

Otter Gold NL (100%)

TANAMI REGION
NORTHERN TERRITORY

2nd ANNUAL REPORT

For
EXPLORATION LICENCE

EL 10348

23rd JANUARY 2002 to 22nd JANUARY 2003

Volume 1 of 1

Newmont Report No: 31067

Compiled By: M.Muir

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

The contents of this report remain the property of Otter Gold NL and may not be published in whole or in part nor used in a company prospectus without written consent of the company.

OTTER GOLD NL

TITLE: 2nd ANNUAL REPORT FOR EL10348

PERIOD: 23rd JANUARY 2002 TO 22nd JANUARY 2003

REPORT No.: 31067

COMPILED BY: M. MUIR

LOCATION: TANAMI 1:250,000 SE 52-15
PARGEE 1:100,000 4758
TANAMI 1:100,000 4858

COMMODITY: GOLD

DATE: FEBRUARY 2003

KEYWORDS: BULK SAMPLING, GEOCHEMICAL SAMPLING, REGIONAL GEOLOGY, PROTEROZOIC, VERY LOW GOLD DETECTION ANALYSIS.

SUMMARY

Exploration Licence 10348 was granted on the 23rd of January 2001, for a period of six years. EL 10348 is located some 50km north west of the Tanami Mine. This is the second year of tenure.

During the second year of tenure, work was at a minimum due to nominal staff being assigned to the northern Tanami region. Other regions were designated as higher priority targets and thus attention. The take over of Otter Gold NL by Normandy NFM/Newmont also pushed the field season back with the uncertainty of staff positions and budgets.

Ongoing tenure of this licence by Otter Gold NL means that this report should remain **CLOSED FILE.**

TABLE OF CONTENTS

SUMMARY	2
1.0 INTRODUCTION	1
2.0 LOCATION AND ACCESS.....	1
2.1 LOCATION AND ACCESS	1
2.2 TENEMENT STATUS.....	1
2.3 TRANSFER OF COMPANY OWNERSHIP	1
3.0 GEOLOGY	3
3.1 REGIONAL GEOLOGY	3
3.2 LOCAL GEOLOGY	5
4.0 SUMMARY OF PREVIOUS EXPLORATION.....	5
4.1 EXPLORATION HISTORY PRE 2001	5
4.2 EXPLORATION HISTORY 2001-2002.....	5
5.0 WORK COMPLETED DURING 23RD JAN 2002 TO 22ND JAN 2003.....	5
6.0 EXPENDITURE FOR EL 10348 - 23RD JAN 2002 TO 22ND JAN 2003.....	10
7.0 PROPOSED 2003 - 2004 WORK PROGRAMME AND EXPENDITURE.....	11
8.0 REFERENCES	12

LIST OF FIGURES

Figure 1	Tenement Location Map
Figure 2	EL 10348 – Basement Geology
Figure 3	Geological Legend
Figure 4	EL 10348 – Regional Aeromagnetic – 1VD
Figure 5	EL 10348 – Regional Aeromagnetic – TMI

LIST OF TABLES

TABLE 1	Comparison of stratigraphic nomenclature
TABLE 2	Expenditure for EL 10348, 2001-2002
TABLE 3	Proposed Expenditure for EL 10348, 2002-2003

1.0 INTRODUCTION

Exploration Licence (EL) 10348 was granted to Otter Gold NL (OGNL) on 23rd January 2001 for a period of six years. The original 134 blocks covered 417km² and is wholly owned by Otter Gold NL (100%) and operated by Newmont Exploration.

During the second year of tenure, work was at a minimum due to nominal staff being assigned to the northern Tanami region. Other regions were designated as higher priority targets and thus attention. The take over of Otter Gold NL by Normandy NFM/Newmont also pushed the field season back with the uncertainty of staff positions and budgets.

2.0 LOCATION AND ACCESS

2.1 Location and Access

Exploration Licence 10348 is situated 50 kilometres northwest of the Tanami Mine (Figure 1). The Licence lies within the Suplejack Station Pastoral Lease. The major access to the Licence will be challenging and could be via Suplejack Station tracks and then via exploration tracks made by previous exploration companies or helicopter.

2.2 Tenement Status

EL 10348 comprises of 134 blocks covering an area of 417km². See Figure 1.

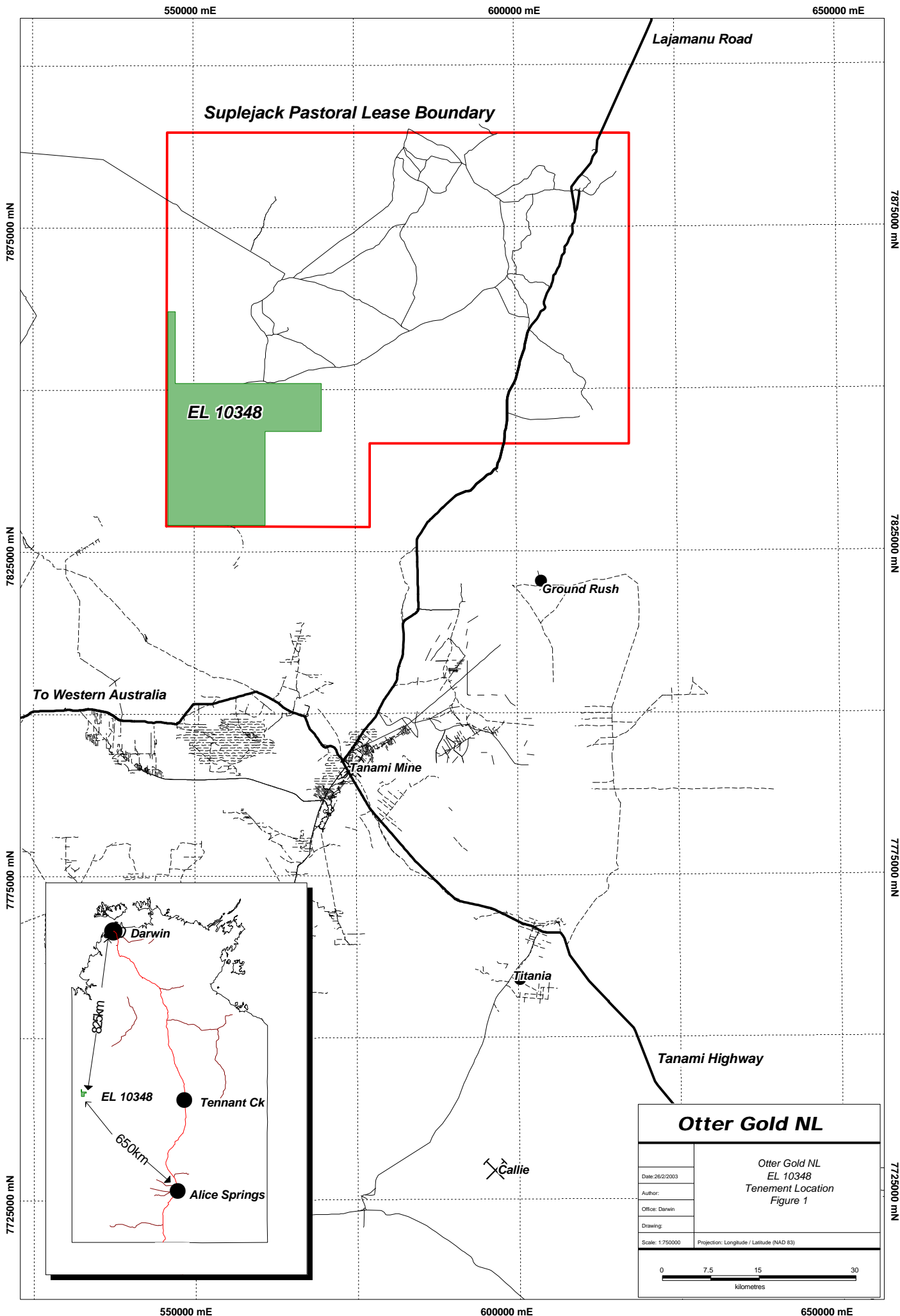
EL10348	Rent (incl.GST)	Covenant
1 st Year	\$1474	\$29,900
2 nd Year	\$1474	\$29,900

Exploration Licence 10348 was granted to Otter Gold NL on 23rd January 2001 for a period of six years. This is the second year of tenure.

This exploration licence is part of the Suplejack Indigenous Land Use Agreement (ILUA) executed 7th February 2000 and registered on the 30th October 2000 between the Central Land Council, Otter Gold NL and AngloGold Australasia. A copy was lodged with the Department of Minerals and Energy (currently the Department of Business, Industry & Resource Development) on the 21st November 2000 for title grant purposes.

2.3 Transfer of Company 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 (in which it (Normandy NFM) has a 60% interest as Otter Gold, the other 40% is controlled by AngloGold [formerly Acacia Resources Ltd]). By May 2002 Newmont Gold had taken over Normandy and had a *controlling* interest in Normandy NFM (now Newmont NFM) and thus Otter Gold NL.



3.0 GEOLOGY

3.1 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 (Hendrickx et al., 2000). The stratigraphy outlined by Blake et al (1979) has had some significant modifications (Table 1).

The Archaean Billabong Complex and Browns Range Metamorphics are the oldest rocks in the area. 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.

Blake et al (1979)						Hendrickx et al (2000)		
Birrindudu Group		Coomarie Sandstone				Birrindudu Group	Coomarie Sandstone	Suplejack Downs Sandstone
		Talbot Well Formation					Talbot Well Formation	
		Gardiner Sandstone					Gardiner Sandstone	
Suplejack Downs Sandstone						Nanny Goat Creek Volcanics Mount Winnecke Group Mount Charles Formation		
Mount Winnecke								
Pargee Sandstone								
Tanami Complex	Mt. Charles Beds	Killi Killi Beds	Nanny Goat Creek Beds	Nongra Beds	Helena Creek Beds	Tanami Group	Killi Killi Formation Twigg Formation Dead Bullock Formation	
						McFarlane Peak Group		
Archaean						Browns Range Metamorphics “Billabong Complex”		

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

Lying unconformably above the Archaean basement is the Palaeoproterozoic McFarlane Peak Group. These rocks are characterised by a thick sequence of mafic volcanic, volcanoclastic 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.

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 micaceous 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 Winnecke Group is also interpreted to lie unconformably over the Tanami Group. This group is divided into two units including siliciclastic 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 siliciclastic 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 its relationship is unclear. The Birrindudu group lie unconformably over the Browns Range Metamorphics, MacFarlane Peak Group, Tanami Group, Pargee Sandstone, Nanny Goat Creek Volcanics and Mount Winnecke Group.

Cenozoic 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.

3.2 Local Geology

EL 10348 is predominantly covered by Birrindudu Group cover sequence. There are significant outcrops of Gardiner Sandstone (sublithic arenite, quartz arenite, medium to coarse basal conglomerate, minor siltstone; medium to thinly bedded, cross bedded) Coomarie Sandstone (sublithic arenite, crossbedded, ripple marks) and Talbot Well Formation (sublithic arenite, chert, siltstone, limestone). These are folded about the Coomarie Granite. There also exist significant east west palaeochannels and lakes. There is a significant north west trending fault that truncates the Birrindudu Group in the east of the tenement. The southern portion of the lease is assumed to be Coomarie Granite that lies under cover. See Figure 2 for a representation of the basement geology provided by the Northern Territory Geological Survey. See Figure 2 and Figure 3. Figure 4 and 5 show the available regional composite geophysical data currently available to the author.

4.0 SUMMARY OF PREVIOUS EXPLORATION.

4.1 Exploration History Pre 2001

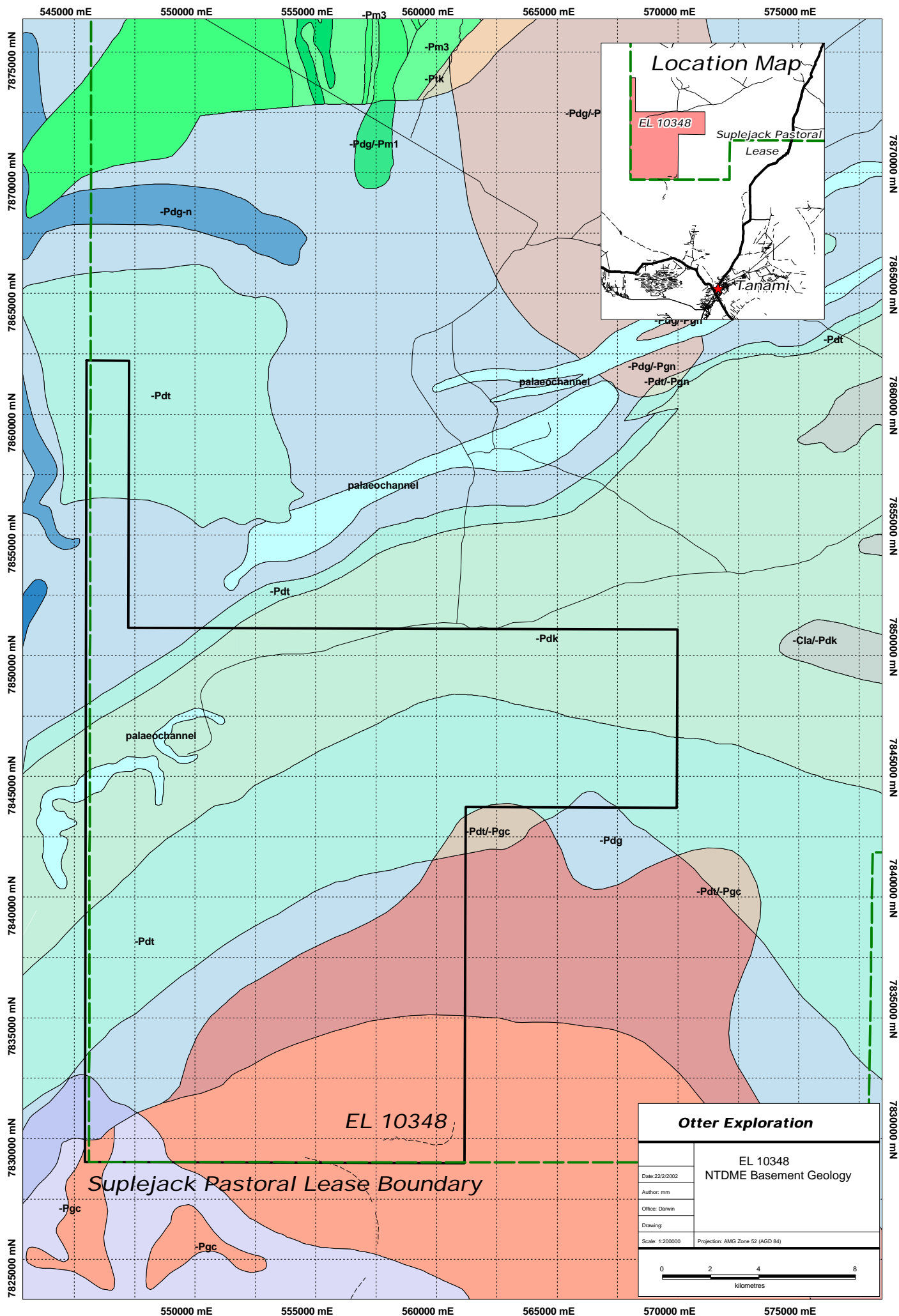
Sampling for diamonds was completed by Stockdale Prospecting. Regional loam bulk samples were taken. With these samples additional surface samples were taken and kept for most sites where a loam samples was taken. These samples were taken separately from the loam samples in 'geochem' packets. The samples were taken at a depth that did not exceed 20 centimetres. The samples were taken generally on a two kilometre by two kilometre grid. These samples were purchased by Otter Gold NL and assayed with the ALS ZARG technique (0.1ppb Au detection). A maximum of 0.5ppb Au was returned and regarded not to be significant in relation to the geological cover.

4.2 Exploration History 2001-2002

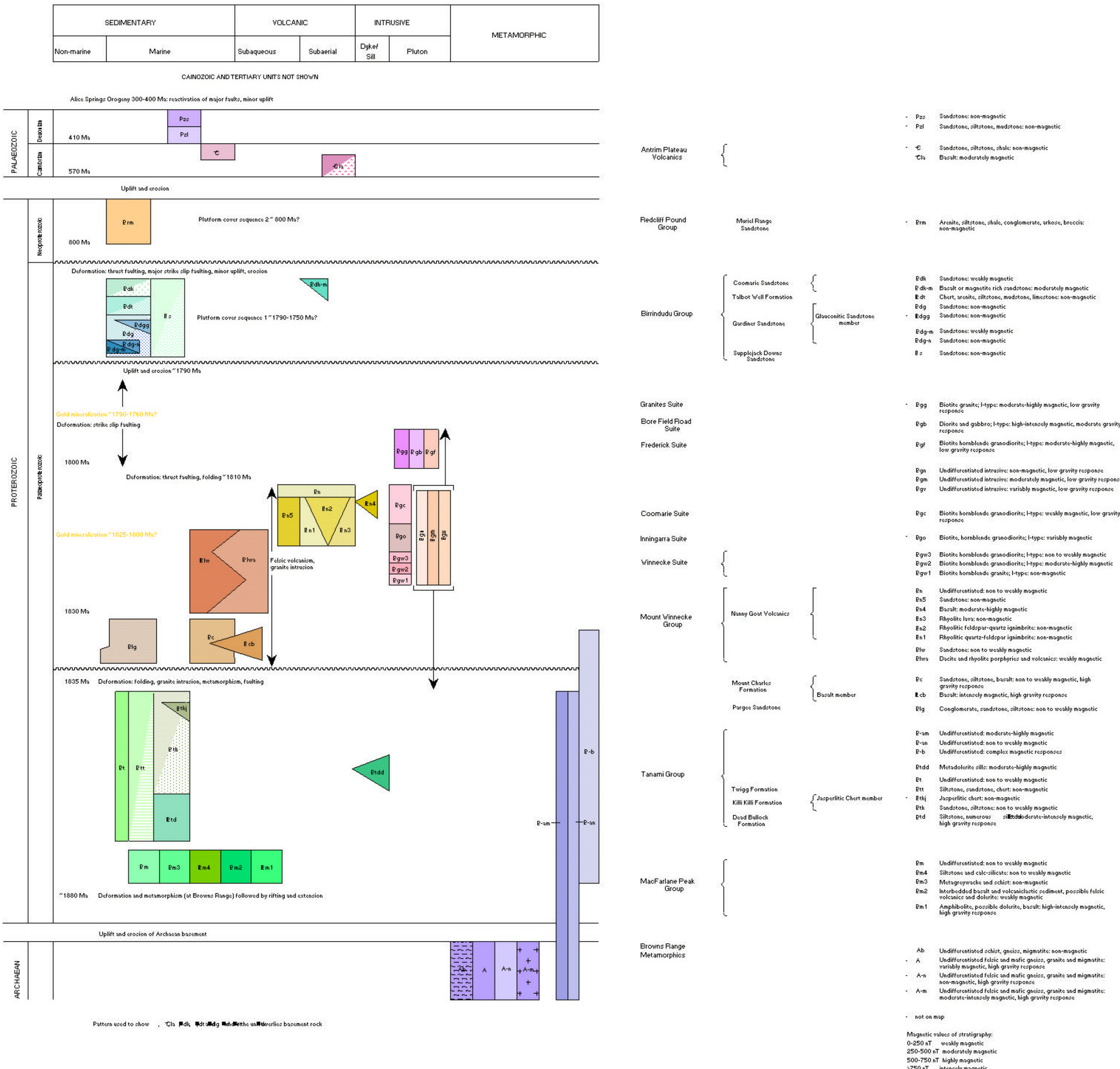
Work completed during 2001 within EL10348 involved the assessment of any geochemical targets and ranking them within the entirety of the Otter Gold NL database. No significant targets were identified.

5.0 WORK COMPLETED DURING 23RD JAN 2002 TO 22ND JAN 2003.

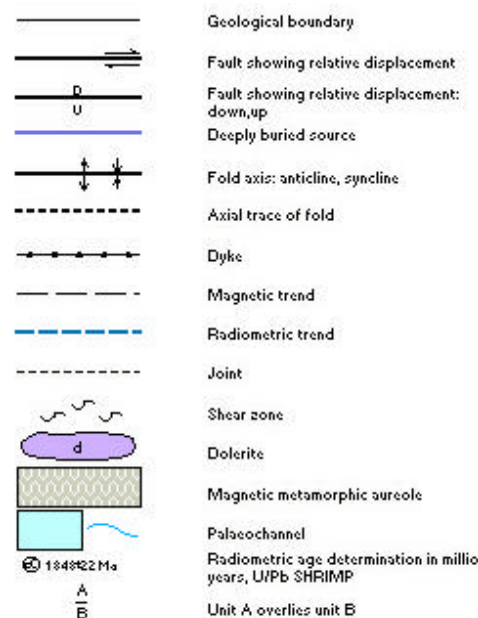
2002 – 2003: Second year work programmes were put on hold within this region due to minimal staff being assigned to the northern Tanami region. Other regions were designated as higher priority targets and thus attention. The take over of Otter Gold NL by Normandy NFM/Newmont also pushed the field season back with the uncertainty of staff positions and budgets.

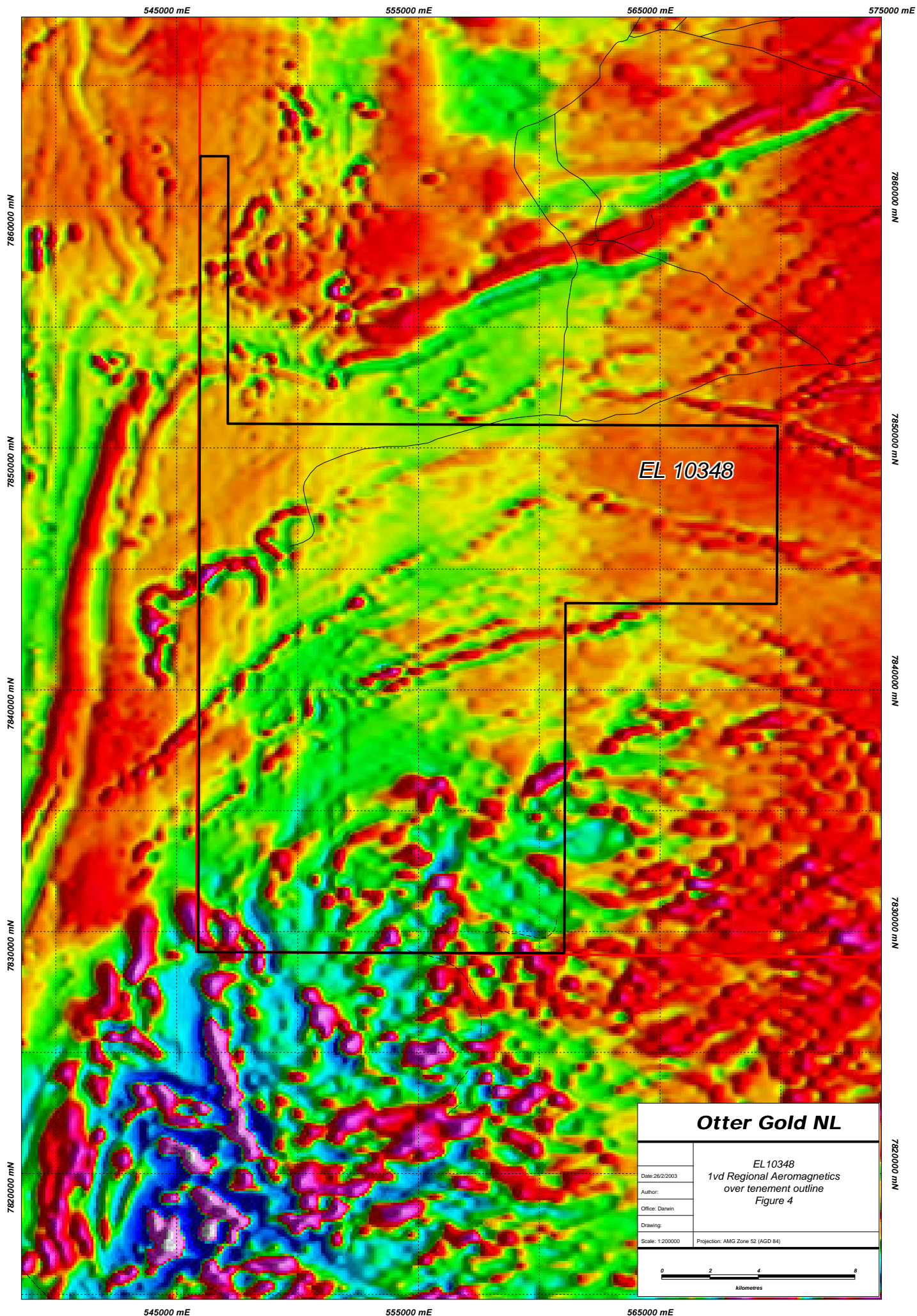


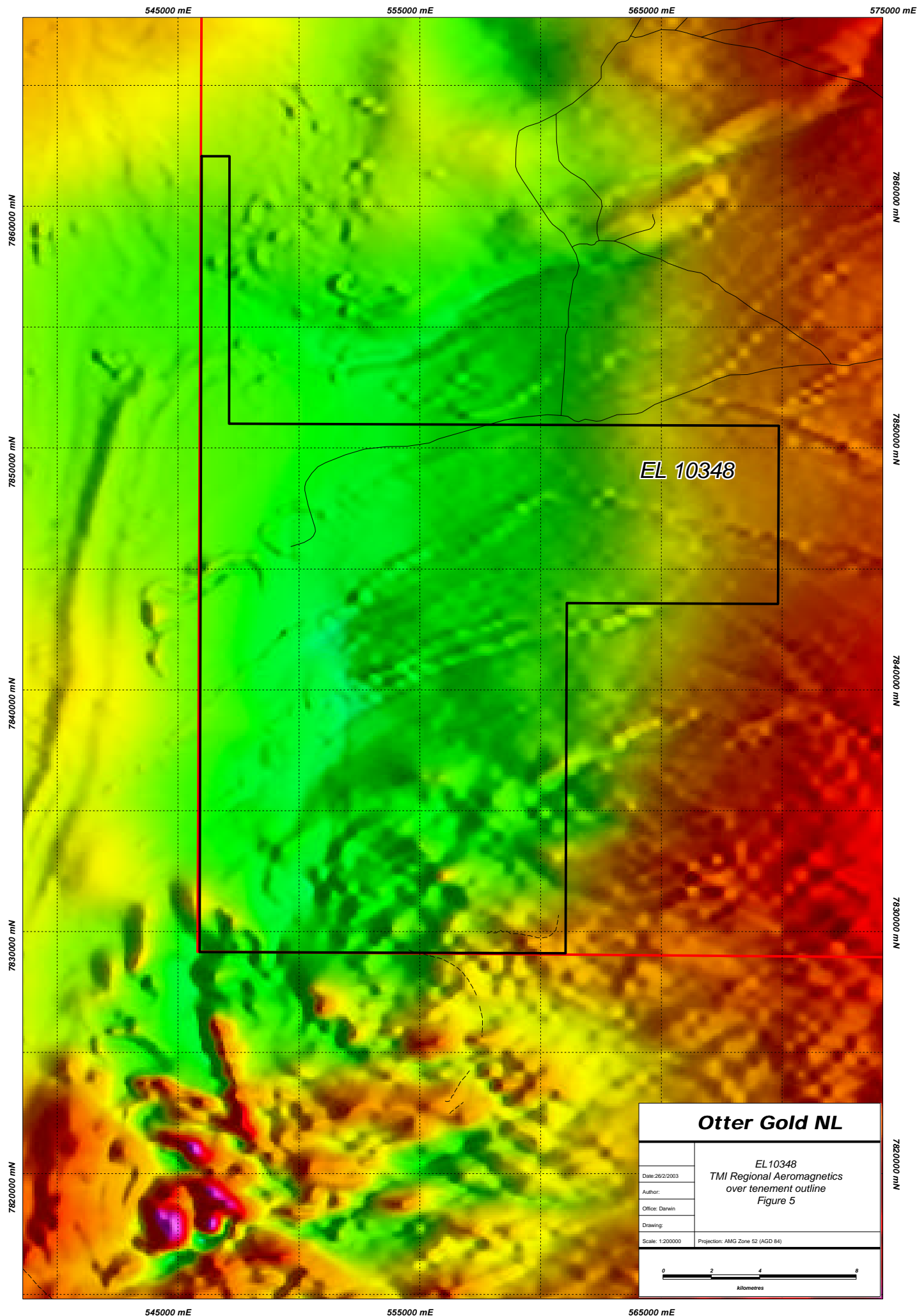
Legend for Regional Geology Map & Stratigraphy



GEOLOGICAL SYMBOLS







6.0 EXPENDITURE FOR EL 10348 - 23RD JAN 2002 TO 22ND JAN 2003.

Expenditure during this period was down considerably – there were problems associated with takeover pushing back the commencement of the field season to April – May where other targets have taken priority. The covenant for the year was \$29,900 *and was not met*.

Table 2: Expenditure for EL 10348 2002-2003

Categories	EL 10348 - Total	EL 10348 – admissible costs
Salary & Wages	\$1851.60	\$ 1851.60
General Administration	\$409.93	\$409.93
Tenements Fees / Rentals	\$1390.00	
Tenement Consultants	-	
CLC Compensation	-	
CLC Meetings	-	
CLC - Consultants	-	
Camp Allocations	-	
Survey	-	
Environmental	-	
Light Vehicles alloc	-	
Geology - Consultants	-	
Geology - Contractor	-	
Drilling _RAB	-	
Assaying - RAB & Other	-	
Geochemistry	-	
Petrology - Consultants	-	
Geophysics - Consultants	-	
General – Consultants	\$754.38	\$754.38
Withholding Tax	-	
Total	\$4405.91	\$3015.91

7.0 PROPOSED 2003 - 2004 WORK PROGRAMME AND EXPENDITURE

The work programme for the next reporting period will consist of an essential extensive background check of previous data obtained from work in the region. From this check surface sampling programmes should evolve with the possibility of drilling to confirm data. See Table 3 for proposed expenditures.

EL	EXPENDITURE
10348	\$14,000

Table 3: Proposed Expenditure for EL 10348 2003-2004

8.0 REFERENCES

Blake, D.H., Hodgson, I.M., and Muhling, P.C., 1979, *Geology of the Granites-Tanami Region*, Bur. Min. Res. Geol. Aust. Bull, No. 197.

Hendrickx M.A., Slater K.R., Crispe A.J., Dean A.A., Vandenberg L.C., and Smith J.B., 2000. Palaeoproterozoic stratigraphy of the Tanami Region: regional correlations and relation to mineralisation – preliminary results. Northern Territory Geological Survey. Geological Survey Record GS 2000-13.

Hodgson, C. J., 1975, Tanami, Northern Territory, 1:250,000 Geological Series: Explanatory Notes.

Muir, M., 2002, *NT DBIRD 1st Annual Report for EL 10348 (January 2001-2002)*, Otter Gold NL Unpublished Company Report

Tunks, A. J., 1996, *Geology of the Tanami Gold Mine, Northern Territory.* Unpublished PhD Thesis, University of Tasmania.