC087, CDH09; 73 - 76m)	4880mN
2m @ 3.36g/t Au	(CRC090; 63 - 65m)	4640mN
4m @ 3.83g/t Au	(CRC093; 47 - 51m)	4560mN
2m @ 1.40g/t Au	(CRC094; 87 - 89m)	4560mN

- A diamond hole from surface (CDH007; 149.9m) was drilled for metallurgical tests on -the oxide material. The oxide material will be subjected to leach tests by Oretest Pty Ltd, including a column leach test.
- A detailed diamond drilling programme was conducted over prospective areas, the best results of which were:

19m @ 4.31g/t Au	(CDH 008; 108-127m)	4840mN
6m @ 4.35g/t Au	(CDH 008; 134-140m)	4840mN

- Ten RC holes were drilled at Kokoda (KKRC007-016) to follow up previous RC drilling and geochemical anomalies.
- Wide zones of low grade anomalism were found in conjunction with several narrow higher grade intercepts in KKRC07-08. Results along the same trend from the recent drilling include:

1m @ 3.11g/t Au	(KKRC07, 59-60m)
2m @ 1.33g/t Au	(KKRC07, 70-72m)
2m @ 0.72g/t Au	(KKRC08, 17-19m)

3.2.6 17th March 1997 – 16th March 1998

A regional posthole pattern drilling programme (400m x 400m) was conducted over EL1254 between April and June. The results of the regional drilling have enabled a more detailed understanding of the geology and regolith. Gold values from the unconformity peaked at 42ppb within the Kokoda area. Background results at Kokoda were between 1ppb and 13ppb Au. Kokoda also produced a 49ppb sample 3 (bottom of hole) result and a 63ppb quartz vein result.

Infill posthole programmes were conducted over the Lucifer and Cerberus prospects during 1997. While the Lucifer infill defined no significant anomalism, the Cerberus-Kokoda results showed much promise. Outstanding results from the Cerberus area include a 532ppb, and 123ppb surrounded by lower order anomalies (1-20ppb). The Kokoda region was characterised by results between 1 and 20ppb.

An angled RAB programme was drilled in the Supplejack region, inclusive of the prospects Cerberus, Lucifer, Kokoda and untested areas of Crusade (Figure 3.0). The programme included eight fences, with a total of 41 holes. Significant results were:

4m @ 1.59 g/t	(SJRB009, 38-42m)
6m @ 0.72 g/t	(SJRB014, 62-68m)
4m @ 0.78 g/t	(SJRB016, 32-36m)
4m @ 1.25 g/t,	(SJRB026 6-10m)
2m @ 7.20 g/t,	(SJRB034, 38-40m)
4m @1.27 g/t,	(SJRB034, 30-34m)
6m @ 0.85 g/t	(SJRB033, 46-52m)

A comprehensive gravity survey, the aim of which was to identify a geophysical signature representing the Crusade deposit, was conducted at Supplejack during 1997. The survey and data interpretation was undertaken by Benjamin Bell as part of his Masters Thesis *Geophysical Investigation of the Crusade Deposit*. The result of this survey was that the gravity and magnetic response were found to mimic one another.

3.3 Summary of work completed within EL 10397

Previous sampling was completed by Stockdale Prospecting. Regional loam samples were taken in the search for diamonds. Additional surface samples were taken and kept for each site a loam sample was taken. These samples were taken separately from the loam samples in ‘geochem’ packets to a depth that did not exceed 20 centimetres. The samples were taken on two kilometre by two kilometre grid. These samples were purchased by Otter Gold NL and sampled with the ALS ZARG technique (0.1ppb Au detection). There were no significant results returned in regard to the geological cover.

612650 mE | 612750 mE | 612850 mE | 612950 mE | 613050 mE | 613150 mE | 613250 mE | 613350 mE | 613450 mE

7883900 mN | 7883700 mN | 7883500 mN | 7883400 mN | 7883300 mN | 7883200 mN | 7883100 mN | 7883000 mN | 7882900 mN | 7882800 mN | 7882700 mN | 7882600 mN | 7882500 mN

CRC044
CRC043
CRC042
CRC041
CRC009
CRC010
CRC046
CRC045
CRC040
CRC039
CDH015
CRC074
CRC037
SJRB032
SJRB033
SJRB034
SJRB035
SJRB036
CRC050
CDH018
CRC048
CRC006
CRC047
CDH019
CRC007
CRC099
CRC008
CRC098
CRC015
CDH006
CDH010
CRC097
CRC026
CDH020
CRC025
CDH016
CRC063
CDH009
CRC077
CRC062
CDH003
CRC076
CRC061
CDH002
CDH008
CDH017
CDH001
CRC086
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CRC075
CRC085
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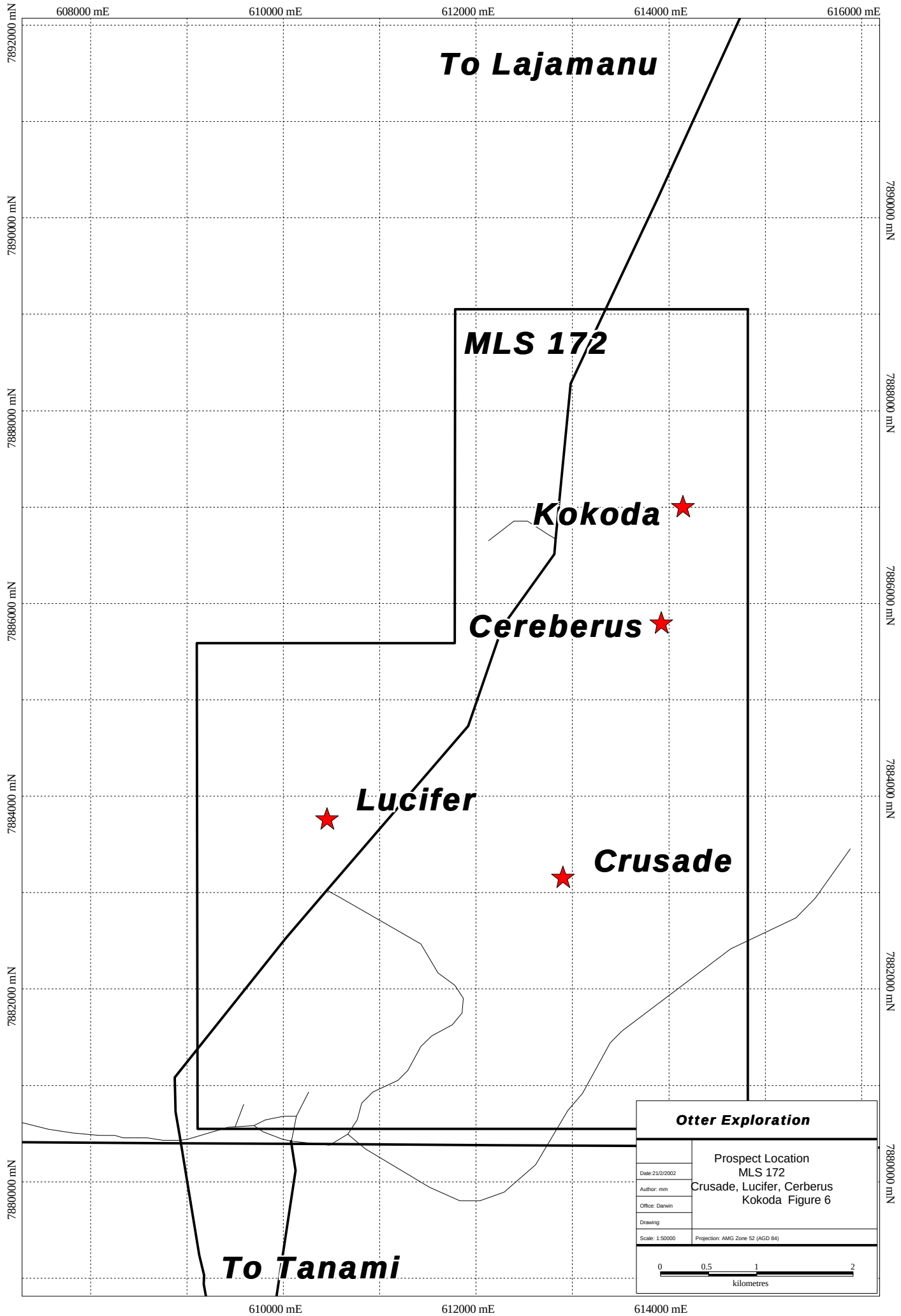
CRC028
CDH013
CRC036
CDH011
CRC066
CRC051
CRC082
CRC070
CRC081
CDH012
CRC080
CRC054
CRC053
CDH014
CRC052
CRC090
CRC089
CRC071
CRC017
CRC030
CRC018
CRC094
CRC019
CRC073
CRC093
CRC072
CRC092
CRC056
CRC055
CRC096
CRC095
CRC057
CRC060
CRC059
CRC058
CRC035
CRC034
CRC031
CRC032
CRC033

Otter Exploration

Crusade Hole Locations
within MLS 172 Figure 5

Date:21/2/2002
Author: mm
Office: Darwin
Drawing:
Scale: 1:2000
Projection: AMG Zone 52 (AGD 84)

0 25 50 100
metres


608000 mE
610000 mE
612000 mE
614000 mE
616000 mE
7892000 mN
7890000 mN
7888000 mN
7886000 mN
7884000 mN
7882000 mN
7880000 mN
To Lajamanu
MLS 172
Kokoda
Cereberus
Lucifer
Crusade
To Tanami
Otter Exploration
Prospect Location
MLS 172
Crusade, Lucifer, Cerberus
Kokoda Figure 6
Date:21/2/2002
Author: mm
Office: Darwin
Drawing:
Scale: 1:50000
Projection: AMG Zone 52 (AGD 84)
0
0.5
1
2
kilometres

560000 mE

580000 mE

600000 mE

7880000 mN

7860000 mN

EL9684_Geochem
Au (ppb)
0.5 to 1
0.3 to 0.5
0.2 to 0.3
0.1 to 0.2
0 to 0.05

Otter Exploration

Central Desert Joint Venture
EL 9684 - Suplejack Pastoral
First phase Stockdale samples
over geochemistry
Figure 7

Date:4/3/2001

Author:

Office: Darwin

Drawing:

Scale: 1:125000

Projection: AMG Zone 52 (AGD 84)

0 2 4 8
kilometres

4.0 WORK COMPLETED ON SEL 10319 and EL 10397 during 2001

4.1 Work completed on SEL 10319 from 23rd January 2001 to 22nd Jan 2002.

Work completed on SEL 10319 involved the assessment of geochemical targets and ranking them within the whole of Otter Gold NL Targets. The Fractal graphics 'worming' (multiscale edge analysis technique) was completed over the eastern half of this lease with cursory analysis of the geophysical processes output.

4.2 Work Completed on EL 10397 from 3rd May 2001 to 2nd May 2002.

Work completed on EL 10397 involved the assessment of geochemical targets and ranking them within the whole of Otter Gold NL targets.

5.0 EXPENDITURE

Expenditure for EL 10397 is unable to be presented as the first Annual report is due on the 3rd of May 2002. These figures will be forwarded as soon as practicable.

Expenditure for SEL 10319 is unable to be reported because of accounting difficulty associated with the takeover of Otter Gold NL by Normandy NFM. It is envisaged when Normandy NFM receive the accounts and the tenements/reporting people can access the data – the expenditures will be forwarded to the Department of Mines and Energy.

6.0 PROPOSED EXPENDITURE

6.1 Proposed Programme & Expenditure for SEL 10319 for 23rd January 2002 – 22nd January 2003.

Work through the 2002 to 2003 year will involve analysis of the data by Normandy NFM staff. Work will probably centralise around the old EL 1254 region where targets have been identified by Otter staff. It hoped a phase of follow up posthole drilling and surface sampling (where appropriate) will occur. Along with a more indepth analysis of worm data provided by Fractal Graphics (multiscale edge analysis of the geophysical data available. It is proposed that approximately **$19,750** will be spent on this EL during the next year.

6.2 Proposed Programme & Expenditure for EL 10397 for 3rd May 2002 – 2nd May 2003.

Work through the 2002 – 2003 year will involve analysis of the data by Normandy NFM staff. Work will probably centralise around the surface sampling completed by Stockdale and assayed by Otter Gold NL. It is hoped during the next year a site visit will occur in this region and possibly a posthole walkabout to more accurately determine regolith profiles within the region. It is proposed that approximately **$10,000** will be spent on this EL during the next year.

7.0 REFERENCES

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