OTTER GOLD N.L.

TANAMI REGION
NORTHERN TERRITORY

SECOND ANNUAL REPORT

For

EXPLORATION LICENCES

EL 8602
EL 9537
EL9538
EL 9539
EL 9540
EL 9578
EL9761

24th JULY 2001 to 23rd JULY 2002

McFarlane Agreement

Compiled By: **M.Muir**

DISTRIBUTION:
NT Dept. Business, Industry & Resource Development
Newmont Exploration

OTTER GOLD NL

TITLE: ANNUAL REPORT FOR ELs 8602, 9537, 9538, 9539, 9540, 9758, 9761

PERIOD: 24th July 2001 to 23rd July 2002

COMPILED BY: Maryanne Muir

LOCATION: GRANITES 1:250,000 SF 52-3

COMMODITY: GOLD

DATE: AUGUST 2002

SUMMARY

This is the second annual report for tenements of the McFarlane Agreement (ELs 8602, 9537, 9538, 9539, 9540, 9758, 9761). Tenements were granted on the 24/07/00.

Activities completed during the reporting period include drilling targets generated from the regional surface sampling programme within EL 8602 (Blackcat anomaly). Other work involved the use of the Fractal graphics multiscale edge analysis (worming) to remotely detect targets.

All of the area covered by the subject ELs remains under OGNL title and therefore details covered in this report should remain on **CLOSED FILE.**

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1.0 INTRODUCTION

This report contains details of exploration activities conducted within ELs 8602, 9537, 9538, 9539, 9540, 9578 & 9761 for the period 24th July 2001, to 23rd July 2002. These tenements are part of the McFarlane Agreement and thus the tenements are regarded as a single area for the purposes of reporting.

1.1 LOCATION AND ACCESS

The tenements are located approximately 650km northwest of Alice Springs along the Tanami Track (Figure 1).

Main access to the tenements is by the Tanami Track. Tenements to the west use tracks established by the Normandy North Flinders (now Newmont) Team and Delta Gold. Access to tenements in the east is via the Tanami Downs Road and then station tracks. EL 9761 is accessible from the Tanami Mine Jims Haul Road and then exploration tracks within SEL10186. Access to most areas is limited during the wet season (December to April).

1.2 TENEMENT STATUS

The following table details relevant information relating to tenement status:

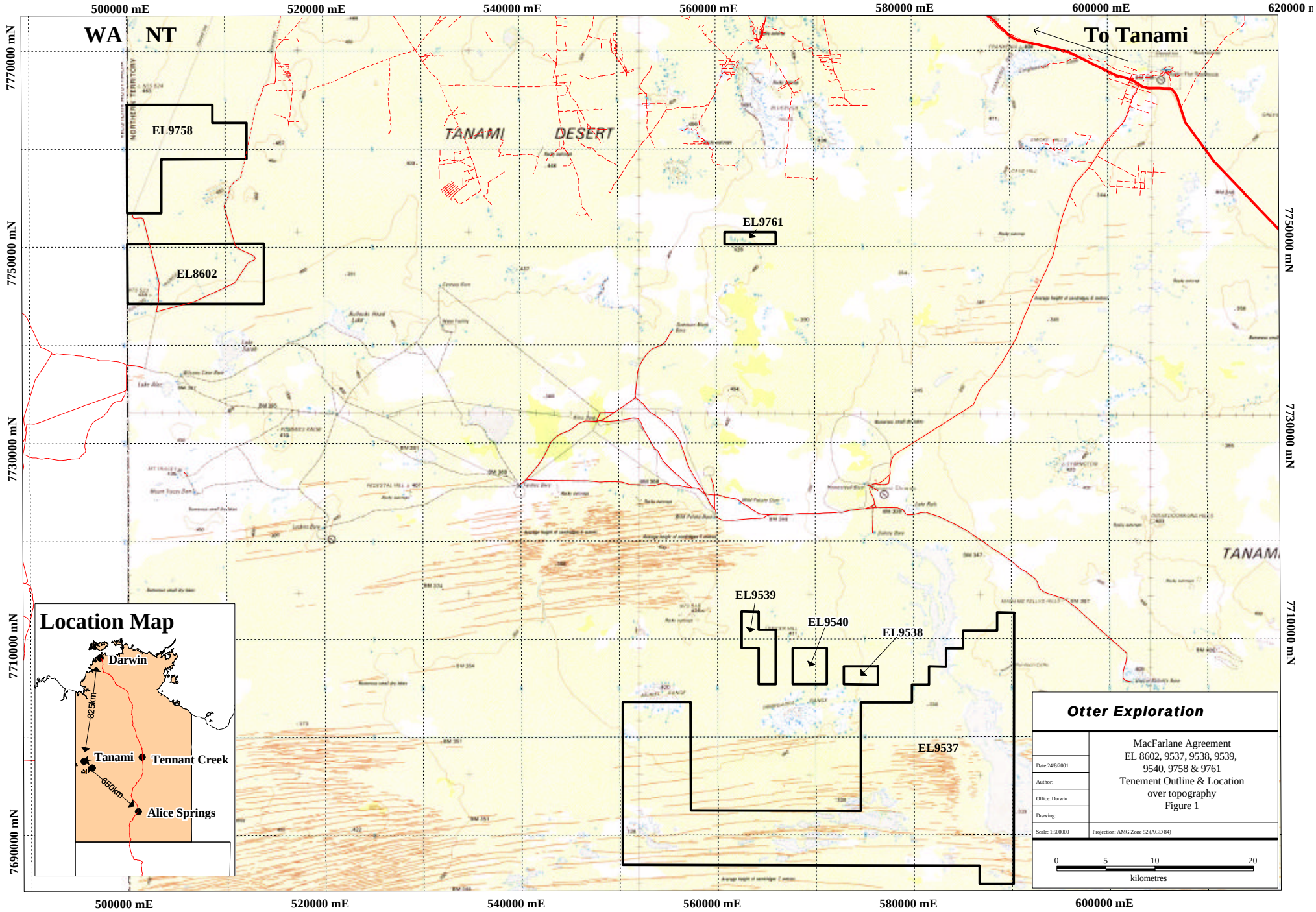
Tenement	Year	Area(sq km)	Blocks	Rent ($)	Covenant ($)
EL 8602	2/6	85	32	640	40,000
EL 9537	2/6	538	168	3360	15,000
EL 9538	2/6	6	2	40	8,000
EL 9539	2/6	16	5	100	8,000
EL 9540	2/6	13	4	80	8,000
EL9578	2/6	80	25	500	12,000
EL 9761	2/6	6	3	60	8,000

Table 1. Tenement Status

1.3 EXPLORATION HISTORY

Initial investigations of the Tanami area were conducted by Davidson (1905) who discovered gold-bearing quartz reefs on the 10th of August, 1900. The reefs were mined between 1902 and 1908. Mining was restricted to the wet season however, due to lack of permanent water.

A gold rush was precipitated by the discovery of slab of stone containing an estimated 180oz of gold in 1909. The rush continued until 1913 when up to 200 men were working the field. Intermittent exploration and mining was conducted between 1913 and 1938, including the construction of an amalgamation plant in 1927. No official exploration was conducted in the Tanami Desert between 1938 and 1965.


500000 mE
520000 mE
540000 mE
560000 mE
580000 mE
600000 mE
620000 mE
7770000 mN
7750000 mN
7730000 mN
7710000 mN
7690000 mN
WA
NT
To Tanami
TANAMI DESERT
EL9758
EL8602
EL9761
EL9539
EL9540
EL9538
EL9537
TANAMI
Location Map
Darwin
825km
Tanami
Tennant Creek
650km
Alice Springs
Otter Exploration
MacFarlane Agreement
EL 8602, 9537, 9538, 9539,
9540, 9758 & 9761
Tenement Outline & Location
over topography
Figure 1
Date:24/8/2001
Author:
Office: Darwin
Drawing:
Scale: 1:500000
Projection: AMG Zone 52 (AGD 84)
0 5 10 20
kilometres

In 1985, Harlock Pty. Ltd. commenced exploration within the Tanami mining leases which led to the commencement of open pit mining in mid-1987 (Nicholson, 1990). Zapopan NL acquired the ground and continued mining until March 1994.

Otter Gold Mines Pty. Ltd. was granted access to explore around the mine site in 1989. Low-level Au anomalism was discovered in late 1989, which lead to the identification of the highly anomalous Redback Rise area. The Dogbolter and Jim's Find prospects were also identified by the Otter screening process.

In September 1990, the Shell Company of Australia Ltd. (Shell) entered into a joint venture with Otter. Management of the project was entrusted to Shell. In August 1993, Shell completed their earning phase (50%) by spending $5 million on exploration. In October 1994, a new joint venture was formed between Otter Gold NL and Acacia Resources Ltd. as a result of Shell divesting its mineral assets. The new joint venture is known as the Central Desert Joint Venture (CDJV), with participating interests 60% Otter and 40% Acacia (currently owned by Anglogold Australasia and known as Anglogold). Otter Gold NL assumed management of the project.

1.4 TRANSFER OF OWNERSHIP

In December 2001 – January 2002 Normandy NFM gained a controlling interest in Otter Gold NL, the Normandy NFM team took control of Mining Leases and Exploration ground. The ore from the Normandy NFM discovery - Groundrush was transported to the Tanami Mine for crushing and milling. By May 2002 Newmont Gold had taken over Normandy and had a controlling interest in Normandy NFM and Otter Gold NL.

1.5 WORK COMPLETED BY OTTER PRIOR TO JULY 2001

Regional surface samples were taken at EL 8602 (487 – high 6.2ppb Au), EL 9537 (245 – high of 0.6ppb Au), EL9538 (21– high of 0.4ppb Au), EL9539 (49), EL9540 (58– high of 0.4ppb Au) and EL 9758 (168). Regional bulk samples were taken on a standard 500m x 500m grid using a Robinson helicopter. These were later sieved to –200 microns and 150 gramme samples were sent to ALS to be assayed for ultra low-level Au (0.1 ppb) using the ZARG method.

Infill sampling (339 samples) was commenced over the Blackcat prospect but not all samples were assayed (should be reported this year). Rockchips taken while surface sampling over the Blackcat prospect returned high grade results (7g/t Au and 1g/t Au).

During the mid-November to December period of 2000 a regional scale aeromagnetic survey was conducted over ELs 8602 and 9761. The survey was part of the Deep Cover Programme instigated by Otter to determine methods of exploring under transported cover.

2.0 REGIONAL GEOLOGY

The Granites-Tanami Block is bound to the west by the Canning Basin, and to the east by the Wiso Basin. It is considered to be one of the western-most Palaeoproterozoic inliers of the North Australian Orogenic Province, developed during the Barramundi Orogeny (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 (Hendrickx et, al., 2000). The stratigraphy outlined by Blake et al (1979) has had some significant modifications (Table 2).

<table>
<tr><th colspan="7">Blake et al (1979)</th><th colspan="4">Hendrickx 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">Supplejack Downs Sandstone</td></tr>
<tr><td colspan="5">Talbot Well Formation</td><td>Talbot Well Formation</td></tr>
<tr><td colspan="5">Gardiner Sandstone</td><td>Gardiner Sandstone</td></tr>
<tr><td colspan="7">Supplejack Downs Sandstone</td><td rowspan="3">Pargee Sandstone</td><td colspan="2" rowspan="3">Nanny Goat Creek Volcanics
Mount Winnecke Group
Mount Charles Formation</td></tr>
<tr><td colspan="7">Mount Winnecke</td></tr>
<tr><td colspan="7">Pargee Sandstone</td></tr>
<tr><td rowspan="2">Tanami Complex</td><td rowspan="2">Mt. Charles Beds</td><td rowspan="2">Killi Killi Beds</td><td rowspan="2">Nanny Goat Creek Beds</td><td rowspan="2">Nongra Beds</td><td rowspan="2">Helena Creek Beds</td><td rowspan="2">Tanami Group</td><td>Killi Killi Formation</td><td>Twigg Formation</td></tr>
<tr><td>Dead Bullock Formation</td><td></td></tr>
<tr><td colspan="6" rowspan="2">Archean</td><td>McFarlane Peak Group</td><td colspan="2"></td></tr>
<tr><td colspan="3">Browns Range Metamorphics
"Billabong Complex"</td></tr>
</table>

Table 2. Comparison of stratigraphic nomenclature (Hendrickx et al, 2000).

The oldest rocks of Archean age belong to the Billabong Complex and the Browns Range Metamorphics.

Lying unconformably above the Archean basement is the palaeoproterozoic McFarlane 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.

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 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.

The Mt Winnecke 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 or 4 units with Gardiner Sandstone at the base, overlain by Talbot Well Formation and Coomarie Sandstone. The Suplejack Downs sandstone is interpreted to belong to this group but is relationship is unclear.

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.

3.0 EXPLORATION 24TH JULY 2001 TO 23RD JULY 2002

3.1 EL8602 SURFACE SAMPLING

During November 2000 a 50 metre by 50 metre programme was designed to cover the area of anomalism but only half of the 339 sample programme were completed due inclement weather. The programme was completed in July 2001. But results were not obtained till October 2001 due budgetry problems within Otter Gold NL. Once received, the results defined a north westerly orientated anomaly within the programme with a high of 33ppb Au and several results in the 10 pbb Au bracket. The samples were taken from between 10cm to 30cm from the surface with a 200 micron sieve and were sent again to the ALS Labs in Perth for ZARG analysis. Samples were from what appeared to be from upper saprolite interpreted to be Killi Killi Beds sediment or shallow sand cover. Significant quartz veining and float was again noted across the region. Rockchips taken while surface sampling were significant where they correlated with highs in the surface sampling programme (ie 7.6 g/t Au rockchip {scattered quartz float} around where a 33ppb Au surface sample occurred – reported last year). Drilling was planned around this anomalism to ascertain the significance of this anomalism. See Figures 2 & 3.

499800 mE
500200 mE
500600 mE
501000 mE
501400 mE
7747000 mN
7746600 mN
7746200 mN

Area sampled at 50mx50m during the 2001 field season

BCRB012
BCRB007
BCRB011
BCRB006
BCRB010
BCRB005
BCRB009
BCRB004
BCRB008
BCRB003
BCRB002
BCRB001

RAB HOLES DRILLED DURING THE 2001 FIELD SEASON

Otter Exploration

EL8602
Blackcat Anomaly
Surface sampling Locations
Figure 2

Date:22/9/2002
Author:
Office: Darwin
Drawing:
Scale: 1:5000
Projection: AMG Zone 52 (AGD 84)

0 50 100 200
metres

499800 mE
500200 mE
500600 mE
501000 mE
501400 mE
7747000 mN
7746600 mN
7746200 mN

Area sampled at 50mx50m during the 2001 field season

Blackcat_collars_November_2001 by Au_PPB

5	to	5,000	
1	to	5	
0.5	to	1	
0.2	to	0.5	
0.1	to	0.2	
0.05	to	0.1	
0	to	0.05	
all others			

BCRB012
BCRB011
BCRB007
BCRB006
BCRB010
BCRB005
BCRB009
BCRB004
BCRB008
BCRB003
BCRB002
BCRB001

RAB HOLES DRILLED DURING THE 2001 FIELD SEASON

Otter Exploration

Date: 22/9/2002	EL8602 Blackcat Anomaly Surface sampling Results Au (ppb) Figure 3
Author:	
Office: Darwin	
Drawing:	
Scale: 1:5000	Projection: AMG Zone 52 (AGD 84)

0 50 100 200
metres

3.2 EL8602 PHASE ONE DRILLING

During October 2001 a drill programme of approximately 2000 metres was designed around the north west orientation of the anomalism. Three fences 100 metres apart were designed to cover the most significant section of the anomaly – including the 7.6 g/t Au rockchip. Holes were drilled to the north towards AMG 030. Roughly *half* (approximately 800 metres) of this programme was completed – again cut short by the onset of the stormy season. From the one and half fences completed several lower grade significant intercepts were obtained from two metre composites of Angle RAB samples. These include (Approximate 0.2g/t Au significant intercept):

BCRB010	64m to 72m	8m @ 0.74g/t Au
BCRB005	12m to 20m	8m @ 1.00g/t Au
BCRB003	34m to 40m	6m @ 0.86g/t Au

Anomalism is apparently related to the quartz veining or rheological contacts. The anomalism appears on the edges of major veins and could possibly be disjointed due to faulting within the district. Also thinner bands of anomalism are found between coarser and finer grained metamorphosed sediments. Quartz veining? was also noted when the water table was encountered at approximately 40 metres to 50 metres.

The geology within the region was seen as predominantly micaceous foliated metamorphosed sediments, along with carbonaceous sediments. Felsic intrusives were also noted. See Figure 4 for location of holes.

3.3 EL8602 PHASE TWO DRILLING

The Phase Two drilling programme was completed during mid June and involved the completion of 32 Angle RAB holes (BCRB 013 – BCRB 044). Depths achieved were between 30 metres and 63 metres.

Significant quartz veins were again intercepted in all three fences. The geology was consistent – with metamorphosed micaceous, foliated sediments being predominant. Larger felsic intrusions were also noted in the outer fences. Black carbonaceous sediments (both coarse and fine) were identified but were not associated with significant quartz veining.

During the second phase of drilling a quartz vein, grey in colour was noted and GPS points were used to pick up approximate areas of the veining. See figure 4. It appears that the quartz is in a semi continuous vein possibily disrupted by quartz veining. These veins were orientated in a south easterly direction and were up to three metres wide in places over approximately ten metres in length. Significant veining was intercepted in associated RAB holes. The veining was described as grey vitreous, massive quartz with hairline hematitic veins. In one of the subcrops the veining appeared to be folded.

A brief look at the results seems to indicate that there are two zones running in an 'east west' direction that may have been disrupted by faulting. The northern zones seems to have a zone of approximately 3m running at around 6g/t Au (relatively near surface) –

500150 mE 500250 mE 500350 mE 500450 mE 500550 mE 500650 mE 500750 mE 500850 mE 500950 mE 501050 mE

7746950 mN 7746850 mN 7746750 mN 7746650 mN 7746550 mN 7746450 mN 7746350 mN

Red triangle indicates location of major grey quartz vein

Blackcat_collars_November_2001 by Au_PPB

5	to	5,000	
1	to	5	
0.5	to	1	
0.2	to	0.5	
0.1	to	0.2	
0.05	to	0.1	
0	to	0.05	
all others			

BCRB039 BCRB038 BCRB037 BCRB036 BCRB035 BCRB034 BCRB033 BCRB032 BCRB031 BCRB030 BCRB029 BCRB028 BCRB027 BCRB026 BCRB025 BCRB024 BCRB012 BCRB011 BCRB010 BCRB009 BCRB008 BCRB007 BCRB006 BCRB005 BCRB004 BCRB003 BCRB002 BCRB001 BCRB043 BCRB042 BCRB041 BCRB044 BCRB040 BCRB023 BCRB022 BCRB021 BCRB020 BCRB019 BCRB018 BCRB017 BCRB016 BCRB015 BCRB014 BCRB013

Otter Exploration

	EL 8602 *Blackcat Prospect* *Nov 2001 & Jun 2002* *RAB drilling over geochemistry* *(Au ppb)* *Figure 4*
Date:23/9/2002	
Author: mm	
Office: Darwin	
Drawing:	
Scale: 1:2500	Projection: AMG Zone 52 (AGD 84)

0 25 50 100
metres

which spreads out to 12m @ 1 to 2 g/t Au. This zone appears to be associated with a major grey quartz vein.

The southern zone varies having 12m @ 2.3g/t Au to 3m @ 1.35g/t Au. This zone appears to be related to +1g/t Au rockchip taken in the area.

Significant Intercepts include

BCRB 014	12m @ 2.3g/t Au 24-36m
BCRB 019	12m @ 2.4g/t Au 0-12m
BCRB 026	3m @ 1.35g/t Au 0-3m
BCRB 030	3m @ 1.37g/t Au 6-9m
BCRB 031	6m @ 0.43g/t Au 36-43m
BCRB 032	12m @ 1.05g/t Au 18-31m *
BCRB 039	12m @ 0.87g/t Au 15-27m
BCRB 041	3m @ 1.52g/t Au 36-39m
BCRB 041	3m @ 0.45g/t Au 42-45m
BCRB 041	3m @ 1.2g/t Au 45-48m
BCRB 044	3m @ 0.42g/t Au 6-9m

*included in this sample are an orig @ 1.74g/tAu 18-22m, the dup over a 2m interval was 7.14g/tAu 20-22m. Note the hammer went on at 20m.

Please note these significant intercepts are hand calculated…..

3.4 WORM ANALYSIS REGIONAL TARGETS

Second year work programmes were put on hold within ELs 9537, 9538, 9539, 9540, 9578 & 9761, with the change of control in Otter Gold work priorities needed to be assessed. Second year work prior to takeover involved remote discrimination of targets using the enhanced geophysical technique multiscale edge analysis (worming) process as developed by Fractal Graphics over the Tanami Region and as discussed in the previous years Annual Report. See Figure 5 for a 2D view of the 3D Frac view diagram. See Figure 6 for potential targets generated by the criteria.

Targets within the McFarlane Agreement Exploration Licences were described in a table format that roughly equates to the following:

Targets OT5/14 – The target has been identified through geochemical means (is the Blackcat anomaly). The area is described as multiple quartz veins types (milky through to grey high temperature veins). The region has potential for Muriel Range sandstone cover with basement of Killi Killi Beds/granites. The regolith is insitu generally and considered ideal for surface sampling. The worms describe the area as having an extremely weak change from yellow to green after linear colour stretches ie the anomaly would have been difficult to discern without geochemistry – as there were no worms – blank - this could indicate activity as well.

Target 12 – Worm 12 is described as Fe-rich stratigraphy (Dead Bullock Soak Formation) on granite margin. The area is seen to be under transported cover. The worms show no apparent decrease. The anomaly is less than a kilometer form a granite and lies adjacent to a N-S oriented major fault. Within a major N - S oriented structural corridor with several lower order faults, although none obviously intersect this zone.

Target 13 – The area is located in Dead Bullock Soak Formation / granite basement. The region is partially covered in transported material (sands). Worming tells us that in this region there is a minor decrease over stratigraphy. The anomaly is less than 1km from a NW oriented major structure. Anomaly appears to trend NNW and is bound at one end by a NE oriented structure parallel to and approx 1km outboard of the granite margin.

Target OTH4 – This anomaly has been derived from other company data obtained from the Geological Survey in the Northern Territory. Otter Gold regional surface sampling shows weak anomalism at 0.4ppb Au. The area has been previous sampled by Delta Gold as posthole/surface samples and sampled for multielements. The worms are present and display a break in a NE orientation. The anomaly is 1km north east of major north west structure. Granites are in close proximity.

Target OT3 – OT3 has been derived from Otter Gold regional 500m x 500m surface sampling – the anomalism is between 0.2 - 0.6ppb Au. There is potential for Muriel Range sandstone cover. The area has been visited - quartz veining near contact of Muriel Range sandstone & granite - granite not sited, NTGS samples nearby TAN99AD310R1, TAN99AD311R1, TAN99AD310R2 describe a felsic intrusive. The worms describe a weak change - over an apparent north west structure. The anomaly is around the Inningarra Suite (Pgo) a Biotite, hornblende granodiorite; I-type: variably magnetic. - Intrusive Pluton.

Target OT4 – is found in sand dune country. 500mx500m 200um sieve samples over a 4kmx4km anomalism between 0.2 - 0.5ppb Au. Basement is potentially granite with the possibility of Antrim Plateau Basalt cover. No fine scale worms exist over this region.

Target 1 – is described as a major fault intersection with granite margin. Basement is considered to be Killi Killi Beds / Granite with transported sand/alluvial cover. This anomaly lies at the intersection of two granites of the Frankenia Suite. The granites are separated by a NW - trending major shear zone. The southern margin of the northern granite body appears to have a different lithology wrapped around it. The worms describe only a single worm group appearing to diminish in intensity over an interval of 500m in an E - W direction. Otter did not pick up any anomalous regional (500mx500m) surface geochemistry in these regions.

Target 48 - Basement is considered to be Killi Killi Beds / Granite with transported sand/alluvial cover. The area is described as a fault hosting known prospect (?Twin Bonanza). The worms only displays a weak change in intensity. The anomaly lies along WNW oriented splay that adjoins 2 major NW oriented faults and is approximately 1 - 2km from the nearest major structure. Otter did not pick up any anomalous regional (500mx500m) surface geochemistry in these regions.

500000 mE 510000 mE 520000 mE 530000 mE 540000 mE 550000 mE 560000 mE 570000 mE 580000 mE 590000 mE

7765000 mN 7755000 mN 7745000 mN 7735000 mN 7725000 mN 7715000 mN 7705000 mN

EL9758

EL8602

EL9761

EL9539

EL9540

EL9538

EL9537

WA NT

Tanami Mine

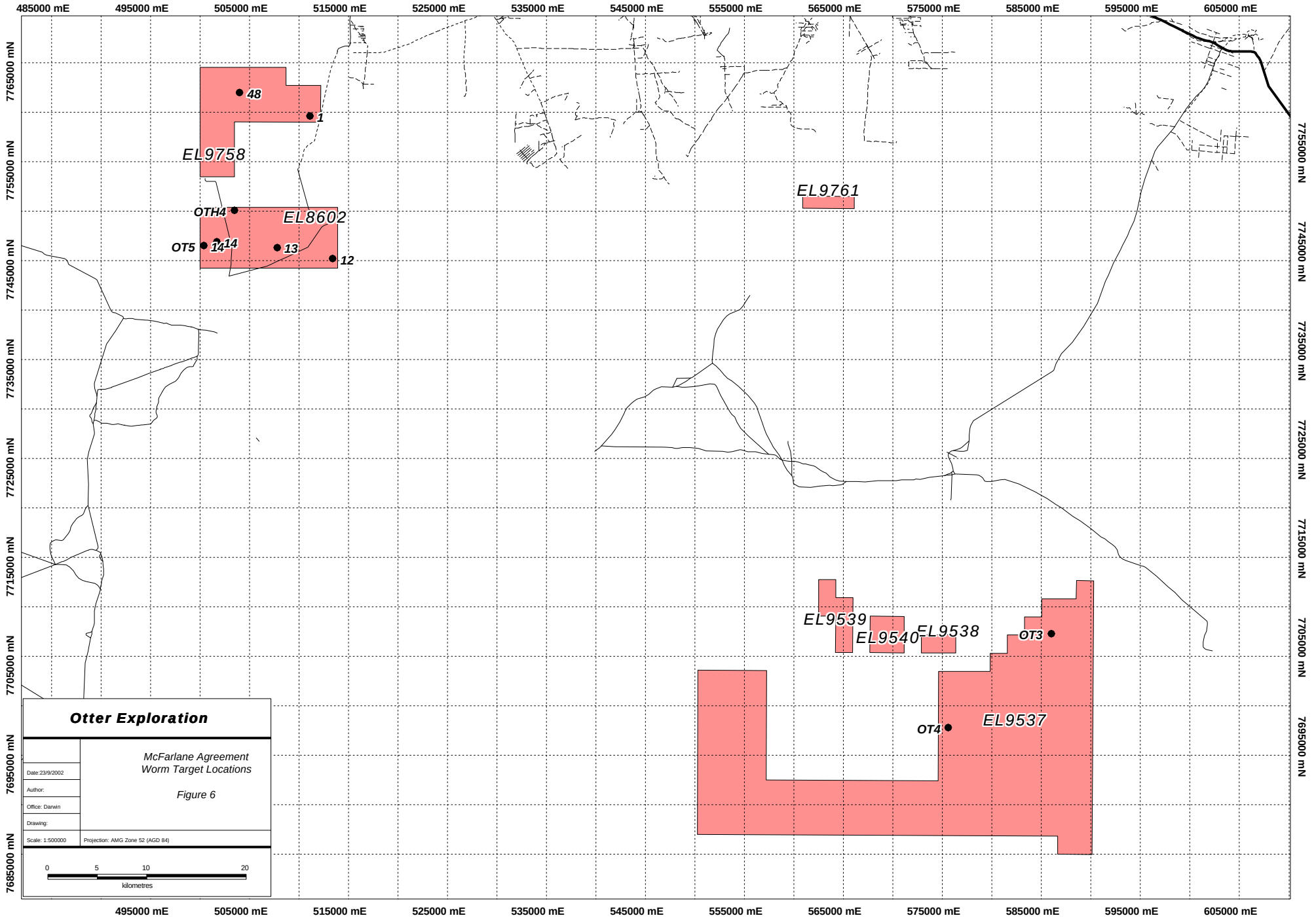
Area of Interest

LOCATION MAP

Otter Exploration

	Otter Gold NL Frac Viewer Worm Image over the Tenement Outline Figure 5
Date:28/8/2001	
Author: mm	
Office: Tanami	
Drawing:	
Scale: 1:250000	Projection: AMG Zone 52 (AGD 84)

500000 mE 510000 mE 520000 mE 530000 mE 540000 mE 550000 mE 560000 mE 570000 mE 580000 mE 590000 mE


485000 mE
495000 mE
505000 mE
515000 mE
525000 mE
535000 mE
545000 mE
555000 mE
565000 mE
575000 mE
585000 mE
595000 mE
605000 mE
7765000 mN
7755000 mN
7745000 mN
7735000 mN
7725000 mN
7715000 mN
7705000 mN
7695000 mN
7685000 mN
48
1
EL9758
OTH4
EL8602
OT5
14
14
13
12
EL9761
EL9539
EL9540
EL9538
OT3
OT4
EL9537
Otter Exploration
McFarlane Agreement
Worm Target Locations
Figure 6
Date:23/9/2002
Author:
Office: Darwin
Drawing:
Scale: 1:500000
Projection: AMG Zone 52 (AGD 84)
0
5
10
20
kilometres

4.0 EXPENDITURE 2001-2002

The expenditure on individual tenements is summarised in Table 3.

TABLE 3 Expenditures for McFarlane Agreement 2001 – 2002.

	EL 8602	**EL 9537**	**EL 9538**	**EL 9539**	**EL 9540**	**EL9758**	**EL 9761**
Salary & Wages	$11453.99	$1066.36	$355.45	$355.45	$355.45	$355.45	$355.45
General Administration	$2935.26	$122.99	$41.00	$185.55	$185.55	$185.55	$185.55
Camp Allocations	$658.61	-	-	-	-	-	-
Survey	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-
Light Vehicles alloc	$488.63	-	-	-	-	-	-
Geology - Consultants	-	-	-	-	-	-	-
Geology - Contractor	-	-	-	-	-	-	-
Drilling _RAB	$22015.60	-	-	-	-	-	-
Geochemistry	-	-	-	-	-	-	-
Assaying - RAB & Other	$11984.25	-	-	-	-	-	-
Petrology - Consultants	$700.00	-	-	-	-	-	-
Geophysics - Consultants	$2000.00	-	-	-	-	-	-
Aeromagnetics	-	-	-	-	-	-	-
Gravity	-	-	-	-	-	-	-
Covenant	*$40,000*	*$15,000*	*$8,000*	*$8,000*	*$8,000*	*$12,000*	*$8,000*
Total	**$52236.33**	**$1189.35**	**$396.45**	**$541.00**	**$541.00**	**$541.00**	**$541.00**
Costs excluded from Total Expenditure							
Tenements Fees / Rentals	$4480.00	$3360.00	$20.00	$60.00	$60.00	$260.00	-
Tenement Consultants	$230.81	$230.81	$230.81	-	$230.82	$230.80	$230.82
CLC Compensation	$2165.38	$2175.39	$2175.39	$2175.39	$2175.39	$2175.39	$2175.39
CLC Meetings	-	-	-	-	-		-
CLC - Consultants	-	-	-	-	-		-
Total	$6876.19	$5766.20	$2426.20	$2235.39	$2466.21	$2666.19	$2406.21

5.0 PROPOSED WORK PROGRAM 2002-2003

The work programme for the next reporting period will consist of follow up drilling within EL8602 and mapping to delineate any possible anomalism geologically. The main focus within EL9537, 9538, 9539, 9540, 9578 & 9761 will be on analysis of the worms and definition of potential targets in regard to drilling and previous sampling. See Table 4 for proposed expenditures.

Table 4. Proposed expenditure 2002-2003

License	Proposed Expenditure
EL 8602	$ 40,000
EL 9537	$ 10,000
EL 9538	$ 5,000
EL 9539	$ 5,000
EL 9540	$ 5,000
EL 9578	$ 11,000
EL9761	$ 5,000
Total	$81,000

6.0 ENVIRONMENTAL

Environmental disturbance has been kept to a minimum wherever possible. Mature trees were not disturbed and trimming of vegetation was limited to small bushes and grasses in order to obtain line of sight in griding. All pads for drilling were cleared by hand and RAB holes were plugged with concrete plugs and backfilled. Surface sampling holes were all backfilled. All rubbish was removed from sites. See Appendix 1 for environmental register.

7.0 BIBLIOGRAPHY

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APPENDIX 1

Environmental Register

OTTER GOLD NL
TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER

ENVIRONMENTAL IMPACT RECORD

Tenement Name:	McFarlane	**No:**	EL's 8602, 9537, 9538, 9539, 9540, 9758 & 9761
Report Ref No's:	McFarlane 2nd Annual Report – August 2002		
Exploration Activities:	Regional Angle RAB drilling		
Grid & Traverses:	DGPS lines.		
Soil Sampling:			
Costeans/pits:			
Drilling:	EL 8602 - 44 Angle RAB holes		
Drill Traverses:	DGPS located – only bushes under 2m were knocked over to aid in line of site gridding.		
Drill Pads:	Cleared by hand and left to rehabilitate naturally		
Ground Geophysics:			
Access Track:	Drilling took place using existing tracks where available. A new vehicle track was put in place to access the Blackcat (EL8602) prospect as old tracks were not evident.		
Camps:	A regional 'fly' camp was set up on the Blackcat Drilling grid and removed when drilling was completed.		
Other:			
Compiled by:	Maryanne Muir	**Date:**	11/8/02

OTTER GOLD NL
TENEMENT ENVIRONMENTAL MANAGEMENT REGISTER

REHABILITATION RECORD

Tenement Name:	McFarlane	**No:**	EL's 8602, 9537, 9538, 9539, 9540, 9758 & 9761
Disturbance:	Med impact	**Rehabilitation Date:**	24/8/03

Grids & Traverses: DGPS lines left to rehabilitate naturally

Soil Sampling:

Costeans/pits:

Drilling: EL8602 – Angle RAB holes plugged with concrete plugs and backfilled – left to rehab naturally

Drill Pads/Access: Drill pads cleared by hand and left to rehab naturally

Ground Geophysics:

Access Tracks: Still required.

Camps: A regional 'fly' camp was set up on the Blackcat Drilling grid and removed when drilling was completed.

Other:

Inspected / Clearances: **Bond/Security released:**

Compiled by: Maryanne Muir **Date:** 11/8/02

Follow-up Inspection Report:

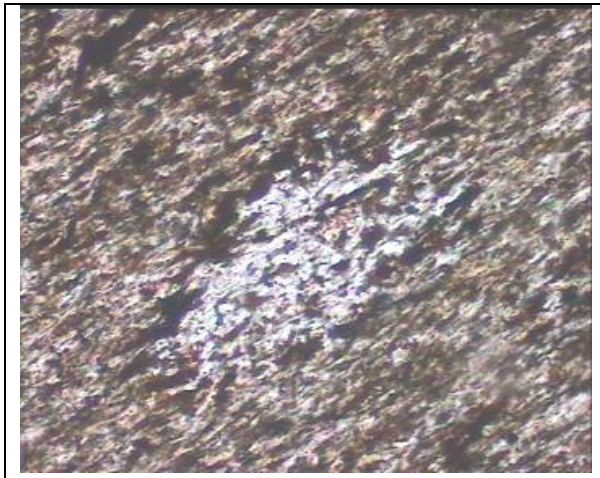
APPENDIX 2

Sampling Data

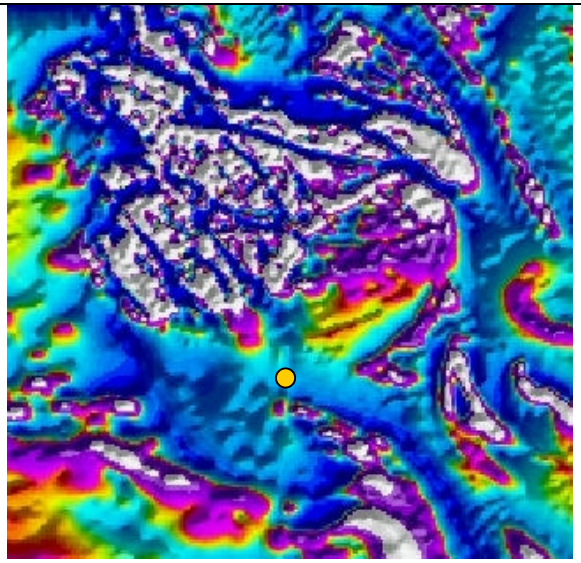
See attached files.

APPENDIX 3

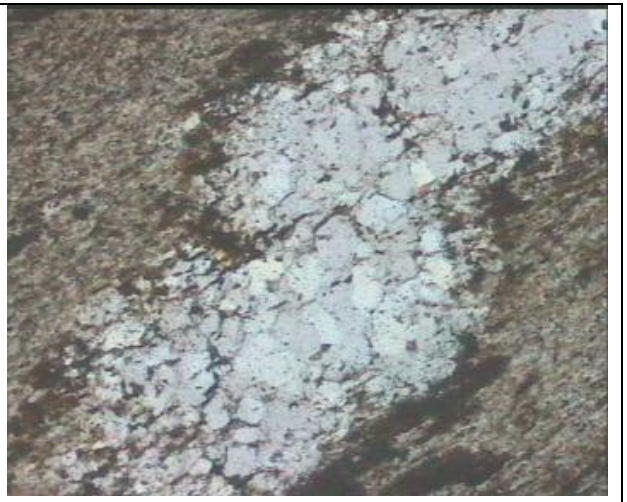
Petrological Data



Ghosted, attenuated Al-silicate (andalusite) porphyroblast within muscovite + biotite matrix.
600 µm, ppl



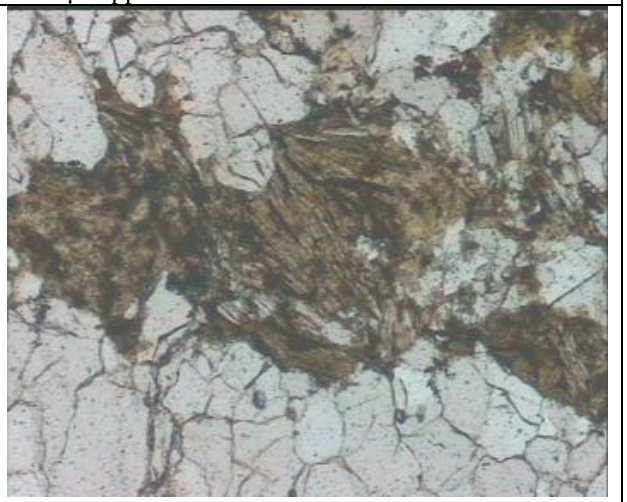
Black Cat



Ramping of strongly recrystallised quartz + biotite quartz veining in metamorphosed mudstone.
1200 µm ppl

Mylonitic fabric developed within thermally metamorphosed silty to sandy mudstone.
1200 µm, ppl

- Gold mineralisation is hosted by a sequence of metamorphosed interbedded sandstones, siltstones and mudstones and less voluminous dolerite (sill ?). The metamorphic history comprises an early low grade regional metamorphism overprinted by a thermal metamorphic event (peak grade) the textures of which have been modified by locally variable dynamic strain (at similar to lower temperatures).
- Gold mineralisation has a close spatial association with quartz veining that is genetically related to the thermal metamorphic event. The quartz veining together with the thermal metamorphic mineralogy has undergone strong dynamic strain. The evidence is that there was little fluid associated with the dynamic strain with which gold could have been significantly mobilised. From relatively undeformed vein textures and fluid inclusion petrography it is interpreted that quartz precipitated rapidly from a two phase fluid at greater than 300 °C.



Relatively strain-free quartz + biotite vein. Quartz (with undulatory extinction and some sub-grain boundaries is host to vapour-rich and liquid rich, CO2 and aqueous saline fluid inclusions.